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MASTER OF SOCIAL WORK

Second Year – Third Semester

HUMAN RESOURCE MANAGEMENT

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CONTENT	PAGE NO

BLOCK I: BASICS OF HUMAN RESOURCE MANAGEMENT

UNIT - I MANAGEMENT: CONCEPTS & ELEMENTS

Structure

1.1 INTRODUCTION

The Management is the word describing the administrative task of the organization. The manager of the organization is not only managing the human elements of the organization even has to manage all sort of core and supportive elements of the organization. It's not an easy task of the manager. This unit gives you better understanding the concepts and proficiency of the management for handling the organization. Hence, it is essential to learn the various facts of the management for easy handling of the elements of the organization.

1.2 CONCEPT

The term management has been used in the different contexts with its own meaning. Sometimes it refers to the process of Planning, organizing, staffing, directing, coordinating and controlling. Some people believe that it deals with managing the people. It also referred to a body of knowledge, a practice and discipline. And also it describing that it is an ability to handle the human resources, as a technique of leadership to tackle the problems of the organization, finding the source of funds to run the organization, to handling the materials and machines to reach the target of the productions, maintaining the quality of the products, overseeing the settlement of the accounts and its audit and finally being one of the factor of production or a system of authority.

1.3 MEANING

Management is a vital aspect of the economic life of man, which is an organised group activity. It is considered as the indispensable institution in the modern social organization marked by scientific thought and technological innovations. One or the other form of management is essential wherever human efforts are to be undertaken collectively to satisfy wants through some productive activity, occupation or profession t is management that regulates man's productive activities through coordinated use of material resources. Without the leadership provided by management, the resources of production remain resources and never become production. Management is the integrating force in all organized activity. Whenever two or more people work together to attain a common objective, they have to coordinate their activities. They also have to organize and utilize their resources in such a way as to optimize the results. Not only in business enterprises where costs and revenues can be ascertained accurately and objectively but also in service organizations such as government, hospitals, schools, clubs, etc., scarce resources including men, machines, materials and money have to be integrated in a productive relationship, and utilized efficiently towards the achievement of their gals. Thus, management is not unique to business organizations but common to all kinds of social organizations. Management has achieved an enviable importance in recent times. We are all intimately associated with many kinds of organizations, the most omnipresent being the government, the school and the hospital. In fact, more and more of major social tasks are being organized on an institution basis. Medical care, education, recreation, irrigation, lighting, sanitation, etc., which typically used to be the concern of the individual or the family, are now the domain of large organizations. Although, organizations other than business do not speak of management, they all need management. It is the specific organ of all kinds of organizations since they all need to utilize their limited resources most efficiently and effectively for the achievement of their goals. It is the most vital forces in the successful performance of all kinds of organized social activities Importance of management for the development of underdeveloped economies has been recognized during the last one and a half decade. There is a significant gap between the management effectiveness in developed and underdeveloped countries. It is rightly held that development is the function not only of capital, physical and material resources, but also of their optimum utilization. Effective management can produce not only more outputs of goods and services with given resources, but also expand them through better use of science and technology. A higher rate of economic growth can be attained in our country through more efficient and effective management of our business and other social organizations, even with existing physical and financial resources. That is why it is now being increasingly recognized that underdeveloped countries are indeed somewhat inadequately managed countries. The emergence of management in modern times may be regarded as a significant development as the advancement of modern technology. It has made possible organization of economic activity in giant organizations like the Steel Authority of India, Infosys Technologies, Tata Group of companies, Maruti Suzuki Motors Pvt Ltd.., and the Life Insurance Corporation of India. It is largely through the achievements of modern

management that western countries have reached the stage of mass consumption societies, and it is largely through more effective management of our economic and social institutions that we can improve the quality of life of our people. It is the achievements of business management that hold the hope for the huge masses in the third world countries that they can banish poverty and achieve for themselves decent standards of living.

Management is understood in different ways by different people. Economists regard it as a factor of production. Sociologists see it as a class or group of persons while practitioners of management treat it as a process. For our understanding, management may be viewed as what a manager does in a formal organization to achieve the objectives.

1.4 DEFINITIONS

Many management experts have tried to define management. But, no definition of management has been universally accepted. Let us discuss some of the leading definitions of management.

In the words of Mary Parker Follet management is "the art of getting things done through people". This definition throws light on the fact that managers achieve organizational goals by enabling others to perform rather than performing the tasks themselves. Management encompasses a wide variety of activities that no one single definition can capture all the facets of management. That is why, it is often said that there are as many definitions of management as there are authors in the field. However, the definition given by James A.F. Stoner covers all the important facets of management. According to him: "Management is the process of planning, organizing, leading and controlling the efforts of organization members and of using all other organizational resources to achieve stated *organizational goals".*

Let us see other definitions given by various management thinkers..,

Peter F. Drucker defines, "management is an organ; organs can be described and defined only through their functions".

