

UNIT - III

HUMAN RESOURCE MANAGEMENT

Functions of a HR-

Two basic functions

- ① overseeing department functions
- ② managing employees

Core competencies of HR management include solid communication skills and decision making capabilities

- ① Recruitment and selection
- ② Training and Development
- ③ Compensation and Benefits
- ④ Effective Employee relations
- ⑤ Performance Appraisal.

Flippo defines personnel management as the planning, organising, directing, and controlling of the procurement, development, compensation, integration and maintenance of people (that is employees) for the purpose of contributing to the organisational goals.

MAN POWER PLANNING:-

Manpower planning Addresses

- what kind of people and how many are required at every level in the org?
- over what period of time are these people required?
- what is the present level of staff in the organisation?
- Is there an excess or a shortage of staff?

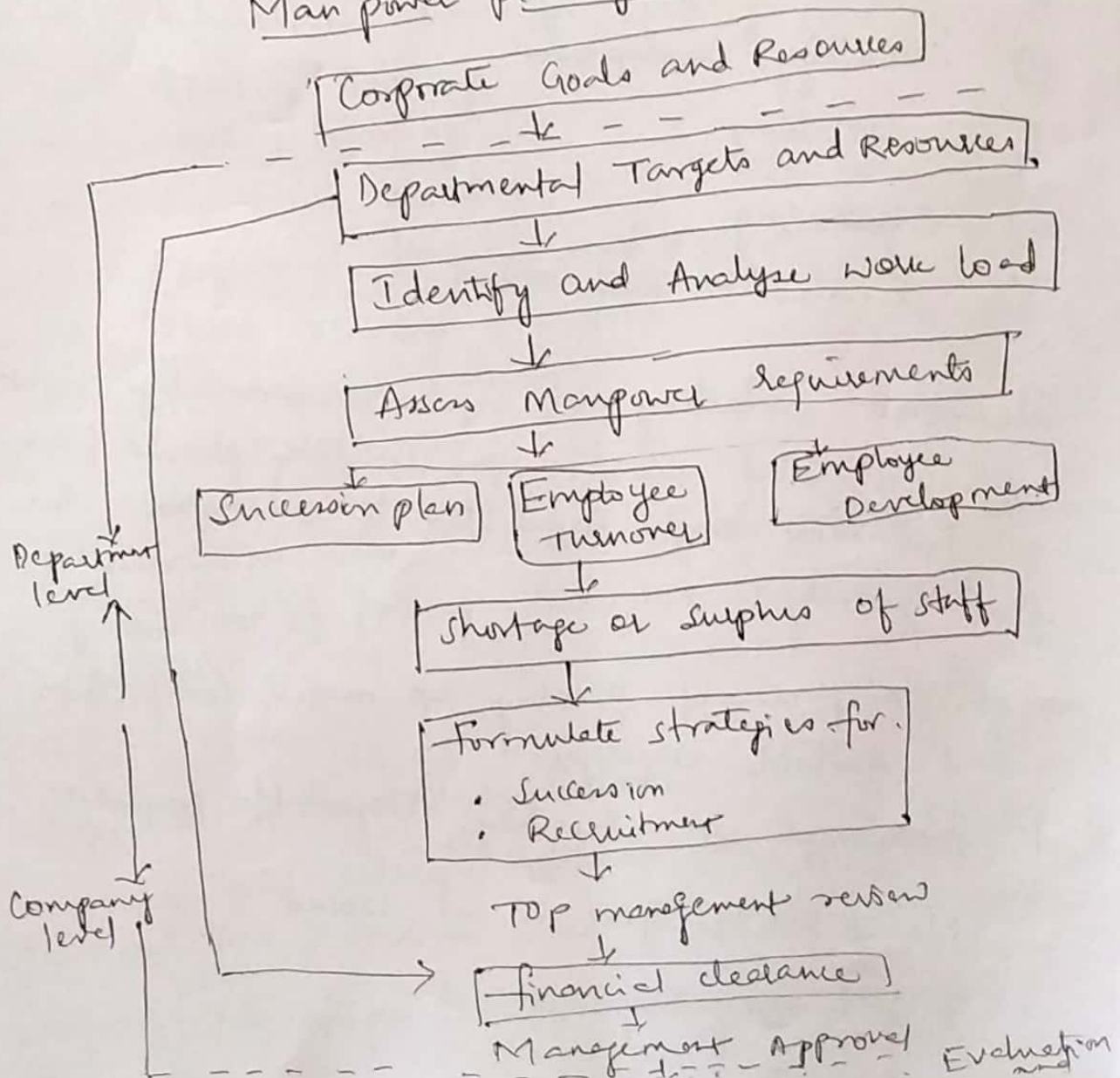
Definition:- Manpower planning may be defined as a rational method of assessing the requirement of human resources at different levels in the organisations. It ends with proposals for recruitment, retention or even dismissal where necessary.

