Chapter 1 Introduction to human resource management

<u>Definition</u> - Edwin Flippo defies HRM as "planning, organizing, directing, controlling of procurement, development, compensation, integration , maintenance and separation of human resources to the end that individual, organizational and social objectives are achieved."

Features of HRM or characteristics or nature

1. HRM involves management functions like planning, organizing, directing and controlling

2. It involves procurement, development, maintenance of human resource

3. It helps to achieve individual, organizational and social objectives

4. HRM is a mighty disciplinary subject. It includes the study of management psychology communication, economics and sociology.

5. It involves team spirit and team work.

Scope of HRM/functions of HRM

The scope of HRM refers to all the activities that come under the banner of HRM. These activities are as follows

1. **Human resources planning**: -
   Human resource planning or HRP refers to a process by which the company to identify the number of jobs vacant, whether the company has excess staff or shortage of staff and to deal with this excess or shortage.

2. **Job analysis design:** -
   Another important area of HRM is job analysis. Job analysis gives a detailed explanation about each and every job in the company. Based on this job analysis the company prepares advertisements.

3. **Recruitment and selection**: -
   Based on information collected from job analysis the company prepares advertisements and publishes them in the newspapers. This is recruitment. A number of applications are received after the advertisement is published, interviews are conducted and the right employee is selected thus recruitment and selection are yet another important area of HRM.

4. **Orientation and induction:** -
   Once the employees have been selected an induction or orientation program is conducted. This is another important area of HRM. The employees are informed about the background of the company, explain about the organizational culture and values and work ethics and introduce to the other employees.

5. **Training and development:** -

Every employee goes under training program which helps him to put up a better performance on the job. Training program is also conducted for existing staff that have a lot of experience. This is called refresher training. Training and development are one area where the company spends a huge amount.

6. **Performance appraisal:** -

Once the employee has put in around 1 year of service, performance appraisal is conducted that is the HR department checks the performance of the employee. Based on these appraisal future promotions, incentives, increments in salary are decided.

7. **Compensation planning and remuneration**: -

There are various rules regarding compensation and other benefits. It is the job of the HR department to look into remuneration and compensation planning.

8. **Motivation, welfare, health and safety**: -

Motivation becomes important to sustain the number of employees in the company. It is the job of the HR department to look into the different methods of motivation. Apart from this certain health and safety regulations have to be followed for the benefits of the employees. This is also handled by the HR department.

9. **Industrial relations: -**

Another important area of HRM is maintaining co-ordinal relations with the union members. This will help the organization to prevent strikes lockouts and ensure smooth working in the company.

Challenges before the HR manager/before modern personnel management

Personnel management which is know as human resource management has adapted itself to the changing work environment, however these changes are still taking place and will continue in the future therefore the challenges before the HR manager are

1. **Retention of the employees**: -

One of the most important challenge the HR manager faces is retention of labour force. Many companies have a very high rate of labour turnover therefore HR manager are required to take some action to reduce the turnover

2. **Multicultural work force**: -

With the number of multi-cultural companies are increasing operations in different nations. The work force consists of people from different cultures. Dealing with each of the needs which are different the challenge before the HR manager is integration of multicultural labour work force.

3. **Women in the work force**: -

The number of women who have joined the work force has drastically increased over a few years. Women employees face totally different problems. They also have responsibility towards the family. The organization needs to consider this aspect also. The challenge before the HR manager lies in creating gender sensitivity and in providing a good working environment to the women employees.

4. **Handicapped employees**: -

   This section of the population normally faces a lot of problems on the job, very few organizations have jobs and facilities specially designed for handicapped workers. Therefore, the challenge before the HR manager lies in creating atmosphere suitable for such employees and encouraging them to work better.

5. **Retrenchment for employees**: -

   In many places' companies have reduced the work force due to changing economic situations, labourers or workers who are displaced face severe problems. It also leads to a negative atmosphere and attitude among the employees. There is fear and increasing resentment against the management. The challenge before the HR manager lies in implementing the retrenchment policy without hurting the sentiments of the workers, without antagonizing the labour union and by creating positive attitude in the existing employees.

6. **Change in demand of government**: -

   Most of the time government rules keep changing. While a lot of freedom is given to companies some strict rules and regulations have also been passed. The government has also undertaken the disinvestment in certain companies due to which there is fear among the employees regarding their job. The challenge before the HR manager lies in convincing employees that their interest will not be sacrificed.

7. **Initiating the process of change**: -

   Changing the method of working, changing the attitude of people and changing the perception and values of organization have become necessary today. Although the company may want to change it is actually very difficult to make the workers accept the change. The challenge before the HR manager is to make people accept change.

Significance/importance/need of HRM

HRM becomes significant for business organization due to the following reasons.

1. **Objective**: -

   HRM helps a company to achieve its objective from time to time by creating a positive attitude among workers. Reducing wastage and making maximum use of resources etc.

2. **Facilitates professional growth**: -

   Due to proper HR policies employees are trained well and this makes them ready for future promotions. Their talent can be utilized not only in the company in which they are currently working but also in other companies which the employees may join in the future.

3. **Better relations between union and management**: -

   Healthy HRM practices can help the organization to maintain co-ordinal relationship with the unions. Union members start realizing that the company is also interested in the workers and will not go against them therefore chances of going on strike are greatly reduced.

4. **Helps an individual to work in a team/group**: -

Effective HR practices teach individuals team work and adjustment. The individuals are now very comfortable while working in team thus team work improves.

5. **Identifies person for the future**: -

Since employees are constantly trained, they are ready to meet the job requirements. The company is also able to identify potential employees who can be promoted in the future for the top-level jobs. Thus, one of the advantages of HRM is preparing people for the future.

6. **Allocating the jobs to the right person**: -

If proper recruitment and selection methods are followed, the company will be able to select the right people for the right job. When this happens the number of people leaving the job will reduce as the will be satisfied with their job leading to decrease in labour turnover.

7. **Improves the economy**: -

Effective HR practices lead to higher profits and better performance by companies due to this the company achieves a chance to enter into new business and start new ventured thus industrial development increases and the economy improves.

The objectives of HRM may be as follows:

1. To create and utilize an able and motivated workforce, to accomplish the basic organizational goals.
2. To establish and maintain sound organizational structure and desirable working relationships among all the members of the organization.
3. To secure the integration of individual or groups within the organization by co-ordination of the individual and group goals with those of the organization.
4. To create facilities and opportunities for individual or group development so as to match it with the growth of the organization.
5. To attain an effective utilization of human resources in the achievement of organizational goals.
6. To identify and satisfy individual and group needs by providing adequate and equitable wages, incentives, employee benefits and social security and measures for challenging work, prestige, recognition, security, status.
7. To maintain high employees morale and sound human relations by sustaining and improving the various conditions and facilities.
8. To strengthen and appreciate the human assets continuously by providing training and development programs.
9. To consider and contribute to the minimization of socio-economic evils such as unemployment, under-employment, inequalities in the distribution of income and wealth and to improve the welfare of the society by providing employment opportunities to women and disadvantaged sections of the society.

10. To provide an opportunity for expression and voice management.
11. To provide fair, acceptable and efficient leadership.
12. To provide facilities and conditions of work and creation of favorable atmosphere for maintaining stability of employment.

Process of HRM

1. Human resource planning (Recruitment, Selecting, Hiring, Training, and various other processes).
2. Remuneration to employees and other benefits
3. Performance management
4. Employee relations

This is the most significant and primary process for formulating appropriate strategy for the organisation. This includes putting the right person in the right place according to his skills and achievements. It starts with the recruitment and goes until the proper training of the employee so that he becomes an asset for the company.
The general HRM processes are as follows:

1. Recruitment
It is a positive process of posting job openings and attracting prospective employees to apply for their desired job openings in an organisation so that the eligible candidate can be selected.

2. Selection
Selection is quite a necessary process in HRM. It involves eliminating the unsuitable candidates through the process of tests or interviews and identifying the suitable ones, which are the best fit for the positions.

3. Hiring
This entails to the process of officially offering the job to the ideal candidate and giving them the date of joining.

4. Training and development
The hired candidates are given training and their skills are brushed so that they become more efficient in their work and handle future challenges.

Performance management
There should be proper management of the work done and the future goals. Performance management refers to appraising the performance of the employees and enhancing it. For such a management, it is necessary to encourage the employees so as to raise their confidence levels. This can be done by providing them with fair rewards so that they work in their optimum productivity levels.

Remuneration to employees and benefits
Fair salary or remuneration plays a very important role in motivating an employee to accomplish organisational goals. If the employees get rewards for their best performance, they will get job satisfaction. The rewards not just includes salaries, but it also includes incentives and fringe benefits.

Employee Relations

There should be a sound relation between the employee and the organisation. There are various factors which motivate as well as demotivate the employees to stick with the organisation. These factors include working environment, laboor law and relations, compensation, etc. The employers must ensure all these factors to build employee relationships that in turn garner better employee retention.

HR Policies

HR policies are also defined as that **body of principles and rules of conduct which govern the enterprise in its relationship with employees**. Such a policy statement provides guidelines for a wide variety of employment relationships in the organization.

The exact list of policies you need to include in your employee handbook will depend on a number of factors, the size, location, industry, and the unique needs of your organization. However, there are several key policies that most organizations deem necessary to have, regardless of circumstances.

Code of conduct

Code of conduct outlines the company's expectations of its employees in terms of behavior, defining what is acceptable and what is not, and keeping the workplace safe and comfortable for everyone. It usually addresses issues such as:

- Dress code
- Social media use
- Punctuality
- Alcohol and drug use
- Harassment and bullying

Recruitment policy

The recruitment policy usually sets out criteria for candidate selection and outlines the new employee onboarding process. In case you have an employee referral program, include it in this policy.

Termination policy

The termination policy, on the other hand, describes how an employee is expected to give their resignation and the amount of notice required. It may also list the employee actions that may result in termination.

Working hours and overtime policy

This policy needs to state how flexible the work hours are, when breaks can be taken and for how long, and how to clock in and out. Explain how overtime work is handled and compensated.

Attendance and remote work policy

This policy specifies whether the employees are expected to work from the office or from home. If your team is allowed to work remotely, consider including relevant procedures, such as how to request a home office allowance.

Performance evaluation and promotion policy

The performance evaluation policies are there to transparently communicate to the employees how their jobs are graded and how performance is rewarded. It's there to ensure that all employees are treated fairly and can be a great motivational tool.

Health and safety policy

No matter what industry your company belongs to, workplace injuries can be a risk. The health and safety policy is there to outline the procedures and responsibilities of all employees to keep the workplace safe for everyone.

Expense policy

Explain how expenses should be handled, for example, when employees go on business trips or organize team events. In case they are expected to spend their own money, describe the costs they can be reimbursed for and the procedures for doing so.

Benefits and compensation policy

Your employees need to know when and how they will get paid and what benefits they will receive. The policy should outline the payroll frequency and payment methods, and list the additional benefits your business offers, such as medical benefits, wellness programs, bonuses, allowances, and so on.

Leave policy

Taking a certain amount of time off work is what helps your team stay healthy, happy, and productive. Let your employees know how long they are allowed to be away from work and how they can request leave. Include specific policies that pertain to vacation, sick leave, public holidays, childbirth, and so on.

Depending on your country and the industry you are in, there may be additional HR policies and procedures you are legally required to include in your staff handbook. Make sure to consult with a lawyer to make sure you haven't missed anything important.

HR as a factor of competitive advantage

The general idea of the competitive advantage (CA) is pretty clear and transparent. Every growing company tries to gain the advantage to expand its business and increase profitability. To do so, the company must be aware of every single competitor in the industry, and it should be able to foresee their behavior, too.

The organization will have to come up with a strategy to ensure that the competitor is not going to take over the market share. Just copying the stunning company culture, values, and decision-making processes is not the solution, as these components can't be transferred across companies or even businesses without adjusting them.

