

UNIT – III

HUMAN RESOURCES MANAGEMENT (HRM)

HRM - Definition and Meaning – Nature - Managerial and Operative functions - Evolution of HRM - Job Analysis - Human Resource Planning (HRP) - Employee Recruitment-Sources of Recruitment - Employee Selection - Process and Tests in Employee Selection - Employee Training and Development - On-the- job & Off-the-job training methods - Performance Appraisal Concept - Methods of Performance Appraisal – Placement - Employee Induction - Wage and Salary Administration.

Human Resource Management (HRM)

Definition:

Human resource management (HRM) is a tactical approach which deals with acquisition, training and development, orientation, motivation and retention of personnel in an organisation. It is a powerful tool for any organisation to succeed. It is a continuous and never-ending process.

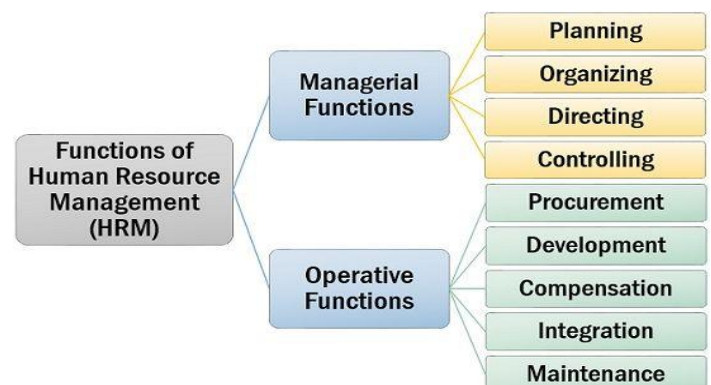
Human Resource Management (HRM) as “planning, organizing, directing, controlling of procurement, development, compensation, integration, maintenance, and separation of human resources to the end that individual, organizational and social objectives are achieved. **By Edwin Flippo**



Functions of HRM

Human resource management (HRM) is a systematic approach to fill in the gap between the organisation and its employees. To simplify the task of managing the human capital of the organisation, various functions of HRM have been developed. These functions are categorised broadly as:

1. Managerial Function
2. Operative Functions



I. Managerial Functions

Human resource management is essential at all levels of an organisation. The top management is responsible for forming strategies and giving directions for the successful application of such plans. In the process, they perform the following functions:

- **Planning:** Firstly, the management must be aware of the vacant positions or workforce requirement of the organisation. Then, they need to formulate the strategies for meeting the requirements.
- **Organising:** The manager has to establish a framework for the operative functions, bringing together the human resources and physical resources available with the organisation.
- **Directing:** Once the framework is ready, the manager instructs and guides the team to work accordingly, to meet the organisational objective.
- **Controlling:** The management predefines the standard for performance, and later analyses the results based on such criteria through performance appraisal and job analysis. The management has to take corrective measures if necessary.

II. Operative Functions

The operative functions are those which are taken on the departmental level or middle level and mainly concerned about the execution of the plans and strategies formulated at the managerial level. To know more about the different operative functions, read below:

- **Procurement:** The acquisition of human resource is the primary function of a manager. It involves the estimation of personnel requirement, recruitment and selection of suitable candidates, placement and orientation of the workforce in the right position.
- **Development:** To develop the required skills and talent within the employees, the managers have to use various training techniques.
- **Compensation:** Compensation in the form of remuneration, given to employees instead of their services to the organisation should be adequate and fair. The employees are liable to get other benefits such as a bonus or incentives.
- **Integration:** Integration means making the new employees familiar with the organisation and to their task or process. It introduces them to the organisational environment and their colleagues.
- **Maintenance:** The most important of all is the retention of the employees which requires providing them with various benefits and facilities like PF, life insurance, accidental insurance, health insurance, pension, gratuity, allowances and taking other health and safety measures.

Nature of Human Resource Management (HRM)

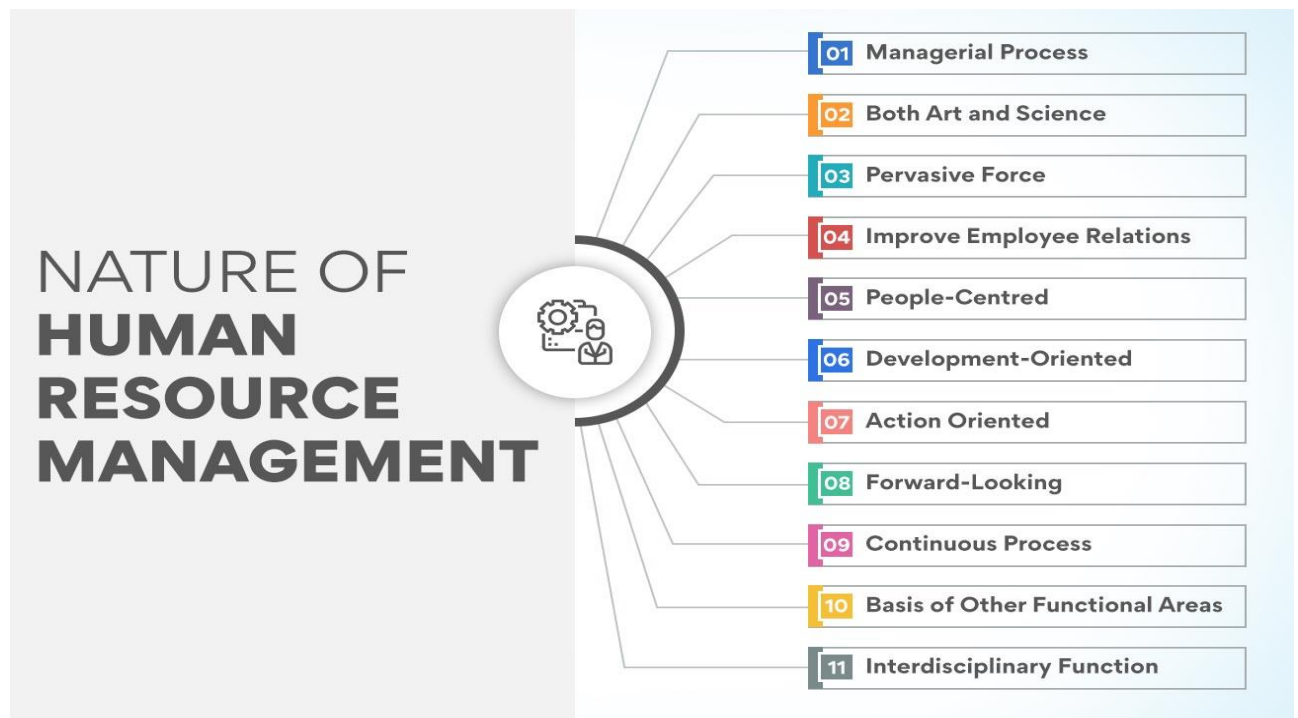
Human resource management (HRM) is an inevitable part of every organisation. It is crucial to have an in-depth knowledge of HRM to realise organisational goals and simultaneously creating a happy and contented workforce. To get a better understanding of the nature of human resource management, we must go through the following points:

- **Managerial Process**

Human resource management is a vital part of management that includes planning, organising, staffing, directing, and controlling human resources to achieve organisational success. It is a managerial process that effectively utilises human resources to attain organisational goals and objectives.

- **Both Art and Science**

Human resource management is a mixture of both art and science. It is an art as it deals with qualitative attributes like creativity, knowledge, skills, and talent of the personnel. In simple words, HRM is the art of getting things done by others effectively. HRM is a science as it requires different scientific techniques for activities like recruitment, selection, training, and appraisal of employees.