Manpower planning is, in other words, concerned with the flow of people into and sometimes out of the organisation. Its main objective is to acquire, utilise, improve and retain effectively the human resources to achieve the targeted results at different levels in an optimum manner.

Importance-

- (a) It directly contributes to the achievement of the corporate objectives
- (b) It enables the organisation to secure the right kind and quantity of human resources at different levels in it
- (c) It helps decision-makers in the search for the optimum strategy

Man power planning process



Recruitment:- Recruitment is a process of finding and attracting the potential resources for filling up the vacant positions in an organization.

→ Recruitment is a process of identifying the jobs vacancy, analyzing the job requirements, reviewing applications, screening, shortlisting and selecting the right candidate.

Recruitment process

- ① Recruitment planning
- ② Strategy development
- ③ Searching
- ④ Screening
- ⑤ Evaluation and Control

Selection:- Selecting the right candidate for right job is called selection process. He should have all the skills and capabilities to accomplish the job effectively.

→ It is a process of picking up more competent and suitable employees

→ It attempts at rejecting unsuitable candidates

→ Many hurdles have to be crossed

→ It is a negative approach.

→ It follows recruitment-

Training & Development:-

A formal definition of training & development is ..
It is any attempt to improve current or future employee performance by increasing an employee's ability to perform through learning, usually by changing the employee's attitude or increasing his or her skills and knowledge.

Types of Training

- Technical or Technology Training
- Quality training
- Skills training
- Soft skills training
- Professional Training and legal training
- Team Training
- Managerial training
- Safety training

Placement:- The placement of something or someone is the act of putting them in a particular place or position.

Wage and Salary Administration:-

Wage and salary Administration is a collection of practices and procedures used for planning and distributing company-wide compensation programs for employees.

These practices include employees at all levels and are usually handled by the accounting department of a company.

Selection :- Its main purpose of selection is to choose the right person for right job.

(a) Initial screening / short-listing :- It is customary that the organisation gets enquiries seeking information about the availability of posts, salary range, piece of work. This process is called short-listing.

(b) Comprehensive application / bi-data screening :- once the initial screening is completed, the applicants are asked to complete an application form provided by the organisation. The details of the comprehensive employment profile of the applicants are to be furnished in the given format.

(c) Aptitude or written tests :- organisations usually rely, to a considerable extent, on intelligence, aptitude, ability, and interest tests to provide a major input to the selection process. The aptitude tests enable the organisations to predict who would be successful on the job.

④ Group discussion :- Those who pass in the aptitude test are called for group discussion. In group discussion, the following abilities of the candidate are assessed: Communications skills, presence of mind, reacting to others Viewpoints, ability to convince, leadership skills and others.

⑤ personal interview :- Such of those who are shortlisted in group discussion are invited for attending a personal interview. The interview board consists of the personnel manager, one or two senior managers within the organisation, and a psychologist to assess whether the candidate possesses the abilities as demanded by the job specification.

⑥ Medical examination :- Those who are shortlisted in the interview are referred to for medical examination. This is intended to ensure that the candidate is in good health and has enough capacity to comply with the requirements of the job.

⑦ Employment offer :- This is the last stage of the selection process. Those who are considered medically fit are offered employment in the organisation.

Training and Development

Training is a short-term process of utilising systematic and organised procedures by which the staff acquires specific technical knowledge and functional skills for a definite purpose.

Training methods

On-the job training methods

(a) Job - instruction training :- method used for jobs which can be performed with relatively low skill.

(b) Experimental learning :- This is a modern approach to the learning process. This method is more used for training the senior executives.