Every organization has individual business goals which contribute to developing a CA strategy. Your HR strategy should also be developed to achieve these goals by attracting and retaining workers with specific benefits that support competitive strategies. These benefits may include:

- Employee empowerment and participation
- Employment security
- Selective recruiting
- Incentive pay
- Support and respect from the management
- High competitive wages
- Wage compression
- Employee ownership
- Independence
- Information sharing
- Training and development of skills
- Promotion

While choosing and hiring workers, these traits need to be evaluated on candidates as part of the recruiting process. For current employees, these benefits can be developed in the company's corporate culture.

Role of HR Manager

1. **Recruiting and hiring** – It is a process of discovering sources of manpower and employing effective measures for attracting that manpower in adequate numbers to facilitate the selection of an efficient working force in an organization.

2. **Training and development** – These processes help in enhancing and enabling the capacities of people to build their strengths and confidence in order for them to deliver more effectively.

3. **Competency development** – Competency is a cluster of related knowledge, skills, and attitude that affect a major part of one's job. It can be improved by means of training and development.

4.**Organization development** – It is an organization-wide effort to increase its effectiveness and viability, and move towards growth.

5**. Communication** – It is an activity that involves conveying meaningful information. At all times, the HR must convey all relevant information to the employees.

6. **Performance management** – It focuses on improving the performance of the organization, employees, and various other services.

7. **Employee relations** – This is a concept that works towards bettering the relations among the employees, as well as between the employee and the management.

8. **Coaching, mentoring, and counselling** – It is a practice of supporting an individual and helping him overcome all his issues in order to perform better.

9. **Policy recommendation** – Policy recommendations help to streamline management practices and reduce employee grievances. For example, a manager who is more than 35 years and, who possesses a minimum experience of 7 years, is entitled to receive the benefits stated in the company's administrative manual.

10. **Wages, salary, and compensation benefits** – These benefits are provided to the employees to keep them motivated towards their work and the organization.

11. **Talent management and employee engagement** – It is a management concept that works towards retaining the talent by engaging the person in a way which would further the organization's interest.

12. **Leadership development** – This activity refers to enhancing the quality and efficiency of a leader in an organization.

13. **Team building** – It focuses on bringing out the best in a team to ensure development of an organization, and the ability to work together closely to achieve goals.

14. **Networking and partnering** – It is also important to build relations with the external stakeholders, including the customers and suppliers for better business.

Unit – 2
MANPOWER PLANNING

Manpower planning is the process of estimating the optimum number of people required for completing a project, task or a goal within time. Manpower planning includes parameters like number of personnel, different types of skills, time period, demand and supply trends, organizational strategy etc. It is a never-ending continuous process to make sure that the business has the optimized resources available when required taking into consideration the upcoming future projects and also the replacement of the outgoing employees. It is also called as Human Resource Planning.

Need of Manpower Planning

Manpower Planning is a two-phased process because manpower planning not only analyses the current human resources but also makes manpower forecasts and thereby draw employment programmes. Manpower Planning is advantageous to firm in following manner:

1. Shortages and surpluses can be identified so that quick action can be taken wherever required.
2. All the recruitment and selection programmes are based on manpower planning.
3. It also helps to reduce the labour cost as excess staff can be identified and thereby overstaffing can be avoided.
4. It also helps to identify the available talents in a concern and accordingly training programmes can be chalked out to develop those talents.
5. It helps in growth and diversification of business. Through manpower planning, human resources can be readily available and they can be utilized in best manner.
6. It helps the organization to realize the importance of manpower management which ultimately helps in the stability of a concern.

Importance of Manpower Planning

1. **Key to managerial functions-** The four managerial functions, i.e., planning, organizing, directing and controlling are based upon the manpower. Human resources help in the implementation of all these managerial activities. Therefore, staffing becomes a key to all managerial functions.
2. **Efficient utilization-** Efficient management of personnel becomes an important function in the industrialization world of today. Setting of large-scale enterprises require management of large-scale manpower. It can be effectively done through staffing function.
3. **Motivation-** Staffing function not only includes putting right men on right job, but it also comprises of motivational programmes, i.e., incentive plans to be framed for further participation and employment of employees in a concern. Therefore, all types of incentive plans become an integral part of staffing function.
4. **Better human relations-** A concern can stabilize itself if human relations develop and are strong. Human relations become strong trough effective control, clear communication, effective supervision and leadership in a concern. Staffing function also looks after training and development of the work force which leads to co-operation and better human relations.
5. **Higher productivity-** Productivity level increases when resources are utilized in best possible manner. higher productivity is a result of minimum wastage of time, money, efforts and energies. This is possible through the staffing and its related activities (Performance appraisal, training and development, remuneration)

Manpower Planning Process

HR department of every company has to constantly keep an eye on the human resources that the company has. With every possible event like change industry dynamics, increase in business requirements, skills required for a particular technology etc, the need for having better resources increases.

The process and steps for manpower planning are as below:

1. Understanding the existing workforce

The HR department has to thoroughly understand the manpower available with the company. They should examine the background, skill set, qualification, location etc. of the entire work force so that they have a good idea regarding the pool of talent which the company has.

2. Forecasting for the future

With constant changes in business requirements, companies must understand the future trend and which type of employees would be best suited for their organization.

Hence, companies must examine, evaluate and forecast the type of employee workforce they want in the future years

3. Recruitment and selection

Depending upon the business requirements, manpower planning leads to a much more well thought out recruitment and selection pattern. This totally depends upon the forecasts made and the business requirements. Hence, candidates with better qualification, skill set, experience etc. are shortlisted as employees to best suit the future needs.

4. Training the employees

Employees who are a part of the organization are trained to have the best skills, knowledge and understanding about the current job as well as the future requirements.

All these above mentioned manpower planning steps help organizations become better prepared to adapt to new technology, future industry developments and even to face off with competitors.

Downsizing and outplacement

Downsizing is **the permanent reduction of a company's labor force by removing unproductive workers or divisions**. While it is generally implemented during times of stress and a decline in revenues, downsizing can also be used to create leaner and more efficient businesses.

Downsizing refers to reduction of the size of the organization by resorting to reducing costs by writing off unprofitable operations and improving organizational efficiency.

In downsizing many workers are thrown out of the job and many survivors are forced to work in an uncertain work environment.

Downsizing is also given such names as restructuring and rightsizing. Irrespective of the name used, it almost always means reducing the size of the organizations permanent full-time staff. Organizations resort to downsizing to solve the problem of surplus staff and thereby improve their financial position, work efficiency, and competitiveness.

Outplacement is **the process an organization offers to employees whose employment is ending, in order to facilitate their transition to a new job**. Outplacement is a formal and professional programmed involving various services and guidance.

Downsizing – Reasons for Downsizing in Organizations

Organizations may go for downsizing for a variety of reasons; some of the major ones include the following:

1. **To Solve the Problem of Initial Over-Staffing:**
Due to faulty HR planning or to fulfil social commitment, some organizations may employ more employees as against their actual requirement. Most government departments and public sector enterprises of Government of India face the problem of over-staffing. This is because the government has the social responsibility to reduce unemployment in the country.

2. To Deal with the Adverse Consequences of Economic Recession:
Recently, many organizations, under the pressure of the global economic recession, downsized their organizations by laying off or retrenching employees. For example, Tata Motors laid off 6,000 temporary workers to tide over economic recession. Citigroup, an American financial company, axed 52,000 jobs globally, and its Indian arm, Citi India, laid off 37 employees, including senior executives.

3. To Take Advantage of Technological Advancements:

n the present times, rapid developments are taking place on the technology front. Automation, computers, and the internet have changed the way business operations are carried out. Due to this, the man-machine ratio has undergone a drastic change. Today, an organization requires

less manpower to perform the same amount of work, if not more. Thus, technological developments made downsizing of organizations somewhat inevitable.

4. To Concentrate on Core Activities and to Outsource Non-Core Activities:
To be successful in today's competitive environment, most organizations prefer to concentrate on activities in which they have core competence and outsource non-core activities. As a result, people employed in non-core activities become surplus, thereby necessitating the need to downsize the organization.

1. Role of an HR Manger in Downsizing:

The main challenge before an HR manager would always be to make efforts to save jobs and retain talented employees. This is consistent with the HR philosophy that employees are valuable assets and the intellectual capital.

However, when trimming of workforce becomes inevitable, an HR manager can take the following steps/measures to give effect to downsizing with minimum negative consequences –

i) Proper Communication with Employees:
The first and the foremost task of an HR manager is to communicate with the employees and explain to them the pressing reasons for downsizing. This will help minimize the negative effects of rumors and ensure implementation of downsizing with no or low resistance.

(ii) Convincing Employees' Unions and Winning their Support:
In order to smoothly implement downsizing, the HR manager must also communicate with employees' unions and convince them about the need to downsize. In India, the policy of 'hire and fire' is not admired. It is often resisted by trade unions, as was observed recently in Jet Airways. It first sacked 800 employees and announced that 1,100 more will be fired. However, a strong protest from trade unions made the organization retract its statement within 24 hours.

(iii) Providing Outplacement Services:
Outplacement services are services which HR personnel provide to assist displaced employees find placements outside the organization. These include finding alternative jobs, referral assistance, resume preparation, and personal career counselling. Such a service goes a long way in winning the confidence of displaced employees and will also not severely dent the reputation of the organization.

(iv) Working out Alternatives to Termination:

As far as possible, HR professionals must convince the company's top management to terminate the services of the surplus staff only as the last option, and try other methods to deal with the problem of over-staffing.

Some of these alternative methods may include the following:

(a) Retaining all Employees with Reduced Work Hours:

Working hours of all employees may be reduced by 20 per cent (say, from 40 hours a week to 32 hours a week). In this way, the company can spread 20 per cent decrease in work hours (and a corresponding decrease of 20 per cent in pay) equitably across the entire workforce. This will help the organization prevent the termination of 20 per cent surplus staff while still affecting a 20 per cent decrease in costs incurred.

(b) Transferring/Reassigning Surplus Staff within the Organization:

At times, it happens that the problem of surplus staff is not spread throughout the organization, but is specific to a few sections. In such a situation, the HR manager may transfer employees from the department where there is surplus staff to departments facing a staff shortage.

(c) Offering Incentives for Early Retirement:

To solve the problem of surplus staff with minimum pain, the organization can incentivize employees to volunteer for early retirement by offering them additional 'separation' payments. Also known as 'early retirement buyout', 'VRS', or 'golden handshake', this method is widely used to encourage senior workers to leave the organization early.

(d) Attrition and Hiring Freezes:

Attrition occurs when individuals quit, die, or retire and are not replaced. By use of attrition, no one is cut out of a job. However, the remaining employees are required to the handle the increased workload. Unless turnover is high, attrition will eliminate only a relatively small number of employees in the short run. Therefore, employers may combine attrition with a freeze on hiring. Employees usually understand this approach better than other methods of downsizing.
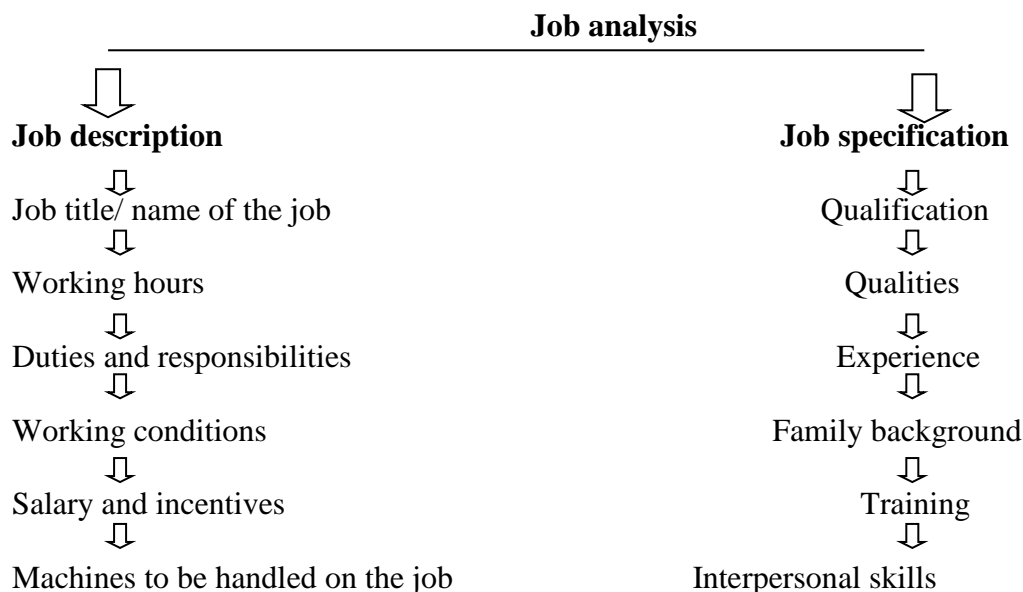
(e) Laying Off Employees:

A layoff is a temporary separation of employees and it is done at the instance of the employer. During the period of lay-off, employees are put on unpaid leaves of absence. Economic recession, breakdown of machinery, shortage of power, frequent interruptions in

supply of raw materials, etc. are some of the reasons for lay-offs. When business improves for the employer, the employees can be called back to work.