- **Pervasive Force**

Human resource management, being an inherent part of an organisation, is pervasive in nature. It means that HRM is present in different functional areas of management, like finance, marketing, and production, in all commercial and non-commercial enterprises. Everyone in the organisation, from the top to the lowest level, must perform HRM functions regularly.

- **Based on Employee Relations**

Human resource management is concerned with building healthy relationships between employees at various organisational levels. Every individual has different needs, goals, and expectations. HRM deals with these individual factors and motivates employees to reach their maximum potential. Moreover, it creates an organisational culture that fosters learning and growth.

- **People-Centred**

The nature of human resource management is people-centred and relevant in all types of organisations. It is concerned with every employee from the top to the bottom level. HRM value people both as individuals and as a group. Furthermore, it encourages people to develop their full potential and fulfil individual and organisational goals.

- **Development-Oriented**

The development of the workforce in an organisation is crucial to the nature of human resource management. HR managers use various tools to help employees understand their strengths and unleash their potential. Regular training programs can benefit employees by improving their

skills. Also, monetary and non-monetary reinforcement can help people stay motivated to perform better.

- **Action Oriented**

While human resource management does follow the rules and policies, its main focus is on action and results rather than rules. A human resource manager stresses the importance of providing effective solutions for employee problems, tensions, or controversies.

- **Forward-Looking**

Sustaining in the competitive business environment requires organisations to plan long-term strategies. HRM is a future-oriented approach that evaluates the human resource requirements and ensures the availability of required personnel in the right place at the right time. With the forward-looking nature of human resource management, managers prepare employees by motivation, training, and development to face current and future challenges in the changing business environment.

- **Continuous Process**

Human resource management is not a 'one-time' function. Rather, it is a never-ending process that must be performed continuously to achieve organisational objectives effectively. It involves a series of tasks, beginning with identifying the human resource requirement and continuing with recruitment, training, performance evaluation, and appraisal.

- **Basis of Other Functional Areas**

HRM is the basis of all other functional areas of management, such as finance, production, and marketing. The effectiveness of each of these departments depends on the effectiveness of their human resource management.

- **Interdisciplinary Function**

Human resource management is multidisciplinary in nature. HR managers utilise knowledge and inputs from various disciplines to manage the workforce effectively. The five major disciplines in HRM include management, communication, psychology, sociology, and economics. In order to effectively manage human resources, one must understand the contribution of all these disciplines to HRM.

Evolution of HRM

HRM has evolved from the Personnel Management (which was the earstwhile management system to manage employees). Going back to the roots of evolution of personnel management the contributions of Psychologists and management experts such as Elton Mayo, F.W. Taylor and Robert Owen play a significant role. Elton Mayo was the founder of the human relations movement in the 1920s. In the famous Hawthorne study, he measured the relationship between productivity and the work environment. He emphasized the influence of human relations on worker productivity. Similarly, Robert Owen is considered to be the creator and initiator of reforms introduced for workers. He introduced the principle of '8 hours work per day'. Owen recognised the importance of improving working conditions in the workplace and its impact on worker productivity and efficiency. Also worth mentioning is the contribution of Frederick W. Taylor. Taylor has developed a differentiated compensation system that rewards employees with higher performance levels, that are still used in the company. He promoted Scientific Management through four principles:

1. Evaluate a task by dissecting its components;
2. Select employees that had appropriate skills for a task;
3. Provide workers with incentives and training to do a task; and

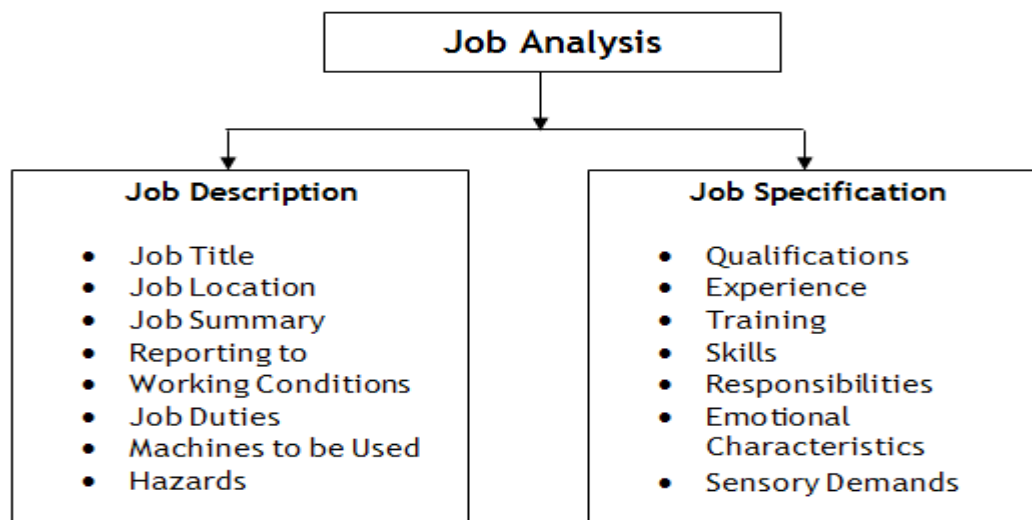
4. Use science to plan how workers perform their jobs.

Job Analysis

Job analysis is the process of gathering and analyzing information about the content and the human requirements of jobs, as well as, the context in which jobs are performed. This process is used to determine placement of jobs.

Job analysis refers to a systematic process of collecting all information about a specific job, including skill requirements, roles, responsibilities and processes in order to create a valid job description. Job analysis also gives an overview of the physical, emotional & related human qualities required to execute the job successfully.

Job Analysis is a primary tool to collect job-related data. The process results in collecting and recording two data sets including **job description** and **job specification**.



Job Description

Job description includes basic job-related data that is useful to advertise a specific job and attract a pool of talent.

It includes information such as job title, job location, reporting to and of employees, job summary, nature and objectives of a job, tasks and duties to be performed, working conditions, machines, tools and equipment to be used by a prospective worker and hazards involved in it.

Purpose of Job Description

- The main purpose of job description is to collect job-related data in order to advertise for a particular job. It helps in attracting, targeting, recruiting and selecting the right candidate for the right job.
- It is done to determine what needs to be delivered in a particular job. It clarifies what employees are supposed to do if selected for that particular job opening.
- It gives recruiting staff a clear view what kind of candidate is required by a particular department or division to perform a specific task or job.

Job Specification

Also known as employee specifications, a job specification is a written statement of educational qualifications, specific qualities, level of experience, physical, emotional, technical and communication skills required to perform a job, responsibilities involved in a job and other

unusual sensory demands. It also includes general health, mental health, intelligence, aptitude, memory, judgment, leadership skills, emotional ability, adaptability, flexibility, values and ethics, manners and creativity, etc.

Purpose of Job Specification

- Described on the basis of job description, **job specification helps candidates analyze whether are eligible to apply for a particular job vacancy or not.**
- It helps recruiting team of an organization understand what level of qualifications, qualities and set of characteristics should be present in a candidate to make him or her eligible for the job opening.
- Job Specification gives detailed information about any job including job responsibilities, desired technical and physical skills, conversational ability and much more.
- It helps in selecting the most appropriate candidate for a particular job.

Purpose / Objectives of Job analysis

The data collected from the job analysis can be used for a variety of purposes. These are as follows –

Job description: Job descriptions describe the duties, responsibilities, working conditions and activities of a particular job.

Job specification: Job specification details the knowledge, skills, and abilities relevant to a job, including the education, experience, specialized training, personal traits, and manual dexterity required.

Job evaluation: The information gathered during a job analysis can be used as input for the organization's job evaluation system. The job evaluation determines the worth of a particular job to the organization.

Determining training needs: Job analysis can be used in training/"needs assessment" to identify or develop:

- Training content;
- Assessment tests to measure the effectiveness of training;
- Equipment to be used in delivering the training;
- Methods of training (i.e., small group, computer-based, video, classroom, etc.)