According to Terry, "Management is not people; it is an activity like walking, reading, swimming or running. People who perform Management can be designated as members, members of Management or executive leaders."

Ralph C. Davis has defined Management as, "Management is the function of executive leadership anywhere."

According to Mc Farland, "Management is defined for conceptual, theoretical and analytical purposes as that process by which managers create, direct, maintain and operate purposive organization through systematic, co-ordinated co-operative human effort."

Henry Fayol, "To mange is to forecast and plan, to organize, to compound, to co-ordinate and to control."

Harold Koontz says, "Management is the art of getting things done through and within formally organized group."

William Spriegal, "Management is that function of an enterprise which concerns itself with direction and control of the various activities to attain business objectives. Management is essentially an executive function; it deals with the active direction of the human effort."

Kimball and Kimball, "Management embraces all duties and functions that pertain to the initiation of an enterprise, its financing, the establishment of all major policies, the provision of all necessary equipment, the outlining of the general form of organization under which the enterprise is to operate and the selection of the principal officers."

Sir Charles Reynold, "Management is the process of getting things done through the agency of a community. The functions of management are the handling of community with a view of fulfilling the purposes for which it exists."

E.F.L. Brech, "Management is concerned with seeing that the job gets done, its tasks all centre on planning and guiding the operations that are going on in the enterprise."

Koontz and O'Donnel, "Management is the creation and maintenance of an internal environment in an enterprise where individuals, working in groups, can perform efficiently and effectively toward the attainment of group goals. It is the art of getting the work done through and with people in formally organized groups."

James Lundy, "Management is principally a task of planning, coordinating, motivating and controlling the efforts of other towards a specific objective. It involves the combining of the traditional factors of production land, labour, capital in an optimum manner, paying due attention, of course, to the particular goals of the organization."

Wheeler, "Management is centered in the administrators or managers of the firm who integrate men, material and money into an effective operating limit."

J.N. Schulze, "Management is the force which leads guides and directs an organization in the accomplishment of a pre-determined object."

Oliver Scheldon, "Management proper is the function in industry concerned in the execution of policy, within the limits set up by the administration and the employment of the organization for the particular objectives set before it."

Keith and Gubellini, "Management is the force that integrates men and physical plant into an effective operating unit."

Newman, Summer and Warren, "The job of Management is to make co-operative endeavour to function properly. A manager is one who gets things done by working with people and other resources in order to reach an objective."

G.E. Milward, "Management is the process and the agency through which the execution of policy is planned and supervised."

Ordway Tead, "Management is the process and agency which directs and guides the operations of an organization in the realizing of established aims."

1.4.1 ANALYSIS OF THE DEFINITION

Mary Parker Follett defines management as the "art of getting things done through people". This definition calls attention to the fundamental difference between a manager and other personnel of an organization. A manager is one who contributes to the organization's goals indirectly by directing the efforts of others – not by performing the task himself. On the other hand, a person who is not a manager makes his contribution to the organization's goals directly by performing the task himself. Sometimes, however, a person in an organization may play both these roles simultaneously. For example, a Accounts manager is performing a managerial role when he is directing the subordinates to maintain the company accounts and inspects the company documents properly to meet the organization's audit in every quarter, but when he himself is directing external audit and inspection of accounts by the outside professionals for claiming the good reputations, bench march and transparency in the all transaction made by the company, at the time, he is performing a non-managerial role. In the former role, he is directing the efforts of others and is contributing to the organization's goals indirectly; in the latter role, he is directly utilizing his skills as an accountant to maintain organization's ledgers and records for all the transactions.

Koontz and O'Donnel described as management is a creation of an internal environment to manage the individuals of an organization. Ralph C. Davis said that management means a function of executive leadership anywhere inside the company. Whereas remaining definitions are mentioned its own meaning but not given abstract meaning of the word management.

1.4.2 Features of Management
From the above given definitions, we could arrive some basic features of management i.e.,
  ➢ Management is goal oriented.
  ➢ Management is a distinct activity and universally accepted
  ➢ Management is a continuous process
  ➢ Management is a social process
  ➢ Management is needed at all levels
  ➢ Management is a Group efforts and accomplishment of pre-determined activity
  ➢ Management is intangible and coordination force
  ➢ Management influences behavior
  ➢ It's principles are dynamic and integrative force

1.5 ELEMENTS OF MANAGEMENT
Fayol's definition of management roles and actions distinguishes between Five Elements:

1. To forecast & Plan. Examining the future and drawing up a plan of action.
    The elements of strategy.
2. To organize. Build up the structure, both material and human, of the undertaking.
3. To command. Maintain the activity among the personnel.
4. To coordinate. Binding together, unifying and harmonizing all activity and effort.
5. To control. Seeing that everything occurs in conformity with established rule and expressed command.

In detail

Forecasting & Planning- Fayol believed, "the plan of action facilitates the utilization of the firm's resources and the choice of best methods for attaining the objective."(Miller, 2015) The plan involves looking into the future to determine the best way to attain organizational goals. With out having a set plan in an organization, there would be not direction, which would mean no meaning for the organization.