Job analysis, job design

Define job analysis
A job is defined as a collection of duties and responsibilities which are given together to an individual employee. Job analysis is the process of studying and collecting information relating to operations and responsibilities of a specific job. It can be explained with the help of the following diagram

Job analysis

Job description	Job specification
⇩	⇩
Job title/ name of the job	Qualification
⇩	⇩
Working hours	Qualities
⇩	⇩
Duties and responsibilities	Experience
⇩	⇩
Working conditions	Family background
⇩	⇩
Salary and incentives	Training
⇩	⇩
Machines to be handled on the job	Interpersonal skills

As mentioned in the above table job analysis is divided into 2 parts
a) Job description
where the details regarding the job are given.
b) Job specification
where we explain the qualities required by people applying for the job.

Need/importance/purpose/benefits of job analysis

Def: - A job is defined as a collection of duties and responsibilities which are given together to an individual employee. Job analysis is the process of studying and collecting information relating to operations and responsibilities of a specific job.
The following are the benefits of job analysis.

   1. **Organizational structure and design:** -

Job analysis helps the organization to make suitable changes in the organizational structure, so that it matches the needs and requirements of the organization. Duties are either added or deleted from the job.

2. **Recruitment and selection**: -

Job analysis helps to plan for the future human resource. It helps to recruit and select the right kind of people. It provides information necessary to select the right person.

3. **Performance appraisal and training/development:** -

Based on the job requirements identified in the job analysis, the company decides a training program. Training is given in those areas which will help to improve the performance on the job. Similarly, when appraisal is conducted, we check whether the employee is able to work in a manner in which we require him to do the job.

4. **Job evaluation**: -

Job evaluation refers to studying in detail the job performance by all individual. The difficulty levels, skills required and on that basis the salary is fixed. Information regarding qualities required, skilled levels, difficulty levels are obtained from job analysis.

5. **Promotions and transfer**: -

When we give a promotion to an employee, we need to promote him on the basis of the skill and talent required for the future job. Similarly, when we transfer an employee to another branch the job must be very similar to what he has done before. To take these decisions we collect information from job analysis.

6. **Career path planning:** -

Many companies have not taken up career planning for their employees. This is done to prevent the employee from leaving the company. When we plan the future career of the employee, information will be collected from job analysis. Hence job analysis becomes important or advantageous.

7. **Labour relations**: -

When companies plan to add extra duties or delete certain duties from a job, they require the help of job analysis, when this activity is systematically done using job analysis the number of problems with union members reduce and labour relations improve.

8. **Health and safety:** -

Most companies prepare their own health and safety, plans and programs based on job analysis. From the job analysis company identifies the risk factor on the job and based on the risk factor safety equipments are provided.

9. **Acceptance of job offer**: -

When a person is given an offer/appointment letter the duties to be performed by him are clearly mentioned in it, this information is collected from job analysis, which is why job analysis becomes important.

Job design

Definitions: -
Job design is the process of
   a) Deciding the contents of the job.
   b) Deciding methods to carry out the job.
   c) Deciding the relationship which exists in the organization.

Job analysis helps to develop job design and job design matches the requirements of the job with the human qualities required to do the job.

Factors affecting job design: - There are various factors which affect job design in the company. They can be explained with the help of diagram.

Factors affecting job design

Organizational factors	Environmental factors	Behavioral factors
1. Task characteristics	1. Employee availability and ability	1. Feed back
2. Process or flow of work in organization	2. Social and cultural expectations	2. Autonomy
3. Ergonomics		3. Variety
4. Work practices		

I] Organizational factors: -
   Organizational factors to refer to factors inside the organization which affect job design they are

   a) **Task characteristics**: -
      Task characteristics refer to features of the job that is depending on the type of job and the duties involved in it the organization will decide, how the job design must be done. In case the company is not in a position to appoint many people; a single job may have many duties and vice versa.

   b) **The process or flow of work in the organization:** -
      There is a certain order in which jobs are performed in the company. In case the company wishes it could combine similar job and give it to one person this can be done if all the jobs come one after the other in a sequence.

   c) **Ergonomics**: -

Ergonomics refers to matching the job with physical ability and characteristics of the individual and in providing an office environment which will help the person to complete the jobs faster and in a comfortable manner.

d) **Work practices**: -
Every organization has different work practices. Although the job may be the same the method of doing the job differs from company to company. This is called work practice and it affects job design.

II] Environmental factors: -

Environmental factors which affect job design are as follows

a) **Employee availability and ability**: -
Certain countries face the problem of lack of skilled labour. They are not able to get employees with specific education levels for jobs and have to depend on other countries due to this job design gets affected.

b) **Social and cultural expectations**: -
The social and cultural conditions of every country is different so when an MNC appoints an Indian it has to take into account like festivals, auspicious time, inauspicious time, etc. to suit the Indian conditions. This applies to every country and therefore job design will change accordingly.

III] Behavioral factors: -

Job design is affected by behavioral factors also. These factors are

a) **Feedback**: -
Job design is normally prepared on the basis of job analysis and job analysis requires employee feedback based on this employee feedback all other activities take place. Many employees are however not interested in providing a true feedback because of fear and insecurity. This in turn affects job deign.

b) **Autonomy**: -
Every worker desires a certain level of freedom to his job effectively. This is called autonomy. Thus when we prepare a job design we must see to it that certain amount of autonomy is provided to the worker so that he carries his job effectively.

c) **Variety**: -
When the same job is repeated again and again it leads to burden and monotony. This leads to lack of interest and carelessness on the job. Therefore, while preparing job design certain amount of variety must be provided to keep the person interested in the job.

Recruitment selection , Orientation and Pacement

Define recruitment: -
Recruitment is a process of searching for prospective employees and stimulating them to apply for jobs.

Objectives of recruitment

Recruitment fulfills the following objectives

1. It reviews the list of objectives of the company and tries to achieve them by promoting the company in the minds of public.
2. It forecasts how many people will be required in the company.
3. It enables the company to advertise itself and attract talented people.
4. It provides different opportunities to procure human resource.
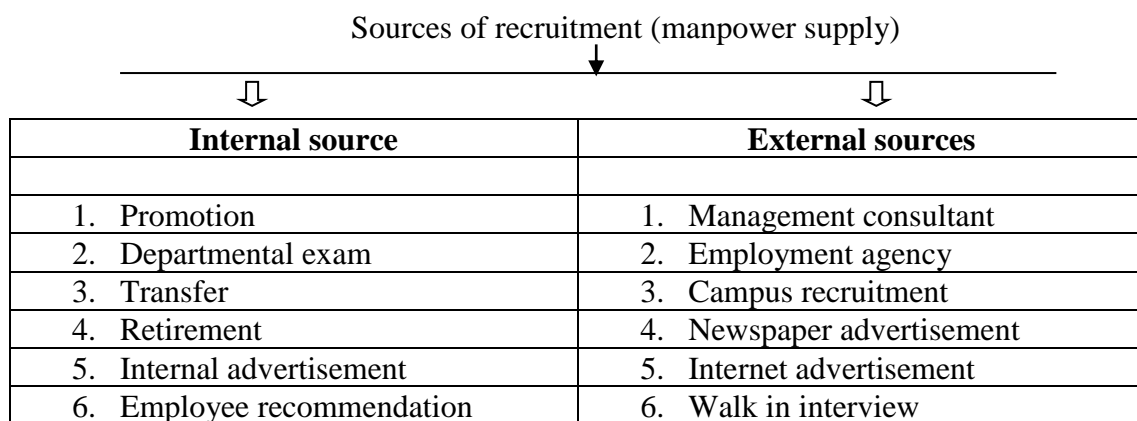
Methods of recruitment/sources

Recruitment is a process of searching for prospective employees and stimulating them to apply for jobs
Companies can adopt different methods of recruitment for selecting people in the company. These methods are
1. Internal sources
2. External sources

The sources can be further explained with the help of following diagram

Sources of recruitment (manpower supply)

Internal source	External sources
1. Promotion	1. Management consultant
2. Departmental exam	2. Employment agency
3. Transfer	3. Campus recruitment
4. Retirement	4. Newspaper advertisement
5. Internal advertisement	5. Internet advertisement
6. Employee recommendation	6. Walk in interview

Internal sources of recruitment: -

Internal sources of recruitment refer to obtaining people for job from inside the company. There are different methods of internal recruitment

1. Promotion: -
    Companies can give promotion to existing employees. This method of recruitment saves a lot of time, money and efforts because the company does not have to

train the existing employee. Since the employee has already worked with the company. He is familiar with the working culture and working style. It is a method of encouraging efficient workers.

2. **Departmental exam:** -

This method is used by government departments to select employees for higher level posts. The advertisement is put up on the notice board of the department. People who are interested must send their application to the HR department and appear for the exam. Successful candidates are given the higher-level job. The method ensures proper selection and impartiality.

3. **Transfer: -**

Many companies adopt transfer as a method of recruitment. The idea is to select talented personnel from other branches of the company and transfer them to branches where there is shortage of people.

4. **Retirement: -**

Many companies call back personnel who have already retired from the organization. This is a temporary measure. The method is beneficial because it gives a sense of pride to the retired when he is called back and helps the organization to reduce recruitment selection and training cost.

5. **Internal advertisement: -**

In this method vacancies in a particular branch are advertised in the notice board. People who are interested are asked to apply for the job. The method helps in obtaining people who are ready to   shift to another branch of the same company and it is also beneficial to people who want to shift to another branch.

6. **Employee recommendation: -**

In this method employees are asked to recommend people   for jobs. Since the employee is aware of the working conditions inside the company he will suggest people who can adjust to the situation. The company is benefited because it will obtain.

Advantages of internal recruitment

1. Internal methods are time saving.
2. No separate induction program is required.
3. The method increases loyalty and reduces labour turnover.
4. This method is less expensive.

Disadvantages of internal recruitment

1. There is no opportunity to get new talent in this method.
2. The method involves selecting people from those available in the company so there is limited scope for selection.
3. There are chances of biased and partiality.
4. Chances of employee discontent are very high.

External methods/sources of recruitment

External sources of recruitment refer to methods of recruitment to obtain people from outside the company. These methods are

1. **Management consultant: -**
    Management consultant helps the company by providing them with managerial personnel, when the company is on the lookout for entry level management trainees and middle level managers. They generally approach management consultants.

2. **Employment agencies: -**
    Companies may give a contract to employment agencies that search, interview and obtain the required number of people. The method can be used to obtain lower level and middle level staff.

3. **Campus recruitment: -**
    When companies are in search of fresh graduates or new talent, they opt for campus recruitment. Companies approach colleges, management, technical institutes, make a presentation about the company and the job and invite applications. Interested candidates who have applied are made to go through a series of selection test and interview before final selection.

4. **Newspaper advertisement: -**
    This is one of the oldest and most popular methods of recruitment. Advertisements for the job are given in leading newspapers; the details of the job and salary are also mentioned. Candidates are given a contact address where their applications must be sent and are asked to send their applications within a specified time limit. The method has maximum reach and most preferred among all other methods of recruitment.

5. **Internet advertisement: -**
    With increasing importance to internet, companies and candidates have started using the internet as medium of advertisement and search for jobs. There are various job sites like naukri.com and monster.com etc. candidates can also post their profiles on these sites. This method is growing in popularity.