Compensation: Job analysis can be used in compensation to identify or determine:

- Skill levels;
- Compassable job factors;
- Work environment (e.g., hazards: attention; physical effort);
- Responsibilities (e.g., fiscal, supervisory);
- Required level of education (indirectly related to salary level).

Selection procedure: Job analysis can be used in selection procedures to identify or develop:

- Job duties that should include in advertisements for a vacant position;
- The appropriate salary level for the position to help determine what salary should be offered to a candidate.
- Minimum requirement (education and experience) for screening applicants;
- Interview questions.
- Selection test instruments (e.g., written tests; oral tests; job simulations)

Transfer and promotion of employees: Every employee has to give the opportunity to transfer and promotion.

To ensure sound work environment: The job analysis is also useful for ensuring a sound work environment that has to be done are, in fact, sound work to a particular position.

Perfect distribution of post: There are many posts as there are workers in their organization. Every worker has given the perfect post of proper performance.

Performance evaluation: A performance evaluation compares each employee's actual performance with his or her performance standard.

Process of Job Analysis

1. **Defining the objectives:** The foremost step in the process of job analysis is defining the objective of the job analysis. The objective could be either of the following:

- Redesign the job description
- Revise the compensation program
- Change the organization structure
- Redesign the job in a particular department. Once the objective is selected, it should be well communicated to the top management because with its support only, the changes can be made in the organization.



2. **Preparing the job Analysis:** After setting an objective, the kind of jobs that are to be analyzed are selected, whether the clerical jobs, managerial jobs, division specific job, etc. Also, the members who are included in the analysis and the methods to be used are identified. At this stage, the complete review of the existing job description is done to have a fair insight of the duties, responsibilities, organization chart, working conditions, hazards, etc. that exist in a particular set of jobs.
3. **Performing the Job Analysis:** The next stage in the process of job analysis is to perform or begin with the job analysis. Here, the sufficient time should be allotted for collecting the job details from the employees. The information from the employees can be collected through questionnaires, interviews, or through an observation method. Once the information gets collected it needs to be sorted on the basis of its nature, division, department.
4. **Designing Job Descriptions and Job Specifications:** At this stage, the job analyst prepares a draft of the job description and the specifications. After sorting of the information, the changes that need to be made in the jobs is identified and is written on paper. Once the draft gets prepared, it is circulated to the managers, supervisors, and the employees.
5. **Control Job Descriptions and Job Specifications:** This is the last step in the process of job analysis wherein the job descriptions, and the specifications are timely checked and modified according to the changing needs of the organization.

The job analysis results in the job description and the job specification. The Job description comprises of job duties, the level of responsibilities, working conditions, etc. and whereas the

job specification tells about the skills, education, background, qualification, training, communication skills required to perform a specific job.

Techniques of Job Analysis

Though there are several methods of collecting job analysis information yet choosing the one or a combination of more than one method depends upon the needs and requirements of organization and the objectives of the job analysis process.

Observation Method: A job analyst observes an employee and records all his performed and non-performed task, fulfilled and un-fulfilled responsibilities and duties, methods, ways and skills used by him or her to perform various duties and his or her mental or emotional ability to handle challenges and risks.

Interview Method: In this method, an employee is interviewed so that he or she comes up with their own working styles, problems faced by them, use of particular skills and techniques while performing their job and insecurities and fears about their careers.

Questionnaire Method: Another commonly used job analysis method is getting the questionnaires filled from employees, their superiors and managers. However, this method also suffers from personal biasness.

Human Resource Planning (HRP)

Human Resource Planning (HRP) determines the requirement of personnel as per organizational objectives. The ultimate aim of HRP is the **optimum allocation of a qualified workforce**.

Human Resource Planning (HRP) is the process of analysing and strategising the organisation's current and future human resource needs based on goals and vision of the organisation. It is essentially concerned with the process of estimating and projecting the supply and demand for different categories of personnel in the organisation for the years to come.

Definition

According to Leon C Megginson, Human Resources Planning is "an integrated approach to performing the planning aspects of the personnel function in order to have a sufficient supply of adequately developed and motivated people to perform the duties and tasks required to meet organizational objectives and satisfy the individual needs and goals of organizational members".

Components of Human Resource Planning

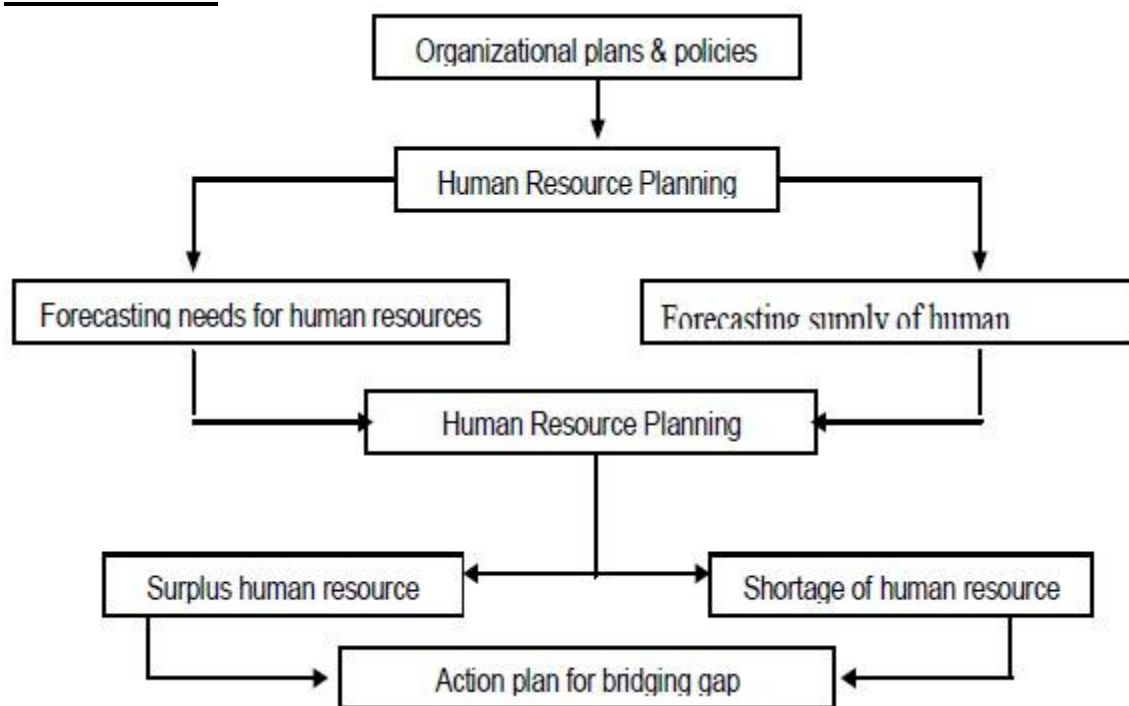
- Estimating Manpower Requirement
- Workload Analysis
- Workforce Analysis
- Absenteeism
- Labor turnover
- Recruitment and Selection
- Induction and Development
- Personnel Development
- Ensuring quality to products and services
- Overall assessment and performance and fine - tuning

Objectives of Human Resource Planning

The following are the important objectives of Human resource Planning:-

1. Recruit & retain the human resource in required quantity & quality.
2. Assessing skill requirement in future for the organisation.
3. Determining training and the development needs of the organisation.
4. Anticipating surplus or shortage of staff and avoiding unnecessary detentions or dismissals.
5. Controlling wage and salary costs.
6. To meet the needs of expansion & diversification programmes.
7. Ensuring optimum use of human resources in the organisation.
8. Helping the organisation to cope with the technological development and modernisation.
9. To anticipate the impact of technology on jobs & human resources.
10. Ensuring higher labour productivity.