(c) Demonstration :- Here, the work procedures are demonstrated to the trainees. Each of the trainees is carry out the work, on a sample basis, based on his/her observation and understanding of the Demonstration.

(d) Apprentice training :- Those who are selected to work in the shop floor are trained as apprentices in the factory for a brief period ranging from three months to one year, depending upon the complexity of the training.

Off - the - job training methods -
provide a relatively broad idea relating to a given job or task.

(A) Lectures / talks and class room instructions :-

These techniques are designed are to communicate specific interpersonal, technical, or problem solving skills.

(B) Conferences :- Conferences refer to get-together of the experts from different areas of a given topic. These experts present their views based on their work experience and research results.

(C) Seminars :- Seminars are held periodically by the professional organisations for the benefit of all the practicing managers by taking into consideration the recent advances in a specific specialised area.

(d) Team discussions

(e) Case study

(f) Role - playing

(g) programmed instruction

(h) Simulation exercises

(i) Group decision-making

Development:- Development is an activity aimed at career growth rather than immediate performance. Employee development is the process which helps him or her to understand and interpret knowledge rather than teaching a specific set of functional skills.

Placement:-

After training, the employee is placed in his/her position under the charge of a manager. The new recruit is allowed to exercise full authority and is held responsible for the results.

- (a) promotion
- (b) Demotion
- (c) Transfer
- (d) separation
- (e) Absenteeism

Wage and salary Administration:-

fixing the wage/salary for different jobs in the organisation. where wage is paid on the basis of the time spent in the organisation is called time wage system.

for the production or sales department, the production or sales staff can be paid based on the units produced or sold. This method is called piece wage system.

→ Salary constitutes the basic salary, dearness allowance

→ Fair compensation package

- * Retain the existing staff
- * Reward good performance
- * Satisfy the employees.

→ Wage differentials:- It is common to find different wages in different industries or different states for the same job or position. The magnitude of difference in wages is called 'wage differential'.

→ A balanced compensation package

The personnel manager has to ensure that the compensation package is a balanced one. It is said to be a balanced one when it is unbiased, employee-welfare oriented and fully rewarding the efforts of the employee.