6. **Walk in interview: -**
    Another method of recruitment which is gaining importance is the walk-in interview method. An advertisement about the   location and time of walk in interview is given in the newspaper. Candidates require to directly appearing for the interview and have to bring a copy of their C.V. with them. This method is very popular among B.P.O and call centers.

Advantages of external recruitment

1. There is influx of new talent in the method.
2. The method encourages more and more competition.
3. There is lesser chance of partiality through this method.
4. If options like campus recruitment have been exercised we get a chance to employ fresh graduates, thus increasing employment.

Disadvantages of external recruitment

1. The method is costly because it involves recruitment cost, selection, training cost.
2. The method is time consuming.
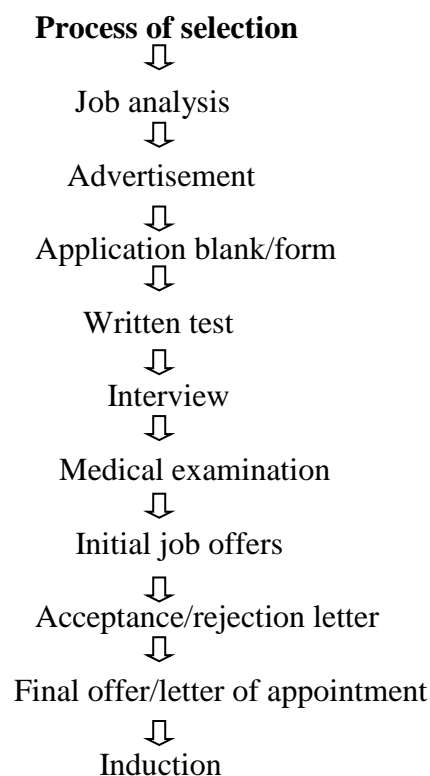3. The method reduces loyalty to the company.

Selection

Define selection: -
      Selection can be defined as process of choosing the right person for the right job.

Process of selection: -
      The process of selection is different in different companies; however, a general procedure of selection can be framed. This process of selection can be explained with the help of following diagram

Process of selection
⇩
Job analysis
⇩
Advertisement
⇩
Application blank/form
⇩
Written test
⇩
Interview
⇩
Medical examination
⇩
Initial job offers
⇩
Acceptance/rejection letter
⇩
Final offer/letter of appointment
⇩
Induction

1. **Job analysis: -**
      The very first step in the selection procedure is the job analysis. The HR department prepares the job description and specification for the jobs which are vacant. This gives details for the jobs which are vacant. This gives details about the name of the job, qualification, qualities required and work conditions etc.

2. Advertisement: -

Based on the information collected in step 1, the HR department prepares an advertisement and publishes it in a leading newspaper. The advertisement conveys details about the last date for application, the address to which the application must be sent etc.

3. Application blank/form: -

Application blank is the application form to be filled by the candidate when he applies for a job in the company. The application blank collects information consisting of 4 parts- 1) Personal details 2) Educational details 3) Work experience 4) Family background.

4. Written test: -

The application which have been received are screened by the HR department and those applications which are incomplete are rejected. The other candidates are called for the written test. Arrangement for the written test is looked after the HR department i.e. question papers, answer papers, examination centers and hall tickets etc.

5. Interview: -

Candidates who have successfully cleared the test are called for an interview. The entire responsibility for conducting the interview lies with the HR department i.e. they look after the panel of interviewers, refreshments, informing candidates etc.

6. Medical examination: -

The candidates who have successfully cleared the interview are asked to take a medical exam. This medical exam may be conducted by the organization itself (army). The organization may have a tie up with the hospital or the candidate may be asked to get a certificate from his family doctor.

7. Initial job offers: -

Candidates who successfully clear the medical exam are given an initial job offer by the company stating the details regarding salary, terms of employment, employment bond if any etc. The candidate is given some time to think over the offer and to accept or reject.

8. Acceptance/ rejection: -

Candidates who are happy with the offer send their acceptance within a specified time limit to show that they are ready to work with the company.

9. Letter of appointment/final job offer: -

Candidates who send their acceptance are given the letter of appointment. The letter will state the name of the job. The salary and other benefits, number of medical leaves and casual leaves, details of employment bond if any etc. It will also state the date on which the employee is required to start duty in the company.

10. Induction: -

On the date of joining the employee is introduced to the company and other employees through am elaborate induction program.

Basis	Recruitment	Selection
Meaning	It is the process of searching and Motivating candidates to apply for Job.	It is that process of staffing which rejects the unsuitable candidates and choose the suitable candidates.
Purpose	The basic purpose is to create a large pool of applicants for the jobs.	The basic purpose is to eliminate as many candidates as possible until the most suitable candidates get finalized.
Scope	Recruitment is restricted to the extent of receipt of application.	Selection includes sorting of the candidates.
Positive /Negative process	Recruitment is a positive process. As more and more applicant are sought to be attracted.	Selection is a negative process as more applicants are rejected than selected.
Criteria	It gives freedom to applicants. Any one is free to apply.	It gives very little freedom to applicants. Applicants must meet the selection criteria.
Outcomes	The outcome of recruitment is application pool which becomes input for selection process.	The outcome of selection process is in the form of finalising candidates who will be offered jobs.

Orientation and Placement

Orientation is the process of bringing employees up to speed on organisational policies, job roles and responsibilities and other organisational attributes and concepts that will help them transition efficiently into the position.

Objectives of Orientation is

1. gain employee commitment,
2. reduce his or her anxiety,
3. help him, or she understands the organization's expectations, and
4. convey what he or she can expect from the job and the organization.

New Employee Orientation is the process of welcoming a new employee into the organization. New employees are spearheaded by a meeting with the Human Resources department, which generally contains information about safety, job description, benefits and eligibility, company culture, company history, the organization chart, etc.

New employee orientation often includes an introduction to each department in the company. Training on the job frequently includes spending time doing the jobs in each department to understand the product or service flow.

Topics Covered in the Employee Orientation program.

The following topics are covered in the orientation or socialization process.

1. **Introduction:** Regarding the organization, supervisor, trainers, and coworkers and to
2. **Job Duties:** It provides job-related information like job location, job tasks, job safety requirements, an overview of the job, job objectives, relationship to other jobs, etc.
3. **Organizational Issues:** This provides the information about the overall organization it may include; the history of the employer, organization or employer, name & titles of a key executive, employee's titles and departments, the layout of physical facilities, probationary period, an overview of the production process, company policies and rules, disciplinary regulations, employee handbook, safety procedures, etc
4. **Employee Benefits:** This part provides information about the benefits offered by the organization like; Pay scales & paydays, vacations, rest breaks, training & education, benefits, counseling, housing facilities, insurance benefits, retirement program, employer-provided services for employees, rehabilitation program.

How to make a job orientation at your organization

There are some proven best practices for making job orientation a success at your organization. Here's a job orientation checklist to keep handy:

1. Reduce first-day jitters

Include a plan for the employee's start date to reduce stress and communicate it to them. Inform them when they should arrive. Provide them with detailed directions for how to find the workplace and where to snag the best parking space. Let them know what door to access and whom to report to. Include information about the dress code and if they need to bring any documentation with them.

If your new hire is remote, let them know in advance how to check-in and what to expect on their first day.

2. Ready their workstation

In advance of their arrival at work, have all work-related items your new employees need ready and waiting for them. This can include technology, identification badge, keys, cabinet

or locker, desk supplies, email and passwords, and invitations to company communications and project systems.

3. Welcome them to the team

Personalize the job orientation with some nice new hire perks, such as a corporate t-shirt, notepads, pens, and water bottles. Add their name to their workstation before they arrive.

4. Have the job orientation program schedule ready

When developing your job orientation program schedule, make sure it includes items they need to know and have your new hire's needs in mind. Add in plenty of snacks, breaks, and a touchpoint with a supervisor at least twice a day. Continue with this practice in the first few weeks as well.

Encourage employees to ask questions and get to know their peers. Keep the program specific and consistent for all new hires by crafting a quick job orientation checklist.

5. Create a visual presentation

Instead of a bunch of people droning on and on about the company, try creating a visual presentation for your job orientation. Here is a simple and free job orientation template from Microsoft PowerPoint you can try. The advantage of having a presentation is that it provides some visual and auditory stimulation to new hires.

6. Group job orientation sessions by topic

A typical orientation will include going over the company culture, leadership, mission and vision, and processes and procedures. Remember to include time for an office tour, introductions to core team members, department leaders, and the facilities where they will be working.

7. State the expectations of the job

While each employee may be assigned to different jobs and tasks, there are some core expectations that you need to communicate from day one. For example, all employees must take responsibility for their work and do their best. They must be problem-solvers and seek help when needed. The new hires have to aware that they need to learn new things on a regular basis, act professionally, and have integrity. They need to be honest and accept that people make mistakes sometimes — and it's OK. Most of all, they need to know that respect is vital to a positive working relationship with others.

8. Let them know they are valued

In addition to voicing the expectations of employees, the company should also communicate how it values and rewards them for their hard work. Make sure all employees understand the performance system and how it ties to recognition and promotion.

9. Give them an introduction to the project they were hired for

Employees will be eager to learn about the work you have in mind for them, so feel free to give them a high-end overview of any projects they will be a part of. Give them some background on the project, who they will be working with, and how important they are to the success of the project.

10. Ask for feedback about the job orientation

In order to improve things, always have a survey ready to send to employees to get their feedback on the job orientation process. Note any concerns that employees bring up, suggestions for improvement, and questions they may have.

Placement

Placement is a process of assigning suitable jobs to employees. It is a systematic approach to assign the right person for the right job. It is the most important human resource function of all, simply because both allocating a wrong job to the right person or assigning a wrong person to the right job will cause heavy damage to the organization at large. It is a vital function because it strikes a balance between the vacancies to be filled and assigning right person for the right job. It comprises of both initial assignment to new employees and assigning jobs to existing employees by transfer, promotion, deputation and demotion.

PRINCIPLES OF PLACEMENT

1. Job First Man Next – Employee should be placed on the job according to the requirements of the job. It means that the job should not be adjusted according to the qualifications and the requirements of the employee. Job first man next should be the important principle of placement.

2. Placement According to Qualification – Employee should be offered with the job according to his qualifications. The placement of the employee should neither be higher nor lower than the qualifications.

3. Familiarization – The employee should be made familiar with the working conditions prevailing in the organisation and all the things relating to the job. He should also be made aware of the rules and regulations for performing the job.

4. Developing Sense of Loyalty – The efforts should be made to develop a sense of loyalty and cooperation among the new employees, when they are introduced to the job. This will help the employees to realize their responsibilities towards the job and the organisation.

5. Ready Placement – The employee as soon as joins the organisation should be placed at once. It means that the placement should be ready before the joining date of the selected person.

6. Temporary Placement – In the initial stages the placement may be temporary as changes are required after the completion of the training. The employee can then be transferred to the job where he can do better justice.

Chapter 3 Training and Development

<u>Define training</u>

Training is defined by Wayne Cascio as "training consists of planed programs undertaken to improve employee knowledge, skills, attitude, and social behavior so that the performance of the organization improves considerably."

Training is normally viewed as a short process. It is applied to technical staff, lower, middle, senior level management. When applied to lower and middle management staff it is called as training and for senior level it is called managerial development program/executive development program/development program.

<u>Objectives/purpose/goals of training and development</u>

Training is defined by Wayne Cascio as "training consists of planed programs undertaken to improve employee knowledge, skills, attitude, and social behavior so that the performance of the organization improves considerably."The purpose of training and development can be explained as follows.

1. **Improving quality of work force: -**
   Training and development help companies to improve the quality of work done by their employees. Training programs concentrate on specific areas. There by improving the quality of work in that area.

2. **Enhance employee growth: -**
   Every employee who takes development program becomes better at his job. Training provides perfection and required practice, therefore employee's area able to develop them professionally.

3. **Prevents obsolescence**: -
   Through training and development, the employee is up to date with new technology and the fear of being thrown out of the job is reduced.