Process of HRP



Organizational Objectives

The starting point of any activity in an organization is its objectives which generate various plans and policies. this leads to further course of action necessitating various sub-systems and programmes. in this process of HRP following questions will be raised.

1. Are vacancies to be filled by promotions from within or by hiring from outside?
2. How do the training and development objectives interface with the HRP objectives?
3. What union constraints are encountered in HRP and what policies are needed to handle these
4. How can the employee's job be enriched?
5. How can one downsize the organization to make it more competitive?
6. How can one ensure continuous availability of adaptive and flexible workforce?

Human Resource Plannin

Taking direction from organizational objectives and plans and above policy consideration human resource plan is prepared. the planning process consists of two major activities: forecasting needs of human resources and forecasting supply of human resources.

Identification Of HR Gap

Forecasting needs for human resources and forecasting supply of human resources, both taken together helps to identify gap between human resources needed and their availability.

Action Plans

Various action plans are devised to bridge the human resource gap. If there is surplus of human resources either because of improper HRP in the past or because of change of organisational plan, such as disinvestment of business or closing down some businesses because of various reasons, action plans may be devised to reduce their size through layoff, voluntary retirement etc. If there is shortage of human resources, action plans may be devised to recruit additional personnel.

Importance of HRP

1. Forecasting future demand of HR in organization.
2. To hire right number of people at right name.
3. Helps to avoid surplus manpower
4. Aids in expansion & growth plans
5. Helps in setting work standards
6. Helps to monitor & measure job performance
7. Coping with change.

Recruitment

Recruitment is the process of searching the candidates for employment and stimulating them to apply for jobs in the organization. It is the process of bringing together those who are offering jobs and those who are seeking jobs.

Recruitment is a positive process where a pool of prospective employees is created and management select the right person for the right job from this pool. It provides a base for the selection process.

Definition

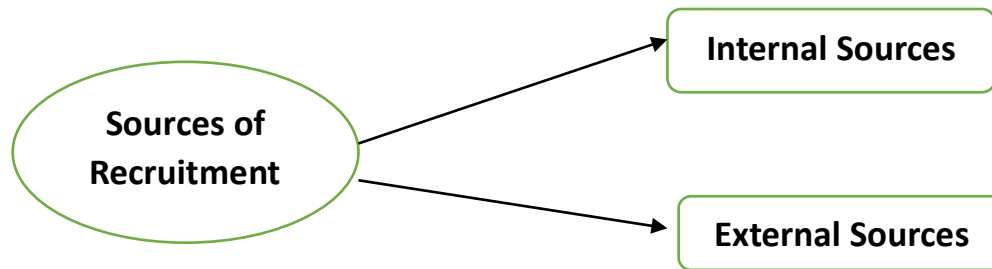
"Recruitment is the process of searching for prospective employees and stimulating them to apply for jobs in organization." - **Edwin B. Flippo**

Objectives of Recruitment

8. To attract people with desired skills and experience that suit the present and future organisational strategies.
9. To induct outsiders with a new perspective to lead the company
10. To develop an organisational culture that attracts competent people to the organisation.
11. To search for talent globally not just within the organisation.
12. To find people for positions that has not yet come into existence.

Sources of Recruitment

Once the company's strategies and recruitment policy have been understood, the human resources manager's duty lies in search for the candidates who can contribute to the achievement of company's strategies. There are various sources of recruitment which can be broadly classified into two types:



I. Internal Sources

These are the sources within the organisational pursuits. The recruitment process will be completed within the organisation. The internal sources of recruitment includes: -

- **Promotions and Transfers:** Promotion is an effective means using job posting and personnel records. Job posting requires notifying vacant positions by posting notices, circulating publications or announcing at staff meetings and inviting employees to apply. Personnel records help discover employees who are doing jobs below their educational qualifications or skill levels. However, promotions restrict the field of selection preventing fresh blood & ideas from entering the organization. It also leads to inbreeding in the organization. Transfers are also important in providing employees with a broad-based view of the organization, necessary for future promotions.
- **Employee referrals:** Employees can develop good prospects for their families and friends by acquainting them with the advantages of a job with the company, furnishing them with introduction and encouraging them to apply. This is a very effective means as many qualified people can be reached at a very low cost to the company. The other advantages are that the employees would bring only those referrals that they feel would be able to fit in the organization based on their own experience. The organization can be assured of the reliability and the character of the referrals. In this way, the organization can also fulfil social obligations and create goodwill.
- **Former Employees:** These include retired employees who are willing to work on a part-time basis, individuals who left work and are willing to come back for higher compensations. Even retrenched employees are taken up once again. The advantage here is that the people are already known to the organization and there is no need to find out their past performance and character. Also, there is no need of an orientation program for them, since they are familiar with the organization.
- **Dependents of deceased employees:** Usually, banks follow this policy. If an employee dies, his / her spouse or son or daughter is recruited in their place. This is usually an effective way to fulfill social obligation and create goodwill.

II. External Sources

- **Advertisements:** It is a popular method of seeking recruits, as many recruiters prefer advertisements because of their wide reach. Want ads describe the job benefits, identify the employer and tell those interested how to apply. Newspaper is the most common medium but for highly specialized recruits, advertisements may be placed in professional or business journals. Advertisements must contain proper information like the job content, working conditions, location of job, compensation including fringe benefits, job specifications, growth aspects, etc. The advertisement has to sell the idea that the company and job are perfect for the candidate. Recruitment advertisements can also serve as corporate advertisements to build company image. It also cost effective.
- **Employment Exchanges:** Employment Exchanges have been set up all over the country in deference to the provision of the Employment Exchanges (Compulsory

Notification of Vacancies) Act, 1959. The Act applies to all industrial establishments having 25 workers or more each. The Act requires all the industrial establishments to notify the vacancies before they are filled. The major functions of the exchanges are to increase the pool of possible applicants and to do the preliminary screening. Thus, employment exchanges act as a link between the employers and the prospective employees. These offices are particularly useful to in recruiting blue-collar, white collar and technical workers.

- **Campus Recruitments:** Colleges, universities, research laboratories, sports fields and institutes are fertile ground for recruiters, particularly the institutes. Campus recruitment is so much sought after that each college; university department or institute will have a placement officer to handle recruitment functions. However, it is often an expensive process, even if recruiting process produces job offers and acceptances eventually. A majority leave the organization within the first five years of their employment. Yet, it is a major source of recruitment for prestigious companies.
- **Walk-ins, Write-ins and Talk-ins:** The most common and least expensive approach for candidates is direct applications, in which job seekers submit unsolicited application letters or resumes. Direct applications can also provide a pool of potential employees to meet future needs. From employees' viewpoint, walk-ins are preferable as they are free from the hassles associated with other methods of recruitment. While direct applications are particularly effective in filling entry-level and unskilled vacancies, some organizations compile pools of potential employees from direct applications for skilled positions. Write-ins are those who send written enquiries. These jobseekers are asked to complete application forms for further processing. Talk-ins involves the job aspirants meeting the recruiter (on an appropriated date) for detailed talks. No application is required to be submitted to the recruiter.
- **Professional or Trade Associations:** Many associations provide placement service to its members. It consists of compiling job seeker's lists and providing access to members during regional or national conventions. Also, the publications of these associations carry classified advertisements from employers interested in recruiting their members. These are particularly useful for attracting highly educated, experienced or skilled personnel. Also, the recruiters can zero on in specific job seekers, especially for hard-to-fill technical posts.

Process of Recruitment

A recruitment process is an organised approach towards searching new talent and introducing them to the organisation.