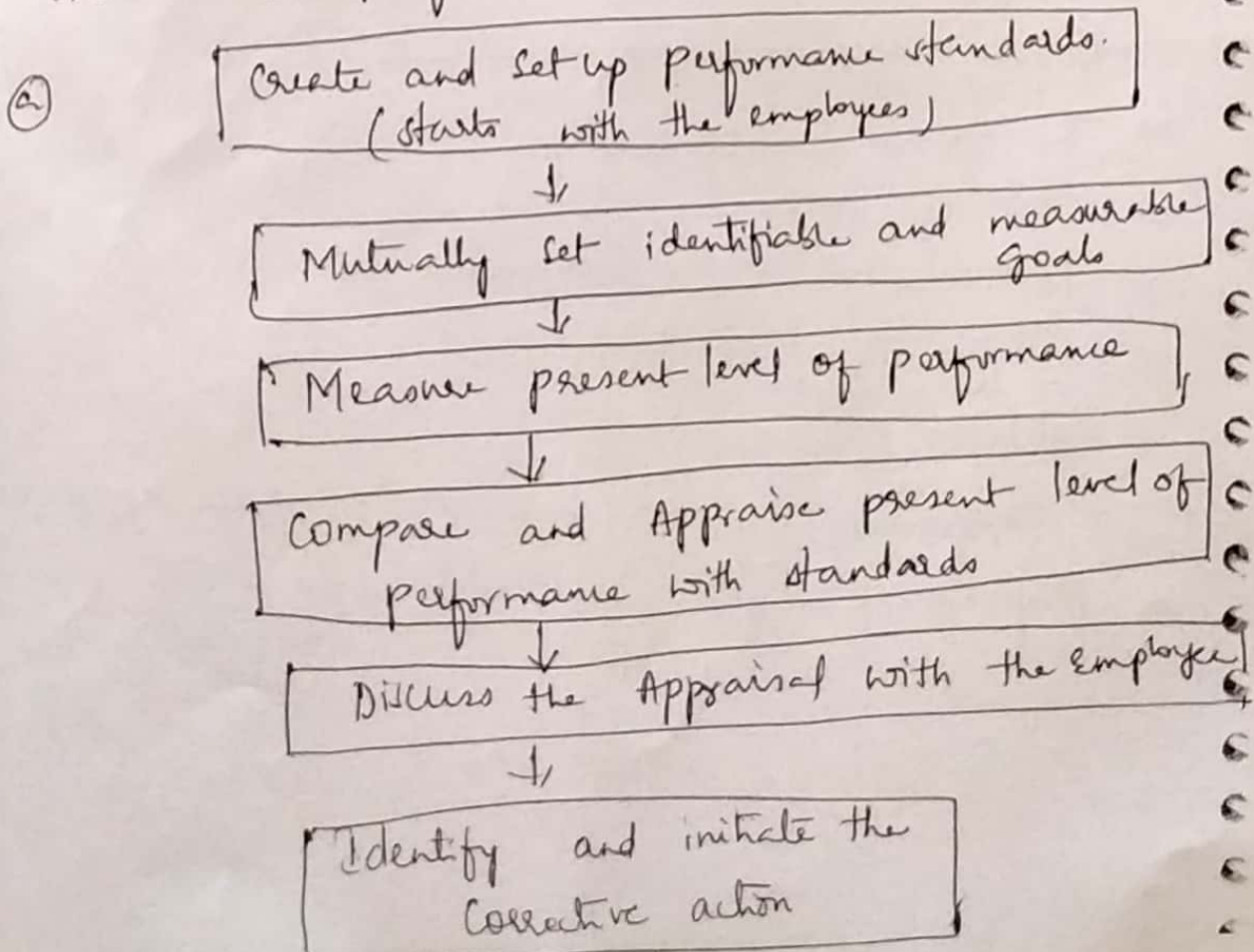
Factors affecting compensation policy

- The firm's ability to pay
- Cost of living
- Remuneration in the comparative industries
- Degree of productivity
- Union pressures
- Government legislation such as Minimum Wages Act, Payment of Wages Act, and so on.

Performance Appraisal :-

- (a) TO assess the employee's present level of performance
- (b) TO identify the strengths or weaknesses of individual employee
- (c) TO provide feedback to the employee so that he can improve his/her performance
- (d) TO provide an objective basis for rewarding the employees for their performance
- (e) TO motivate those employees who perform
- (f) TO check and punish those employees who fail to perform

How is the performance appraised



Grievance Handling steps

- Conference among the aggrieved employee, supervisor and Union representative, if any
- Conference with middle management and middle Union leadership
- Conference among the top management and the top Union leadership
- Arbitration

Steps in Handling a Grievance

- (a) Receiving the complaint in writing, from the aggrieved employee
- (b) Defining the nature of dissatisfaction
- (c) Getting the facts
- (d) Analysing and deciding
- (e) Reply answer to the complainant
- (f) Following up

Welfare Aspects :-

The personnel manager is responsible for implementing the legal provisions Under the factories Act, which deals with the safety, welfare and health of the industrial workers.

- The payment of wages Act, 1936
- The minimum wages Act, 1948
- The Workmen's Compensation Act, 1923
- The Employee State Insurance Act, 1948
- The Employee Provident fund Act, 1952

Job Evaluation - Job evaluation is the technique of Assessing systematically the relative worth (in monetary terms) of each job. It provides valuable insights into certain questions such as why the chief executive is paid the highest, why the production supervisor in the shop floor is paid lesser and so on.

Advantages of Job Evaluation

1. It provides a rational basis for discussions with the Trade Unions at the time of wage negotiations.
2. It provides a justification for allocating pay differentials between groups.
3. It eliminates, to a large extent, grievances about remuneration.
4. It facilitates career planning.
5. It streamlines responsibility levels.
6. It ensures the hiring of the right people.

Merit Rating.

Merit rating is the process of evaluating the relative merit of the person on a given job. It is an essential task of the personnel manager to distinguish the meritorious employees from the others.

Methods of Merit Rating

- ① Ranking method
- ② Paired Comparison method
- ③ Rating scale
- ④ Forced distribution method
- ⑤ Narrative or essay method
- ⑥ Management by objectives (MBO)

↓
It is a systematic method of goal setting. Also, it provides for reviewing performance based on results rather than personality traits or characteristics. However, this is not practical at all levels and for all kinds of work in the organisations.