4. **Assisting new comer: -**
   Training and development programs greatly help new employees to get accustomed to new methods of working, new technology, the work culture of the company etc.

5. **Bridging the gap between planning and implementation**: -
   Plans made by companies expect people to achieve certain targets within certain time limit with certain quality for this performance has to be accurate and perfect. Training helps in achieving accuracy and perfection.

6. **Health and safety measures: -**
   Training and development program clearly identify and teaches employees about the different risk involved in their job, the different problems that can arise and how to prevent such problems. This helps to improve the health and safety measures in the company.
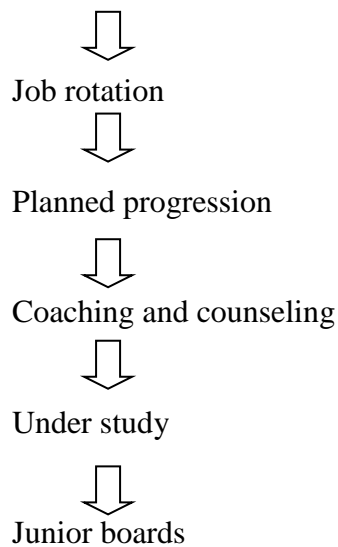
<u>Methods of training</u>

Training is defined by Wayne Cascio as "training consists of planed programs undertaken to improve employee knowledge, skills, attitude, and social behavior so that the performance of the organization improves considerably."
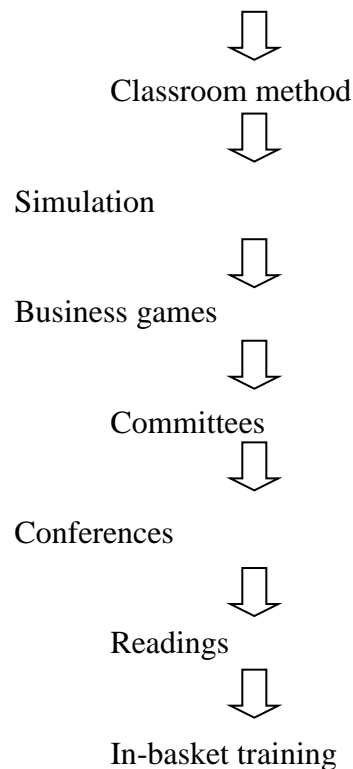
Various methods are used to train personnel for managerial level jobs in the company. These methods can be explained with the help of following diagram.

Methods of training

On the job training   **Off the job training**

⇩   ⇩

Job rotation   Classroom method

⇩   ⇩

Planned progression   Simulation

⇩   ⇩

Coaching and counseling   Business games

⇩   ⇩

Under study   Committees

⇩   ⇩

Junior boards   Conferences

⇩

Readings

⇩

In-basket training

<u>On the job method</u>: -
On the job method refers to training given to personnel inside the company. There are different methods of on the job training.

1. **Job rotation**: -
   This method enables the company to train managerial personnel in departmental work. They are taught everything about the department. Starting from the lowest level job in the department to the highest-level job. This helps when the person takes over as a manager and is required to check whether his juniors are doing the job properly or not. Every minute detail is studied.

2. **Planned progression**: -

In this method juniors are assigned a certain job of their senior in addition to their own job. The method allows the   employee to slowly learn the job of his senior so that when he is promoted to his senior job it becomes very easy for him to adjust to the new situation. It also provides a chance to learn higher level jobs.

3. **Coaching and counseling:** -

Coaching refers to actually teaching a job to a junior. The senior person who is the coach actually teaches his junior regarding how the work must be handled and how decisions must be taken, the different techniques that can be used on the job, how to handle pressure. There is active participation from the senior.

Counseling refers to advising the junior employee as and when he faces problems. The counselor superior plays an advisory role and does not actively teaches employees.

4. **Under study: -**

In this method of training a junior is deputed to work under a senior. He takes orders from the senior, observes the senior, attends meetings with him, learns about decision making and handling of day to day problems. The method is used when the senior is on the verge of retirement and the job will be taken over by the junior.

5. **Junior board**: -

In this method a group of junior level managers are identified and they work together in a group called junior board. They function just like the board of directors. They identify certain problem, they have to study the problem and provide suggestions. This method improves team work and decision-making ability. It gives an idea about the intensity of problem faced by the company. Only promising and capable junior level managers are selected for this method.

Off the job training method: -

Off the job training refers to method of training given outside the company. The different methods adopted here are

1. **Classroom method**: -

The classroom method is used when a group of managers have to be trained in theoretical aspects. The training involves using lectures, audio visuals, case study, role play method, group discussions etc. The method is interactive and provides very good results.

2. **Simulation:** -

Simulation involves creating atmosphere which is very similar to the original work environment. The method helps to train manager handling stress, taking immediate decisions, handling pressure on the jobs etc. An actual feel of the real job environment is given here.

3. **Business games**: -

This method involves providing a market situation to the trainee manager and asking him to provide solutions. If there are many people to be trained, they can be divided into groups and each group becomes a separate team and play against each other.

4. **Committee: -**
   A committee refers to a group of people who are officially appointed to look into a problem and provide solution. Trainee   managers are put in the committee to identify how they study a problem and what they learn from it.

5. **Conference:** -
   Conferences are conducted by various companies to have elaborate discussions on specific topics. The company which organizes the conference invites trainee manager and calls for   experts in different fields to give presentation or lecture. The trainee manager can ask their doubts to these experts and understand how problems can be solved on the job.

6. **Readings**: -
   This method involves encouraging the trainee manager to increase his reading related to his subject and then ask him to make a presentation on what he has learned. Information can be collected by trainee manager from books, magazines and internet etc.
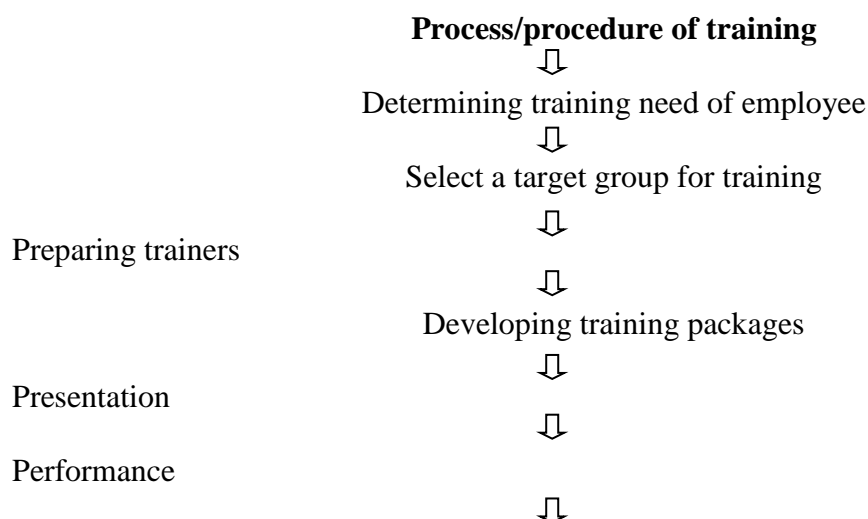
7. **In basket training**: -
   In this method the training is given to the manager to handle files coming in and to finish his work and take decisions within a specified time limit. The trainee manager is taught how to prioritize his work, the activities which are important for his job and how to take decisions within limited time limit.

Training procedure/process of training: -

Training is defined by Wayne Cascio as "training consists of planed programs undertaken to improve employee knowledge, skills, attitude, and social behavior so that the performance of the organization improves considerably."
    Every company has a specific training procedure, depending upon its requirements. A general training procedure is explained below along with diagram

<div align="center">

Process/procedure of training

⇩

Determining training need of employee

⇩

Select a target group for training

⇩

</div>

Preparing trainers

⇩

Developing training packages

⇩

Presentation

⇩

Performance

⇩

Follow up

1. **Determining training needs of employee**: -
   In the very 1st step of training procedure, the HR department, identifies the number of people required training, specific area in which they need training, the age group of employees, the level in organization etc. in some cases the employee may be totally new to the organization. Here the general introduction training is required. Some employees may have problems in specific areas; here the training must be specific. This entire information is collected by HR department.

2. **Selecting target group: -**
   Based on information collected in step 1 the HR department divides employee into groups based on the following.
   i. Age group
   ii. The area of training
   iii. Level in the organization
   iv. The intensity of training etc.

3. **Preparing trainers: -**
   Once the employees have been divided into groups, the HR department arranges for trainers. Trainers can be in house trainers or specialized trainers from outside. The trainers are given details   by HR department, like number of people in group, their age, their level in organization, the result desired at the end of training, the area of training, the number of days of training, the training budget, facilities available etc.

4. **Preparing training packages: -**
   Based on the information provided by trainers, he prepares entertaining schedule i.e. number of days, number of sessions each day, topics to be handled each day, depth of which the subject should be covered, the methodology for each session, the test to be given foe each session, handout/printed material to be given in each session.

5. **Presentation: -**
   On the first day of training program the trainer introduces himself and specifies the need and objective of the program and then actually stars the program. The performance of each employee is tracked by the trained and necessary feedback is provided.

6. **Performance: -**
   At the end of training program, the participants report back to their office or branches. They prepare report on the entire training program and what they have learned. They the start using whatever they have learned during their training. Their progress and performance are constantly tracked and suitable incentives are given if the participant is able to use whatever he has learned in training.

7. **Follow up: -**

Based on the em0ployee performance, after training, the HR department is able to identify what is exactly wrong with training program and suitable correction is made.

Evaluation of training program

Training is defined by Wayne Cascio as "training consists of planed programs undertaken to improve employee knowledge, skills, attitude, and social behavior so that the performance of the organization improves considerably."

Effectiveness of training programs are constantly evaluated by the company to find if the money, they have invested has been spend properly or not. Training programs can be evaluated by asking following questions.

a) Has change occurred after training?
b) Is the change due to training?
c) Is the change positive or negative?
d) Will the change continue with every training program?

A training program should give following resulting changes.

1. **Reaction:** -
   Reaction refers to attitude of employee about the training, whether the employee considers training to be positive or negative one. If reactions are positive then people has accepted the program and changes will be possible.

2. **Learning: -**
   Another method of judging effectiveness is to identify levels of learning i.e. how much the people have learnt during the training. This can be found out by trainer's mark sheet, the report submitted by the employee, and actual performance.

3. **Behavior: -**
   The HR department needs to understand behavior of the employees, to understand the effectiveness of training. The behavioral change can be seen in how the person interacts with juniors, peer groups and seniors. They mark change in behavior and inform the HR department of the success of training program.

4. **Result: -**
   Results provided by employee in monetary terms also determines effectiveness of training program i.e. employee success in handling the project, the group performance before and after training etc.

5. **Effectiveness of training program must lead to**
   i. Increase in efficiency of worker
   ii. Reduction in labour turnover
   iii. Increase in discipline
   iv. Reduction in wastage and therefore cost of production
   v. Proper care of tools and equipments
   vi. Employee development in career terms
   vii. Overall efficiency in the company

Advantages of training programs to the company

Training is defined by Wayne Cascio as "training consists of planed programs undertaken to improve employee knowledge, skills, attitude, and social behavior so that the performance of the organization improves considerably."

The following are the advantages of training program to the company

1. **Increase in efficiency of worker: -**
   Training programs can help workers to increase their efficiency levels, improve quality and thereby increase sales for the company.

2. **Reduced supervision**: -
   When workers have been formally trained, they need not be supervised constantly. This reduces the work load on the supervisor and allows him to concentrate on other activities in the factory.

3. **Reduction in wastage: -**
   The amount of material wasted by a trained worker is negligible as compared to the amount of material wasted by an untrained worker. Due to this the company is able to reduce its cost its cost of production.

4. **Less turnover of labour:-**
   One of the advantages of the training program is that it increases the confidence of employees and provides them with better career opportunities. Due to this employee generally do not leave the company. There by reducing labour turnover.

5. **Training helps new employees: -**
   A person, who is totally new to the company, has no idea about its working. Training helps him to understand what is required from him and helps him to adjust to the new environment.