In the absence of a systematic recruitment process, the cost of employee acquisition will rise. To carefully understand the steps involved in the recruitment process, read below:

- **Identifying Job Requirement:** The recruiter first recognises the job opening regarding the department in which the vacancy is, number of vacancies and urgency of hiring.
- **Preparing Job Description and Job Specification:** The next step is making a job description disclosing the job-related details like designation, location, duties to be performed and required experience. The recruiter also chalks out the job specification having information regarding the skills, qualification, the area of expertise, etc.
- **Advertising the Vacant Position:** A job vacancy is advertised through newspapers, brochures, job portals, consultancies, etc. It ensures that the maximum number of relevant candidates can apply for the job.

- **Attracting Candidates to Apply for Job:** The recruiter needs to provide proper assistance and guidance to the candidates willing to apply for the job.
- **Managing Applications:** The recruiter has to arrange the applications in an orderly manner to simplify the task of scrutinising them.
- **Scrutinising Applications:** Next step is the initial investigation of the applications to go through the candidate's profile thoroughly.
- **Shortlisting Candidates:** By scrutinising the applications, candidates with the matching profile are picked out for the process of selection.



Purpose or Objectives of Recruitment

As we know that human resource is a vital part of any organisation and to ensure the regular supply of personnel in an organisation, recruitment is a significant step.

Following are some of the objectives which justify the need for recruitment for any [business](#):

- **Ensures Uninterrupted Business Process:** Recruitment aims at providing the required number of skilled employees to the organisation to keep the business process going even after [labour turnover](#).
- **Identifies Present and Future Personnel Requirement:** It is the initial step for detecting and analysing the workforce requirement in the organisation, at present as well as in future say within a year.
- **Acquisition of Maximum Number of Relevant CVs:** It advertises the vacant position such that a maximum number of prospective candidates apply for the same.
- **Improves Cost-Effectiveness:** It is a systematic and well-planned process. Thus it has proved to be more cost-effective.
- **Accelerates the Selection Process:** It backs the selection process with a pool of candidates' Curriculum Vitae (CV).

Selection

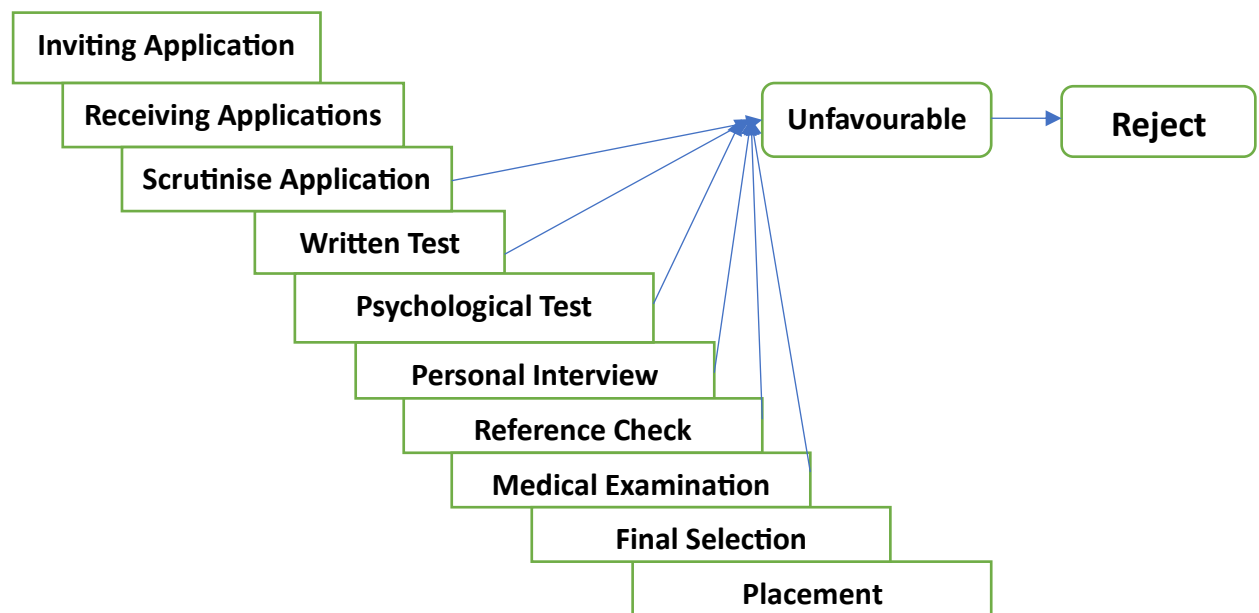
After recruitment process, the management has to perform the function of selecting the right employees.

“It is a process of selection & shortlisting of right candidates with the necessary qualification & skill set to fill the vacancies.”

Selection is the process of choosing from among the candidates from within the organisation or from outside the most suitable person for the current position or for a future position.

The selection process involves making a judgment – not about the applicant but about the fit between the applicant and the job by considering knowledge, skills, abilities, and other characteristics required to perform the job selection procedures are not carried out through standard patterns and steps in this.

Selection Process



Tests in Selection Process

The type of selection test used can vary depending on what position is being filled and what hiring managers want to know about the applicants. There are several different types of selection tests employers can use:

1. Personality test

A personality test measures an applicant's characteristics to determine what type of personality they have. This test includes questions about the applicant's habits, preferences, interests and working style. Hiring managers often use these tests to determine whether a candidate is a good match for the role and the company. If the company culture involves a lot of teamwork and communication, a personality test can help hiring managers discover which candidates will thrive in this environment.

2. Aptitude test:

Aptitude tests measure whether an individual has the capacity or latent ability to learn a given job if given adequate training. The use of aptitude test is advisable when an applicant has had little or no experience along the line of the job opening. Aptitudes tests help determine a person's potential to learn in a given area.

3. Interest Test:

This is conducted to find out likes and dislikes of candidates towards occupations, hobbies, etc. such tests indicate which occupations are more in line with a person's interest. Such tests also enable the company to provide vocational guidance to the selected candidates and even to the existing employees. These tests are used to measure an individual's activity preferences.

4. General knowledge Test:

Now days G.K. Tests are very common to find general awareness of the candidates in the field of sports, politics, world affairs, current affairs.

5. Perception Test:

At times perception tests can be conducted to find out beliefs, attitudes, and mental sharpness etc.

6. Ability Test

Assist in determining how well an individual can perform tasks related to the job. An excellent illustration of this is the typing tests given to a prospective employer for secretarial job. Also called as 'ACHIEVEMENT TESTS'. It is concerned with what one has accomplished. When applicant claims to know something, an achievement test is taken to measure how well they know it.

Training & Development

Training and Development in Human Resource Management is the process of acquiring knowledge, skills, and attitude that helps improve employees' job performance and enables future career growth.

Training refers to acquiring specific knowledge and skills for a particular job or task. It is usually a short-term activity concerned with improving an employee's current job performance. It includes formal training courses, on-the-job training, or coaching sessions.

Development is concerned with the long-term growth of an individual's career. It usually covers acquiring knowledge that goes beyond the requirements of their current job to prepare the employees for their future job role or career advancement opportunities. Development activities include job shadowing, mentoring, attending conferences, or pursuing further education.

Training & Development are two different activities which goes hand in hand for overall betterment of employees.

Methods of Training & Development

This is the most common method of training in which a trainee is placed on a specific job and taught the skills and knowledge necessary to perform it.

The advantages of OJT are as follows:

1. On the job method is a flexible method.
2. It is a less expensive method.
3. The trainee is highly motivated and encouraged to learn.
4. Much arrangement for the training is not required.

The various types of On-The-Job Methods are explained below:

1. Job Rotation

This training method involves movement of trainee from one job to another gain knowledge and experience from different job assignments. This method helps the trainee understand the problems of other employees.

2. Coaching:

Under this method, the trainee is placed under a particular supervisor who functions as a coach in training and provides feedback to the trainee. Sometimes the trainee may not get an opportunity to express his ideas.