6. **Union management relations: -**
   When employees are trained and get better career opportunities. The union starts having a possible attitude about the management. They feel that the management is genuinely interested in workers development. This improves union management relations.

The following are the advantages of training program to the employee

1. **Better career opportunities**: -
   Training programs provide the latest information, develops talent and due to this the employee is in a position to get better jobs in the same company or other companies.

2. **High rewards**: -
   Effective training programs result in improved performance. When performance appraisal is done excellent performance from the employee is rewarded by giving him incentives and bonus.

3. **Increased motivation**: -

Employees who have been trained are generally more confident as compared to others. Since their efforts will be rewarded in future, they are very much interested in improving their performance. Therefore, we can say that their motivation levels are very high.

4. Group efforts: -

Training programs are not only technical programs but are also conducted in areas like conflict management, group dynamics (formal and informal groups), behavioral skills, stress management etc. this enables employees to put in group effort without facing problems that groups normally face. In other words, training teaches people to work in a group.

5. Promotion: -

People who attend training programs learn from them and improve themselves are generally considered for promotion. Thus, training increases chances of promotion.

Unit 4

Performance Appraisal

Performance Appraisal is the systematic evaluation of the performance of employees and to understand the abilities of a person for further growth and development. Performance appraisal is generally done in systematic ways which are as follows:

1. The supervisors measure the pay of employees and compare it with targets and plans.
2. The supervisor analyses the factors behind work performances of employees.
3. The employers are in position to guide the employees for a better performance.

Objectives of Performance Appraisal

Performance Appraisal can be done with following objectives in mind:

1. To maintain records in order to determine compensation packages, wage structure, salaries raises, etc.
2. To identify the strengths and weaknesses of employees to place right men on right job.
3. To maintain and assess the potential present in a person for further growth and development.
4. To provide a feedback to employees regarding their performance and related status.
5. To provide a feedback to employees regarding their performance and related status.
6. It serves as a basis for influencing working habits of the employees.

7. To review and retain the promotional and other training programmes.

Process of performance appraisal

Performance appraisal is defined by Wayne Cascio as "the systematic description of employee's job relevant, strength, weakness.

Process of performance appraisal followed by different companies is different. A general procedure is explained below with the help of a diagram.

Process of performance appraisal

⇩

Setting performance standards

⇩

Communicating standards set to the employee

⇩

Measuring performance

⇩

Comparing performance with standard

⇩

Discussing result

⇩

Collective action

⇩

Implementation and review

1. **Setting performance standards** :-
   In this very first step in performance appraisal the HR department decides the standards of performance i.e. they decide what exactly is expected from the employee for each and every job. Sometimes certain marking scheme may be adopted eg. A score 90/100 = excellent performance, a score os 80/100 = good. And so on.

2. **Communication standard set to the employee :-**
   Standards of performance appraisal decided in 1st step are now conveyed to the employee so that the employee will know what is expected from him and will be able to improve his performance.

3. **Measuring performance :-**
   The performance of the employee is now measure by the HR department, different methods can be used to measure performance i.e. traditional and modern method. The method used depends upon the company's convenience.

4. **Comparing performance with standard :-**
    The performance of the employee is now judged against the standard. To understand the score achieved by him. Accordingly we come to know which category of performance the employee falls into i.e. excellent, very good, good, satisfactory etc.

5. **Discussing result :-**
    The results obtained by the employee after performance appraisal are informed or conveyed to him by the HR department. A feedback is given to the employee asking him to change certain aspects of his performance and improve them.

6. **Collective action :-**
    The employee is given a chance or opportunity to improve himself in the areas specified by the HR department. The HR department constantly receives or keeps a check on the employee's performance and notes down improvements in performance.

7. **Implementation and review :-**
    The performance appraisal policy is to be implemented on a regular basis. A review must be done from time to time to check whether any change in policy is required. Necessary changes are made from time to time.

Methods of Employee Performance Appraisal

Traditional Methods

Rating Scales: In this scale, the factors such as attitude, initiative, dependability, etc are quantified. A range of excellent to poor is provided to the rater and based on the rating the performance of the employee is calculated.

Checklist: A checklist form of performance appraisal consist of a column of 'Yes' and 'No' for different employee traits. The rater has to put a tick mark based on if the traits exist or do not exist in the employee.

Forced Choice Method: In this method, different statements about the performance of the employee are provided to the rater and he/she is forced to answer the ready-made statements as true or false. Further evaluation of performance is carried on by the HR department based on the answers of the rater.

Forced Distribution Method: In this method, it is assumed that the performance of an employee conforms to a bell-shaped curve. Thus, the rater has to put employees on provided points on the scale.

Critical Incidents Method: Here the critical behavior of the employee is considered by the supervisor while evaluating the performance.

Behaviorally Anchored Rating Scale: Different statements which are descriptive in nature are prepared about the behavior of the employee. These behaviors are put on the scale points and the rater has to indicate the points which explain the employee behavior in a more exact way.

Field Review Method: In this method, the reviewer of the performance is generally someone outside the department. The people from the HR department or corporate office do the performance evaluation of the employee based on the records and interviews.

Performance Tests and Observations: This is a kind of oral test that is conducted to test the skills and knowledge of the employees in their respective fields. The employees sometimes receive a situation and are asked to demonstrate their skills and then their performance is evaluated based on that presentation.

Confidential Reports: Often the government departments follow this method of performance evaluation. The employees are evaluated based on the parameters such as leadership quality, teamwork, integrity, technical ability, attendance, etc. The reviewer sends the confidential review to the concerned authority about the performance of the employee.

Essay Method: Under this method, the detailed description of the employee performance is written by the rater. The performance of an employee, his relations with other Co-workers, requirements of training and development programs, strengths and weaknesses of the employee, etc. are some of the points that are included in the essay. The efficiency of this traditional method of performance appraisal depends on the writing skills of the rater.

Cost Accounting Method: It is a simple method in which the performance of the employee is linked with the monetary benefits of the organization. The rater checks about the cost to the company to keep the employee and the contribution of the employee in terms of monetary business.

Comparative Evaluation Approaches: This approach includes a comparison of the performance of co-workers with each other. It is of two types namely the ranking method and paired comparison method. It is a quite popular method of employee performance appraisal in the corporate world.

Modern Methods

Management by Objectives: In this method, the performance of the employee is assessed based on the targets achieved by him/her. The management at the beginning of the financial year conveys the set goals to the employees, at the end of the year the performance of the employee is compared with the set goals and evaluated for the appraisal.

Psychological Appraisals: Psychologists are invited to the companies for the performance appraisal of the employees. Here the performance is in the context of the potential future performance. Psychological tests, in-depth interviews, reviews, and discussions with the managers are the methods used for the evaluation of the performance.

Assessment Centers: A series of exercises are conducted at the assessment center of the company to actually evaluate the performance of the employee. The exercises include discussions, role-playing, computer simulations, and many more. The employees are evaluated in terms of communication skills, mental alertness, emotional intelligence, confidence, and administrative abilities. The rater observes the event and evaluates the performance of the employee at the end.

360-Degree Feedback: It is particularly a 360-degree feedback method in which the information about the performance of the employee is collected from supervisors, peers, group members, and self-assessment. All the remarks are considered to evaluate the overall work performance of the employee.

Advantages of Performance Appraisal are:

1. Find The True Potential of The Employee

Performance appraisal helps the HR department and the company learns about the strengths and weaknesses of an employee. This process can, therefore, be used to truly learn about the employee's interests and potentials. This analysis also helps the HR department to choose the right employees for a job. The HR department can even suggest the employee switch to a department that fits them better.

2. Promotes Employee Development

The quickest way to improve an employee's performance is by providing them with specific feedback. The performance appraisal process includes giving <u>employees feedback</u> about their strengths as well as weakness. The employees can use this information to develop themselves further.

3. Acts as a Motivator

Employees crave feedback. When they receive that it can act as a motivator for them. Knowing their weaknesses can help employees give their best and improve upon the areas they've missed out on. After all this can work as a boost to the entire office or team.

4. Focused Employee Training & Development

Planning and development programs are important for any organization. The performance appraisal can show exactly where a majority of the employees lack in terms of training as well as in development. The HR department can then create programs according to those gaps. This will be more beneficial for the employees and will be a successful program of <u>training and development</u>.

5. Improves Employee, as well as Management Relationship

In general, the performance appraisal gives employees an opportunity to truly share and discuss the problems that they are facing in their role. This builds a <u>healthy environment</u> for both the manager and the employee.

6. Promotion & Transfers

It is difficult to make the correct decision about who to promote and who to transfer without any data. The performance appraisal can be useful for learning in which <u>talents should be rewarded</u> and which need to be pushed to do better. It ensures that the decision is made based on facts and figures rather than personal biases.

7. Mentoring From Superiors

Managers are a crucial part of any appraisal system. They are the ones handling the administrative as well as feedback work in an appraisal. Good managers are good mentors, meaning that they are able to guide their employees to reach their maximum potential. Managers must not only focus on the weaknesses, but they must highlight <u>employees' strengths</u> too.

Disadvantages of the Performance Appraisal Are as follows:

1. Consuming Process

First and foremost, performance appraisal is a time-consuming process. It requires resources, time and costs the company money. It requires the HR department to create the forms, ask everyone to fill them as well as analyze the results for specific feedback while going through the correct procedures.

Sometimes, the organization has to hire professional experts from outside the company to conduct the evaluation process. The <u>evaluation processes</u> must be designed and also, implemented clearly &, because of this, the performance appraisal process becomes expensive for the company.

2. Personal Bias or Incorrect Ratings

It is possible that managers, in order to not look bad, give a decent rating to all employees. This can be the case with managers that try to avoid conflicts or arguments.

Furthermore, <u>personal bias</u> can play a huge role in the ratings. If a manager has a liking for an employee they will rate them better and visa versa. This can be the case even if they are a good employee. Generally, employers simply give an average out feedback to employees. This means the over performers and underperformers both aren't rated correctly.

3. Horn & Halo Effect

The <u>horn and halo effect</u> is a human tendency to see only the good or the bad in a person. For example, an employer might just see that the employee is never on time and will rate the employee low on all the brackets because of that. However, he might not notice that the employee works for long hours every day and completes the work on time. This can affect an employee's overall ratings.

4. Spillover Effect

This refers to human behavior. It means that while judging the employee for performance appraisal it is possible that the manager simply marks an employee high because of their past performances instead of their current ones. They rank the employee by taking into account the overall overview that they have of the employee.

5. Attitude of Evaluator

The mindset and the mood of the manager is also a cause of concern. If the manager has high expectations they might mark their employees lower. Thereby, making the team look lower than others on average. Also, this makes the process of evaluation and <u>improving the performance</u> in the organization a difficult task to achieve.

Compensation Management

Compensation management, also known as wage and salary administration, remuneration management, or reward management, is concerned with designing and implementing a total compensation package.

"Compensation is what employees receive in exchange for their contribution to the organization." – Keith Davis.

In the words of Edwin B. Flippo, "The function compensation is defining as adequate and equitable remuneration of personnel for their contributions to the organizational objectives."

Pre-requisites for Effective Compensation Management

An effective compensation system should fulfill the following criteria:

1. **Adequate:** The compensation system must meet minimum governmental, union, and managerial pay level positions.
2. **Equitable:** Care should be taken so that each employee is paid fairly, in line with his/her abilities, efforts, education, training, experiences, competencies, and so on.
3. **Balanced:** Pay, benefits, and other rewards must provide a reasonable compensation package.
4. **Secure:** The compensation package must adequately cover employees' security needs.
5. **Cost-Effective:** Pay must be neither excessive nor inadequate, considering what the enterprise can afford to pay.
6. **Incentive Providing:** The compensation package should be such that it generates motivation for effective and productive work.
7. **Acceptable to all Employees:** All employees understand the pay system well and feel it is reasonable for the enterprise and the individual.

Objectives of compensation management:

1. To attract competent and qualified persons towards organization by offering fair wage and incentive.
2. To retain present employees by paying competitive remuneration.
3. To establish fair and equitable remuneration so as to avoid pay disparities.
4. To improve production, productivity and profitability of the organization.
5. To minimize un-necessary expenditure and to control cost through a device of internal check and establishment of standard.
6. To improve and maintain good human relation between employer and employee through a process of payment of bonus, profit sharing and other fringes benefits.
7. To enhance the name and fame of the company through a proper system of wage payment.
8. To ensure prompt and regular payment of wage and salary to all the employees.

Linking compensation with performance

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

By linking performance and compensation management efforts, **employers not only provide clear compensation guidelines for themselves, but they can help employees understand their value and work to increase it**.

Compensation: **Performance appraisals help to evaluate compensation packages for employees**. Packages, which include bonuses, higher salary rates, extra benefits and allowances, are dependent on how an employee is performing.

The advantages and disadvantages of Performance Related Pay
Advantages

- Managers can use a defined framework for setting goals. It should improve individual productivity and performance
- Employees are more likely to focus on what they need to do to improve if this is directly linked to pay
- A good PRP system will reward the best performers
- It is an effective way of dealing with poor performance
- Rewarding high performance can assist in retaining staff
- It provides a direct incentive for employees to achieve defined work targets
- The contribution an employee makes is recognised with a tangible reward
- A healthy performance based culture can be developed with its introduction

Disadvantages

- Employees can be de-motivated if the goals set are too hard to achieve
- Too much of the process relies on the quality of judgement made by a manager
- It reduces pay equity and can make a company liable to costly equal pay challenges if not operated fairly
- The performance appraisal process can be affected detrimentally because of the focus on financial reward rather than developmental needs
- Team spirit and co-operation can be hindered
- As reward is made for a short-term quantifiable goal, it can be too narrowly focused
- There is a danger that employees can expect an additional payout year on year. In a low inflation climate the rewards might not appear to be that great.

Team-based incentive

Team-based incentive plans are **initiatives designed to encourage and reward exceptional levels of professional achievement**. You can use incentives in your small business as motivators for staffers to work collectively to earn monetary and non-monetary rewards.

Types of Team Based Incentive Plans

Team-based incentive plans are initiatives designed to encourage and reward exceptional levels of professional achievement.

It is also a way for small business owners to boost overall productivity and earnings while simultaneously rewarding employees for a job well done. The objective of team incentives is to encourage group goal-setting, collaboration and teamwork.

Profit Sharing

Profit sharing is a team-based incentive plan in which you pay your employees a percentage of your company's overall profits. Profit sharing builds a sense of ownership among employees and encourages greater team performance levels. Staffers know that the better their performance, the better the business's financial picture, and the higher their own potential cash rewards.

Gain Sharing

Similar to a profit-sharing plan, gain sharing is a team incentive in which you reward employee groups for measurable, non-financial achievements in pre-established areas. For example, teams may enjoy a bonus if customer satisfaction levels rise a certain percentage above figures from the previous year. The focus of this type of incentive is for employees to recognize the role they play in continually moving your small business forward in key areas.

Goal-Based Incentives

Goal-based team incentives reward employees for reaching specific goals. For example, topping a certain dollar amount in sales, landing a specific number of contracts or hitting a membership recruitment figure. The approach encourages teamwork and gives employees a firm target to aim for. This incentive plan is good for small businesses because it promotes team work and collective effort, and you only issue the reward if the goal is met.

Merit-Based Incentive

A more subjective approach to incentive programs is the merit-based incentive approach. Following this model, you reward employee teams for effort, regardless of outcome. For example, if your marketing employees stay late every night to finish a major advertising campaign that doesn't perform as anticipated, their dedication and effort are still recognized. Because of the discretionary element of this type of incentive, it can be a challenge for employees to know what they aiming for or how they will know when their efforts or actions are viewed as "good enough" to merit reward.

Financial vs. Non-Financial Incentive

It's up to you, as the business owner, to decide what type of incentive you want to offer employee teams. If cash rewards are too much for your small business budget, other incentives to extend include paid time off, free company services or merchandise, or preferred parking or office space. Ask employees what they consider to be a viable and worthwhile reward and consider if it fits your budget.

Unit 5

Industrial Relations

In the broad sense, industrial relations cover all such relationships that a business enterprise maintains with various sections of the society such as workers, state, customers and public who come into its contact.

In the narrow sense, it refers to all types of relationships between employer and employees, trade union and management, works and union and between workers and workers. It also includes all sorts of relationships at both formal and informal levels in the organization.

The term 'industrial relations' has been variously defined.

J.T. Dunlop defines industrial relations as "the complex interrelations among managers, workers and agencies of the governments".

According to Dale Yoder "industrial relations is the process of management dealing with one or more unions with a view to negotiate and subsequently administer collective bargaining agreement or labour contract".

Significance of Industrial Relations

1. ***It establishes industrial democracy****:* Industrial relations means settling employees' problems through collective bargaining, mutual cooperation and mutual agreement amongst the parties i.e., management and employees' unions. This helps in establishing industrial democracy in the organization which motivates them to contribute their best to the growth and prosperity of the organization.

2. ***It contributes to economic growth and development****:* Good industrial relations lead to increased efficiency and hence higher productivity and income. This will result in economic development of the economy.

3. ***It improves morale of the works force****:* Good industrial relations, built-in mutual cooperation and common agreed approach motivate one to contribute one's best, result in higher productivity and hence income, give more job satisfaction and help improve the morale of the workers.

4. ***It ensures optimum use of scare resources****:* Good and harmonious industrial relations create a sense of belongingness and group-cohesiveness among workers, and also a congenial environment resulting in less industrial unrest, grievances and disputes. This will ensure optimum use of resources, both human and materials, eliminating all types of wastage.

5. ***It discourages unfair practices on the part of both management and unions****:* Industrial relations involve setting up a machinery to solve problems confronted by management and employees through mutual agreement to which both these parties are bound. This results in banning of the unfair practices being used by employers or trade unions.

6. ***It prompts enactment of sound labour legislation****:* Industrial relations necessitate passing of certain labour laws to protect and promote the welfare of labour and safeguard interests of all the parties against unfair means or practices.

7. ***It facilitates change****:* Good industrial relations help in improvement of cooperation, team work, performance and productivity and hence in taking full advantages of modern inventions, innovations and other scientific and technological advances. It helps the work force to adjust themselves to change easily and quickly

Causes of Poor Industrial Relations
Perhaps the main cause or source of poor industrial relations resulting in inefficiency and labour unrest is mental laziness on the part of both management and labour. Management is not sufficiently concerned to ascertain the causes of inefficiency and unrest following the laissez-faire policy, until it is faced with strikes and more serious unrest. Even with regard to methods of work, management does not bother to devise the best method but leaves it mainly to the subordinates to work it out for themselves. Contempt on the part of the employers towards the workers is another major cause. However, the following are briefly the causes of poor industrial relations:

1. Mental inertia on the part of management and labour;

2. An intolerant attitude of contempt of contempt towards the workers on the part of management.

3. Inadequate fixation of wage or wage structure;

4. Unhealthy working conditions;

5. Indiscipline;

6. Lack of human relations skill on the part of supervisors and other managers;

7. Desire on the part of the workers for higher bonus or DA and the corresponding desire of the employers to give as little as possible;

8. Inappropriate introduction of automation without providing the right climate;

9. Unduly heavy workloads;

10. Inadequate welfare facilities;

11. Dispute on sharing the gains of productivity;

12. Unfair labour practices, like victimization and undue dismissal;

13. Retrenchment, dismissals and lock-outs on the part of management and strikes on the part of the workers;

14. Inter-union rivalries; and

15. General economic and political environment, such as rising prices, strikes by others, and general indiscipline having their effect on the employees' attitudes.

Objectives of Industrial Relations:

1. To bring better understanding and cooperation between employers and workers.

2. To establish a proper channel of communication between workers and management.

3. To ensure constructive contribution of trade unions.

4. To avoid industrial conflicts and to maintain harmonious relations.

5. To safeguard the interest of workers and the management.

6. To work in the direction of establishing and maintaining industrial democracy.

7. To ensure workers' participation in decision-making.

8. To increase the morale and discipline of workers.

9. To ensure better working conditions, living conditions and reasonable wages.

10. To develop employees to adapt themselves for technological, social and economic changes.

11. To make positive contributions for the economic development of the country.

Scope

The scope of industrial relations includes all aspects of relationships such as bringing cordial and healthy labour management relations, creating industrial peace and developing industrial democracy.

The cordial and healthy labour management relations could be brought in-
- by safeguarding the interest of the workers;

- by fixing reasonable wages;

- by providing good working conditions;

- by providing other social security measures;

- by maintaining healthy trade unions;

- by collective bargaining.

The industrial peace could be attained –
- by setting industrial disputes through mutual understanding and agreement;

- by evolving various legal measure and setting up various machineries such as Works Committee, Boards of Conciliation, Labour Courts etc.

The industrial democracy could be achieved –
- by allowing workers to take part in management; and

- by recognition of human rights.

Principle of Good Industrial Relations:

- The willingness and ability of management and trade unions to deal with the problems freely, independently and with responsibility.

- Recognition of collective bargaining.

- Desirability of associations of workers and managements with the Government while formulating and implementing policies relating to general economic and social measures affecting industrial relations.

- Fair redressal of employee grievances by the management

- Providing satisfactory working conditions and payment of fair wage.

- Introducing a suitable system of employees education and training.

- Developing proper communication system between management and employees.

- To ensure better working conditions, living conditions and reasonable wages.

- To develop employees to adapt themselves for technological, social and economic changes.

- To make positive contributions for the economic development of the country.
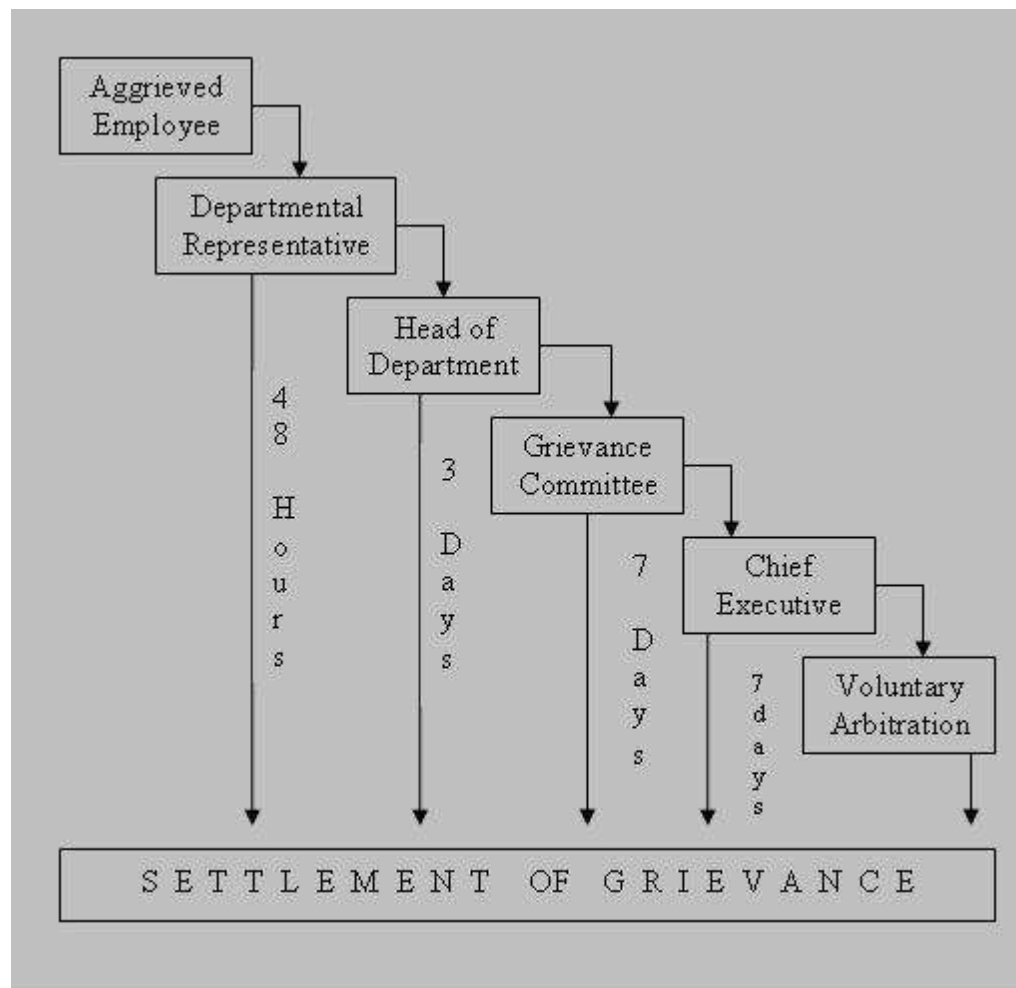
GRIEVANCE PROCEDURE IN INDIAN INDUSTRY

The 15th session of Indian Labor Conference held in 1957 emphasized the need of an established grievance procedure for the country which would be acceptable to unions as well as to management. In the 16th session of Indian Labor Conference, a model for grievance procedure was drawn up. This model helps in creation of grievance machinery. According to it, workers' representatives are to be elected for a department or their union is to nominate them. Management has to specify the persons in each department who are to be approached first and the departmental heads who are supposed to be approached in the second step. The Model Grievance Procedure specifies the details of all the steps that are to be followed while redressing grievances. These steps are:

STEP 1: In the first step the grievance is to be submitted to departmental representative, who is a representative of management. He has to give his answer within 48 hours.