3. Job instructions:

Also known as step-by-step training in which the trainer explains the way of doing the jobs to the trainee and in case of mistakes, corrects the trainee.

4. Committee assignments:

A group of trainees are asked to solve a given organizational problem by discussing the problem. This helps to improve team work.

Off-the-job Methods:

On the job training methods have their own limitations, and in order to have the overall development of employee's off-the-job training can also be imparted. The methods of training which are adopted for the development of employees away from the field of the job are known as off-the-job methods.

The following are some of the off-the-job techniques:

1. Case study method - Usually case study deals with any problem confronted by a business which can be solved by an employee. The trainee is given an opportunity to analyse the case and come out with all possible solutions. This method can enhance analytic and critical thinking of an employee.

2. Role play - In this case also a problem situation is simulated asking the employee to assume the role of a particular person in the situation. The participant interacts with other participants assuming different roles. The whole play will be recorded and trainee gets an opportunity to examine their own performance.

3. Lectures - This will be a suitable method when the numbers of trainees are quite large. Lectures can be very much helpful in explaining the concepts and principles very clearly, and face to face interaction is very much possible.

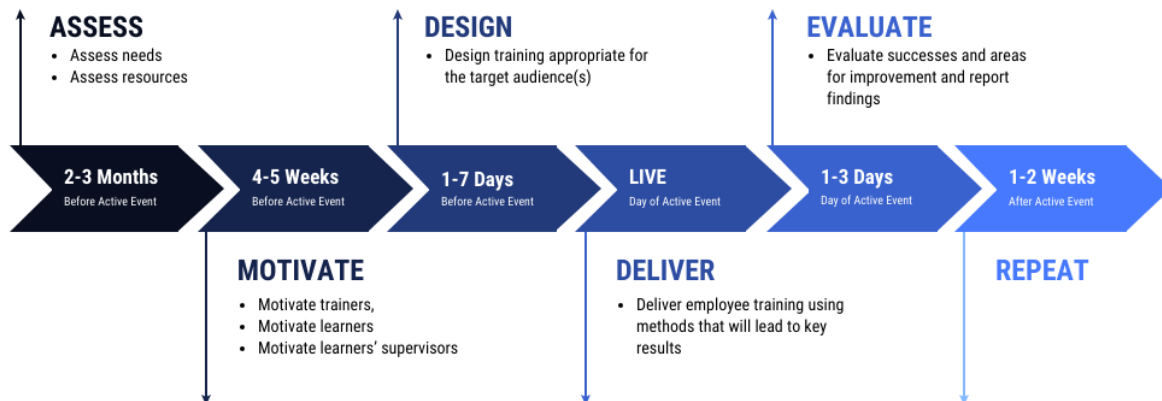
4. Simulation - Under this method an imaginary situation is created and trainees are asked to act on it. For e.g., assuming the role of a marketing manager solving the marketing problems or creating a new strategy etc.

5. Conferences - A meeting of several people to discuss any subject is called conference. Each participant contributes by analyzing and discussing various issues related to the topic. Everyone can express their own view point.

6. Vestibule Training - Vestibule training, also known as simulated training, is a type of training that involves creating a simulated work environment for employees to practice job-

related tasks and skills. It is often used for jobs that require the use of specialized equipment or processes that cannot be easily replicated in a traditional classroom or on-the-job training setting.

Process of Training



1. **Needs assessment:** The first step in the training process is to assess the need for training the employees. The need for training could be identified through a diagnosis of present and future challenges and through a gap between the employee's actual performance and the standard performance.
The needs assessment can be studied from two perspectives: Individual and group. The individual training is designed to enhance the individual's efficiency when not performing adequately. And whereas the group training is intended to inculcate the new changes in the employees due to a change in the organization's strategy.
2. **Motivate** trainers, learners, and learners' supervisors to participate in the training programme for the effective completion & improvement of the skills.
3. **Designing Training Programme:** The next step is to design the training programme in line with the set objectives. Every training programme encompasses certain issues such as: Who are the trainees? Who are the trainers? What methods are to be used for the training? What will be the level of training? etc. Also, the comprehensive action plan is designed that includes the training content, material, learning theories, instructional design, and the other training requisites.
4. **Deliver** employee training using methods that will lead to key results.
5. **Evaluation of the Training Programme:** After the training is done, the employees are asked to give their feedback on the training session and whether they felt useful or not. Through feedback, an organization can determine the weak spots if any, and can rectify it in the next session. The evaluation of the training programme is a must because companies invest huge amounts in these sessions and must know its effectiveness in terms of money.
6. **Repeat** the process whenever it is necessary in the organisation

Performance Appraisal

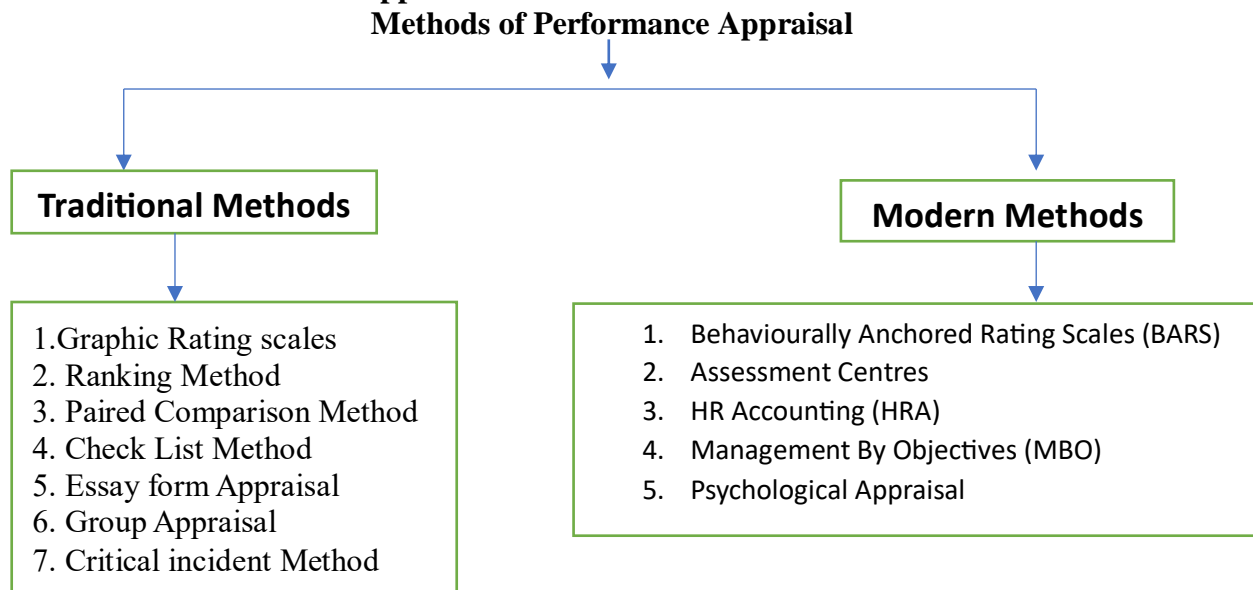
It is a method of evaluating the quantitative & qualitative aspects of the employees behaviour in their work.

A performance appraisal is a systematic and periodic process of measuring an individual's work performance against the established requirements of the job. It's a subjective evaluation of the employee's strengths and weaknesses, relative worth to the organization, and future development potential.

Objectives

1. To create & maintain a satisfactory level of performance
2. To improve co-ordination between superior & subordinate.
3. To help the employees in their growth
4. To guide the job changes with the help of ranking
5. To ensure organisation effectiveness through correcting employees.

Methods of Performance Appraisal



The Assessment Centre Method

This method consists of exercises conducted at the company's designated assessment center, including computer simulations, discussions, role-playing, and other methods. Employees are evaluated based on communication skills, confidence, emotional intelligence, mental alertness, and administrative abilities. The rater observes the proceedings and then evaluates the employee's performance at the end.