STEP 2: If the departmental representative fails to provide a solution, the aggrieved employee can take his grievance to head of the department, who has to give his decision within 3 days.

STEP 3: If the aggrieved employee is not satisfied with the decision of departmental head, he can take the grievance to Grievance Committee. The Grievance Committee makes its recommendations to the manager within 7 days in the form of a report. The final decision of the management on the report of Grievance Committee must be communicated to the aggrieved employee within three days of the receipt of report. An appeal for revision of final decision can be made by the worker if he is not satisfied with it. The management must communicate its decision to the worker within 7 days.

STEP 4: If the grievance still remains unsettled, the case may be referred to voluntary arbitration.

Aggrieved Employee → Departmental Representative → Head of Department → Grievance Committee → Chief Executive → Voluntary Arbitration

48 Hours

3 Days

7 Days

7 days

SETTLEMENT OF GRIEVANCE

RETIREMENT/SEPERATION

RETIREMENT
Retirement of an employee is a type of separation of an employee from the organization due to completion of the age set by the organization at which an employee must leave the organization.

In Govt. services, the age set for retirement is 58. In private concerns, the age limit may be 56,58 or 60 and sometime there is no age limit and the employees can continue his services with the organization till he feels competent enough to contribute effactually and the organization feels in the same way too.

Organizations sometimes hold the view that compulsory retirement at a fixed age for all is beneficial for several reasons-Human resources planning is facilitated when retirement schedules are known; opening are created to which younger employees can advance; it is simpler to administer with no complications to prove that the older employee no longer meets job requirement; and it stimulated employees to make plans for retirement in advance of a known date.

However, some organizations are not in favor of compulsory retirements because there are employees who can contribute well till a much later age than 58 or 60.

TYPES/KINDS OF RETIREMENT

1. **Forced/Compulsory Retirement**: Wherein an age-limit is stipulated by the organization and all employees on completion of that age have to leave the organization.

2. **Open Retirement**: Wherein an employee can continue to contribute his competency, creativity, efforts and talents towards the organization till a stage when both the employee and the firm estimate that the employee must retire/cease to be on the pay-muster of the organization.

3. **Voluntary Retirement Schemes (VRS)/ Golden Handshake Retirement**: Where in organizations provide liberal incentives for people to leave the enterprise before the age of superannuation. Such situations may arise due to surplus staff. Employees may opt (decide) to retire voluntarily to avail the benefits of such schemes.

4. **Premature Retirement**: wherein an employee may have to leave the organization before retirement stage due to reasons of health, accident, family, etc.

SEPARATION:

"Separation" means cessation of service of agreement with the organization for one or the other reason.

The employee may be separated from the organization's pay-roll for any of the reasons mentioned below:

RESIGNATION:
Resignation may be put in 'voluntarily' by the employees on grounds of health, physical disability, better opportunities elsewhere, and maladjustment with the organization or other personal reasons.

Resignation may also be 'compulsory' when an employee is asked to put in his resignation if he wants to avoid termination of his services on the grounds of negligence, misconduct act.

DISCHARGE:

A Discharge involves permanent separation of an employee from the pay-roll of the organization for violation of company rules or for inadequate performance.
A Discharge becomes necessary:
1. When the volume of business does not justify the continuing employment of persons involved.
2. When a person fails to work according to the requirements of the job either because of incapacity or because he has deliberately slowed down on work, or because there is no suitable place where he can be transferred.
3. When an individual forfeits his right to a job because of his violation of a basic policy often involving the safety of others, the morale and discipline of a group.

DISMISSAL:

A Dismissal is the termination of the services of an employee by way of punishment for some misconduct, or for unauthorized and prolonged absence from duty.
Before his services are terminated, an employee is given an opportunity to explain his conduct and to show cause why he should not be dismissed. The general rule is that in this process, there should be no violation of the 'Principles of Natural Justice'.

SUSPENSION

This is a serious punishment, and is generally awarded only after a proper enquiry has been conducted.
Suspension means prohibiting an employee from attending work, stopping him from performing the duties assigned to him and withholding the remuneration payable to him.
For reasons of discipline workman may be suspended without prejudice during the course of any enquiry.
During suspension, the employee receives a subsistence allowance.

RETRENCHEMENT

It means a permanent termination of the services of an employee for economic reasons in an industry.
The Industrial Disputes Act, 1947 defines Retrenchment as the "termination by the employer of the services of workmen for any reason".
Retrenchment is not a punishment or a retirement process but a term applied to not continuing operations because a part of the workforce is found to be superfluous.
The principle in the procedure of Retrenchment is that the last person employed in each category must be the first person to be retrenched, i.e.," last comes, first go".
When vacancies arise after retrenchment, the employer gives an opportunity to the retrenched workers to offer themselves for re-employment, and they are given preference. Such vacancies are generally notified at least 10 days before they are filled up.

REDEPLOYMENT:
The term indicates shifting from one department to another of the organization. Where a re-deployment of employees becomes necessary on account of reorganization of production, modernization of equipment or the expansion of an enterprise, such re-deployment should be

affected with minimum hardship for, and discomfiture of the affected employees. There should be no reduction in remuneration on re-deployment of employees and employees must be given further training on the employer's cost if required.

VOLUNTARY RETIREMENT SCHEMES (VRS)- Golden Handshake:

In recent years, there is an increasing trend towards the direction of voluntary retirement of employees. Many Organizations due to surplus staff. Sizing down of their enterprises, financial crunches, redundancy, global competition, demand, etc. are compelled to formulate schemes with liberal incentives and attractive pay packages to employees who opt to retire voluntarily before attaining the stipulated retirement age.

Employees who on the basis of their voluntary will agree to retire before the age of superannuation become eligible to receive the benefits of several VRS attractive offers along with the stipulated provident fund, gratuity, etc. benefits. VRS are programs initiating employees to retire from the organization voluntarily. Several benefits for opting for VRS serve as motivational factors to employees to take retirement from the organization before the due stage of retirement in reached.

LAY-OFF:

A Lay-off refers to an independent separation of an employee from the pay-roll, due to factors beyond the control of the employer. It involves a temporary or a permanent removal from the organization's pay-roll in order to reduce the financial burden on an organization.

According to 'The Industrial Disputes Act's, 1947', a 'Lay-off' has been defined as the "the refusal, failure or inability of an employer, on account of shortage of coal, power or raw materials, on the accumulation of stock or breakdown of machinery for any reason, to give employment to a workman whose name is borne on the muster roll of his individual establishment and who has not been retrenched"

During Lay-off period, a workman ceases to be eligible for Lay-off compensation if:

1. He refuses to accept alternative employment at a place within 5 miles of the establishment from which he has been Laid-off. Badly and casual workmen are however, not eligible for Lay-off compensation.
2. If he does not present himself for work at the appointed time during normal working hours at least once a day; or
3. If the Lay-off is due to a strike or a slowing down of production on the part of workmen in another part of the establishment.

QUESTION BANK

Q1. Explain the concept of HRM & Role of HR Manager?

Q2. Justify "Recruitment is positive & Selection is a negative process"?

Q3. Explain the Job Evaluation Methods in Details?

Q4. Explain the concept of Training Evaluation with the help of Kirk Patricle's Model?

Q5. What do you understand by separation? Explain different types of separations?

Q6) Define manpower planning. Explain the various steps involved in manpower planning?

Q7. What is job analysis? Discuss its importance & purpose with an illustration.

Q8.What is human resource planning? Explain the process of FIRP in your own language.

Q9. Define Training. Explain the significance of training needs analysis with reference to training evaluation.

Q10. Design a training program for newly joined sales trainee of a Pharmaceutical company.

Q11.Explain performance Appraisal & discuss its relevance to employee's Compensation.

Q12. What are various methods of performance Appraisal and which one is how comprehensive? Justify?

Q13. Explain the concept of employee Relationship Management in the organisational context.

Q14. "Flexible work Arrangement enhances employee's productivity". Discuss with justification.

Q15. Define HRM. Explain the structure of the Human Resource Department in relation to the role of the HR manager.

Q16. Explain the term selection. Elaborate on the process of recruitment and selection.

Q17. Define training and development. Explain any 4 methods of training.

Q18. "The role of HRM in formulating is implementing strategies is crucial". Elaborate.

Q19. How organisational strategies are closely linked with HR strategy. Discuss.

Q20. What are various factors responsible for un-effective job design. Explain in details.

Q21. Discuss the recent trends of Recruitment methods as being adopted by various companies.

Q22. "Money spend on Training is not on expenditure but an investment". Explain.

Q23. Define performance & explain various methods of performance appraisal.

Q24. Discuss the advantages & problems of linking compensation with performance.

Q25. Explain the concept of downsizing & discuss the difference between Termination & Resignation.

Q26. Define Human Resource Management. Discuss the difference between Personnel Management and HRM.

Q27. Explain the importance of Training and Development. And further, describe the need of evaluation of Training Programme.

Q28. What do you understand by performance management? Elaborate any 3 methods of performance evaluation.

Q28. What is collective bargaining? Discuss its importance in the settlement of Industrial Disputes.

Q29. Define Manpower Planning. Elaborate its need & importance.

Q30. What is the need of manpower planning in an organization? Discuss its benefits & process in detail.

Q.31. Explain in your own language-internal & external sources of recruitment.

Q32. Define training and explain the significance & steps of training needs assessment.

Q33. Design a training programme. For newly inducted employees in the sales department of a pharmaceutical company.

Q34. Explain the advantages & problems of linking compensation with performance.

Q35. Explain the concept of employee relation & discuss its importance in the organisation context.

Q36. Discuss in detail the advantages & disadvantages of flexible work arrangement in an organization.

Q37. "Job Design is a result-oriented tool for optimal utilization Human Resources". Discuss with example.

Q.38. What is the significance of job analysis and what are its benefits explain with suitable example.

Q39. Describe in details – "Training need assessment and its advantages.

Q40. "Compensation linked with the performance". Discuss.

Q41.. Define manpower planning. Explain the various steps involved in manpower planning.

Q42. Explain the concept of Training Evaluation. Describe Kirk Patricle's model.

Q43. Explain in detail model of Grievance Procedure.

Q44. Explain in detail total quality management.

Q45. "Compensation Management plays a vital role in various aspects of HRM". Discuss.

Q46. Elaborate on various methods of employee separation.

Q47. What do you meant by compensation? What are the basic objectives of Compensation Management? 2. Discuss the steps involved in compensation management process?

Q.48 What are the factors influences Compensation Management?

Q49. Discuss the causes and effects of grievance. Outline the features of a grievance procedure and the steps involved in it.

Q50. Write Short notes on:

a) VRS

b) Quality Circles

c) Suspension& Discharge

d) Career Planning

e) Suspension

f) MBO

g) JOB analysis

h) Human resource planning

i) TQM.

j) Rating errors.