Behaviourally Anchored Rating Scale (BARS)

Behaviourally anchored rating scales (BARS) bring out both the qualitative and quantitative benefits in a performance appraisal process. BARS compares employee performance with specific behavioural examples that are anchored to numerical ratings. Each performance level on a BAR scale is anchored by multiple BARS statements which describe common behaviours that an employee routinely exhibits. These statements act as a yardstick to measure an individual's performance against predetermined standards that are applicable to their role and job level.

Checklist Method

This simple method consists of a checklist with a series of questions that have yes/no answers for different traits. The checklist method relies on a list of behavioural criteria each worker is expected to meet: For example, on-time delivery or teamwork. The evaluator indicates items the employee is successful with and provides targeted feedback for items that are lacking.

Critical Incidents Method

Critical incidents could be good or bad. In either case, the supervisor takes the employee's critical behavior into account. This method is especially popular in the [customer service](#) world and allows managers to generate more global feedback about how an employee handles issues. It encourages managers to zoom in on particular events where the person's behavior was positive or negative and provide insight on how to get aligned with best practices – for example, handling customer complaints better.

Rating Scales

Most organizations have used this approach. It specifies goals – behaviors, traits, skills, or project attainment – on a scale usually running to 5 or 10 points.

While this is a flexible choice, it's essential everyone have the same understanding of how the scale works: You might consider 3 out of 5 “good” while an employee understands it to mean “average.”

Human Resource Accounting Method

Alternately called the “accounting method” or “cost accounting method,” this method looks at the monetary value the employee brings to the company. It also includes the company's cost to retain the employee.

Management By Objective (MBO)

This process involves the employee and manager working as a team to identify goals for the former to work on. Once the goals are established, both parties discuss the progress the employee is making to meet those goals. This process concludes with the manager evaluating whether the employee achieved the goal.

Psychological Appraisals

Psychological appraisals come in handy to determine the hidden potential of employees. This method focuses on analyzing an employee's future performance rather than their past work. These appraisals are used to analyze seven major components of an employee's performance such as interpersonal skills, cognitive abilities, intellectual traits, leadership skills, personality traits, emotional quotient, and other related skills.

Human-Resource (Cost) Accounting Method

Human resource (cost) accounting method analyses an employee's performance through the monetary benefits he/she yields to the company. It is obtained by comparing the cost of retaining an employee (cost to company) and the monetary benefits (contributions) an organization has ascertained from that specific employee.

When an employee's performance is evaluated based on cost accounting methods, factors like unit-wise average service value, quality, overhead cost, interpersonal relationships, and more are taken into account. Its high-dependency on the cost and benefit analysis and the memory power of the reviewer is the drawback of human resources accounting method.

Group Appraisal

Under this method, employees are rated by an appraisal group, consisting of their supervisors and three or four other supervisors who have some knowledge of employee's performance. The supervisor explains to the group the nature of his subordinate's job, the actual performance of job holder, the causes of their particular level of performance and offers suggestions for future improvement.

Placement

Placement is “the determination of the job to which an accepted candidate is to be assigned & his assignment to that job.”

When the candidate is selected for a particular post and when he reports to duty, the organization has to place him or her in the job for which he or she is selected which is being done through placement. Placement is the act of offering the job to a finally selected candidate. It is the act of finally assigning the rank and responsibility to an employee, identifying him with a particular job.

Principles of Placement

The following principles are required to be observed while making placement of an employee:

- (i) **Job requirement** – Man should be placed on the job according to the requirement of the job rather than qualification and requirement of the man.
- (ii) **Qualification** – The job offered should match with the qualification possessed by an employee.
- (iii) **Information** – All the information relating to the job should be given to the employees along with the prevailing working conditions. They should also be made known that they have to pay penalty for wrong doing.
- (iv) **Loyalty and Co-operation** – Every effort should be made to develop a sense of loyalty and co-operation in employees to make them understand their responsibilities

Benefits of Placement

Major benefits of placement are given below:

- 1. Building support with peers, juniors, seniors in the department within a short period
- 2. Able to adjust himself to the new job
- 3. Avoid mistakes
- 4. Regular attendance
- 5. High level of involvement in the job
- 6. Good performance in the job

Placement is an important human resource activity and new recruits must be inducted properly so that they become good performers.

Problems of Placement

The personnel manager faces certain problems in placement of new employees in the jobs for which they have been selected. These problems are as follows:

1. Employees Expectations:

What the new employee expects from his job is the first problem in his placement. If he expects high salary, independent and challenging work but the job offers low salary, dependent and routine work, the employee finds himself misfit to his job.

2. Job Expectations:

Sometimes, the employee's expectations from his job are more than his abilities or skills. In such a case, the personnel manager finds the mismatch between the employee and the job.

3. Technological Change:

Sometimes, technological changes bring radical changes in job description and specifications, resulting in the mismatch between the employee and the job.

4. Changes in Organizational Structure:

Some strategic changes like mergers, acquisitions, amalgamations, delayering, downsizing etc. bring about changes in organizational structure, which in their turn, bring about changes in the jobs. Such changes are likely to result in misfit between the employees and the job.

5. Social and Psychological Factors:

Some social and psychological factors involved in team work or group formation result in the mismatch between employees and the jobs.

Employee Induction

It is a process through which new employees learn & adopt norms of organisation. it involves orientation & training of the employees.

Employee induction, also called employee orientation, refers to a well-structured formal process of welcoming new employees. Fresh employees do not have any idea about their workplace, rules, duties, and responsibilities. Therefore this function will help them to get a clear idea about their organization, job, workgroups, and any other facts related to the job.

Objectives

An organization aims to accomplish various objectives through this function.

- Provide essential information about the organization to new employees
- To develop employee confidence to become productive employees
- Provide a better understanding of the organization's vision, mission, functions, and other organizational strategies.
- To provide facilities to the employees.
- To introduce new employees to their managers, team leaders, and subordinates.
- To maintain a good relationship with the existing employees.

Importance of induction

• Helps to build confidence about self

An induction program helps to build employee's confidence, and eventually, new employees become productive employees.

• Reduces some costs

Most of the time, some employees resign from the organization during their first month. In this case, the orientation programs will help to reduce some costs such as the cost of extra supervision, cost of error correction, and cost of employees pay and benefits.

• To overcome nervousness

New employees can overcome their nervousness and shyness because of the orientation program.

• It helps to increase commitment.

A committed employee means an employee who recognizes organizational needs and prepares himself to work hard to accomplish them. An induction program plays a significant role in enhancing employee commitment.

• Maintain a good communication

The employees and management/employers can maintain good communication with the orientation program.

Induction Process

There are three main stages in the induction process. The stages are preparation, conduct, and evaluation.

Preparation

As the first stage in this process, the organization needs to welcome its new employees. In this stage, an organization needed to find solutions for the following questions.

- Who should give the information?

New employees understand the nature of the organization, personnel policies, procedures, and rules from the orientation program. Therefore the organization should select a responsible person to present that information to the new employees. The person may be CEO, human resource manager, or a supervisor.

- How to give information

The organization can use various methods to deliver information to the new employees. Some delivery methods are employee handbooks, video films/CD/DVD, information booklets, documents, lectures, presentations, and discussions. Most organizations use printing materials, an official website, training events, and employee handbooks to provide information.

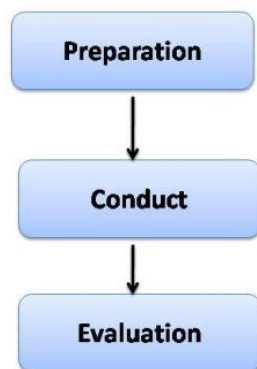
- Within what time of period should the information be given?

The period of time giving the information depends on the nature of the organization, the type of the job role, and the time availability of the management.

- Where should the information be given

Usually, the information is given before the staff member arrives. The organization should let other staff members know the new employee will arrive. Therefore the staff members can arrange a time for introduction with the key people. Moreover, ensure about the essential work aids are available.

Induction Process



Conduct

As the second stage in this process, the organization briefly provides information to the employees. The person or persons provide a general introduction about the company, including the company's name, vision, mission, functions, products, customers, top management, and company history. However, this initial briefing should not be provided in a printed word. After completing the initial briefing, the new employees should be taken to their workplace and introduced to their manager/team leader.

Evaluation

The new employees should not be dropped by if any problems occur during the orientation period; hence, formal and systematic follow-up is necessary for the process. The manager/supervisor should frequently evaluate how well the new employee is doing his job. The purpose of this evaluation stage is to make sure about the current orientation program reaching the need of new employees and the company's needs. Furthermore, the evaluation helps to identify new ways to improve the current program.

Wage & Salary Administration

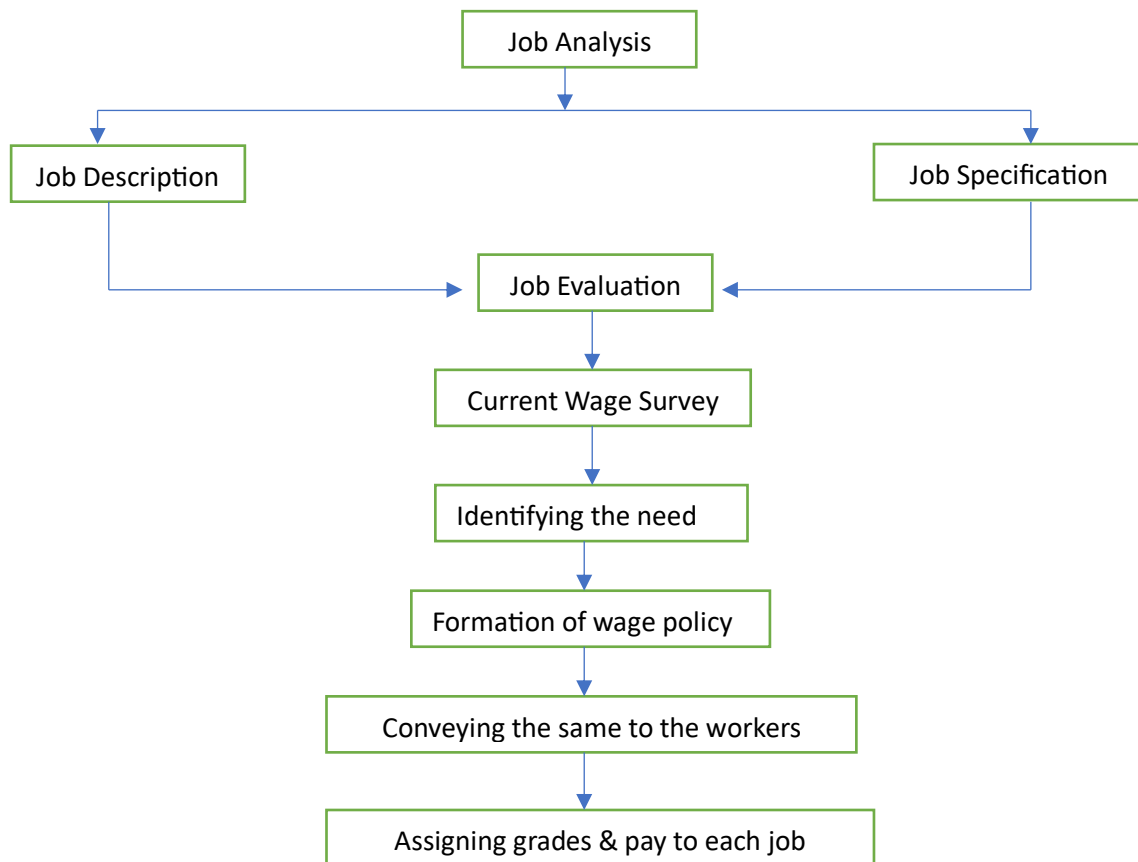
Wage and salary administration is defined as the process by which wage and salary levels and structures are determined in organisational settings. Wages are payments for labour services rendered frequency, expressed in hourly rates, while a salary is a similar payment, expressed in weekly, monthly or annual rates.

Wage & salary administration deals with the systematic approach to the problems of ensuring that employees are paid in logical, equitable & fair manner. It is a process of fixing wages / salary for different jobs.

Objectives

1. To acquire qualified & competent personnel
2. To retain the present employees
3. To secure equity (internally & externally)
4. To ensure desired behaviours
5. To control labour & administrative cost.

Process of Wage & Salary administration



Job Analysis

Job Analysis tends to report the duties, responsibilities, rights and authorities, working conditions and inter-relationship amidst the jobs. It seeks to track and study the particulars related to the training, skills, competencies, efforts, qualifications, capabilities, experience and responsibilities expected from the incumbent.

Thereafter, once the job specification is complete, the process of grading, rating and job evaluation takes place. In this, the job is rated so as to ascertain the value of the job in relation to other jobs in the organization. Thereafter, the job is associated with the price, which encompasses the translation of the relative job values into terms of money.

Wage Survey

This step involves a survey of the wages which other organizations pay to their employees, for the same job, in a particular industry. Depending upon the utility, if the wages for the concerned

job are lower in comparison to the wages for the same job in another firm, then the following disadvantages will occur:

1. *Qualified and skilled personnel will not be available.*
2. *If competent employees are available, then they will shift to another enterprise after some time.*

Hence, the wage survey takes place, considering the following factors:

- Term of the survey
- Wage-payment knowledge of daily working hours and monthly payments.
- Job Definition
- Proper technique and tools for gathering information.

Group Similar Jobs into Pay Grades

On the receipt of the necessary data relating to job analysis and wage surveys, it is now the time to assign pay rates to each and every job. However, there is a precondition to group the jobs into pay grades. In a pay grade system, the determination of a job of almost equal strain or importance takes place through job evaluation.

Price Each Pay Grade

The assignment of pay rate to each pay grade is attained with the help of the wage curve. A wage curve reflects on a graph the existing pay rate, which is paid for jobs in various pay grades in relation to the ranks assigned to each job. The wage curve shows:

1. *Value of the job*
2. *Current average pay rate for the grades or job.*

Factors Affecting wage & salary administration

1. **Job Needs** – Different types of jobs require different levels of both physical and mental skills. Some require high skills so pay is high on the other hand simple, routine jobs where skill requirement is low are paid low.
2. **Ability to pay** – Ability to pay depends upon the profit earning capacity of the organization MNCs pay relatively higher salaries due to their higher paying capacity.
3. **Cost of living** – Due to inflation, the real wages decline affecting the purchasing power of workers. Therefore, dearness allowance is given according to change in consumer price index.
4. **Prevailing wage rates** – Prevailing wage rates in competing firms within an industry are taken into account while fixing wages & company that does not pay comparable wages may find it difficult to attract and retain talent.
5. **Union** – Highly unionized sectors generally have higher wages because well-organised unions can exert pressure on management and obtain all sorts of benefits and concession to workers.
6. **Productivity** – In many organizations, pay is linked to productivity or performance of workers.
7. **Demand and supply of labour** – The demand for and the supply of certain skills determine prevailing wage rates. E.g. – High demand for IT Professionals ensure higher pay for them.
8. **State Regulations** – Wage policy and laws of the government exercise a significant influence on wage levels. Government has enacted laws to protect the interests of the working class. No organization can violate laws relating to minimum wages, payment of bonus, dearness allowance and other allowance etc.