Organize- This is the arrangement of human resources and the evaluation of those employees. In other words, after the manager or leader decides what his plan is, its also then his job to organize his employees and what they are going to accomplish. Breaking down the plan to make it more effectively get done,

Command- "This is where managers set tasks for employees in order to meet organizational goals."(Miller, 2015) Once the plan is set, you would organize the plan into who does what, then you would distribute those plans to your employees.

Coordination- "The separate activities of an organization must be harmonized into a single whole."(Miller, 2015) What this means is the commands you give your employees, must all equate into one final project, which is what your ultimate plan is.

Control- "This involves the comparison between goals and activities to ensure that the organization is functioning in the manner planned."(Miller, 2015) This involves overseeing the entire project and making sure everything is done efficiently.

1.6 PRINCIPLES OF MANAGEMENT

A body of principles of management has been developed by Henri Fayol, the father of modern management. Fayol wrote perceptibly on the basis of his practical experience as a manager. Although, he did not develop an integrated theory of management, his principles are surprisingly in tune with contemporary thinking in management theory.

Fayol held that there is a single "administrative science", whose principles can be used in all management situations no matter what kind of organization was being managed. This earned him the title of "Universality". He, however,

emphasized that his principles were not immutable laws but rules of thumb to be used as occasion demanded.

Fayol held that activities of an industrial enterprise can be grouped in six categories : (i) technical (production), (ii) commercial (buying, selling and exchange), (iii) financial (search for and optimum use of capital), (iv) security (protection of property and persons), (v) accounting (including statistics); and (vi) managerial. However, he devoted most of his attention to managerial activity. He developed the following principles underlying management of all kinds of organizations

1. **Authority and Responsibility are Related :** Fayol held that authority flows from responsibility. Managers who exercise authority over others should assume responsibility for decisions as well as for results. He regarded authority as a corollary to responsibility. Authority is official as well as personal. Official authority is derived from the manager's position in organizational hierarchy and personal authority is compounded of intelligence, experience, moral worth, past services, etc.

   A corollary of the principle that no manager should be given authority unless he assumes responsibility is that those who have responsibility should also have commensurate authority in order to enable them to initiate action on others and command resources required for the performance of their functions. This aspect of relationship between responsibility and authority is particularly relevant in India where authority tends to be concentrated in higher echelons of management.

2. **Unity of Command :** This principle holds that one employee should have only one boss and receive instructions from him only. Fayol observed that if this principle is violated authority will be undermined, discipline will be jeopardy, order will be disturbed and stability will be threatened. Dual command is a permanent source of conflict. Therefore, in every organization, each subordinate should have one superior whose command he has to obey.

3. **Unity of Direction :** This means that all managerial and operational activities which relate a distinct group with the same objective should be directed by "one head and one plan. According to Fayol, there should be, "one head and one plan for a group of activities having the same objective". It, however, does not mean that all decisions should be made at the top. It only means that all related activities should be directed by one person. For example, all marketing activities like product strategy and policy, advertising and sales promotion, distribution channel policy, product pricing policy, marketing research, etc., should be under the control of one manager and directed by an integrated plan. This is essential for the "unity of action, coordination of strength and focusing of effort". Violation of this principle will cause fragmentation of action and effort, and wastage of resources.

4. **Scalar Chain of Command:** According to Fayol scalar chain is the chain of superiors ranging from the ultimate authority to the lowest ranks. The line of authority is the route followed via every link in the chain by all communication which start from or go to the ultimate authority.

5. **Division of Work :** This is the principle of specialization which, according to Fayol, applies to all kinds of work, managerial as well as technical. It helps a person to acquire an ability and accuracy with which he can do more and better work with the same effort. Therefore, the work of every person in the organization should be limited as far as possible to the performance of a single leading function.

6. **Discipline :** Discipline is a *sine qua non* for the proper functioning of an organization. Members of an organization are required to perform their functions and conduct themselves in relation to others according to rules, norms and customs. According to Fayol, discipline can best be maintained by : (i) having good superiors at all levels; (ii) agreements (made either with the individual employees or with a union as the case may be) that are as clear and fair as possible; and (iii) penalties judiciously imposed.

7. **Subordination of Individual Interest to General Interest** : **The** interest of the organization is above the interests of the individual and the group. It can be achieved only when managers in high positions in the organization set an example of honesty, integrity, fairness and justice. It will involve an attitude and a spirit of sacrificing their own personal interests whenever it becomes apparent that such personal interests are in conflict with organizational interests. It may, however, be emphasized that social and national interests should have precedence over organizational interests whenever the two run counter to each other.

8. **Remuneration:** Employees should be paid fairly and equitably. Differentials in remuneration should be based on job differentials, in terms of qualities of the employee, application, responsibility, working conditions and difficulty of the job. It should also take into account factors like cost of living, general economic conditions, demand for labour and economic state of the business.

9. **Centralisation :** Fayol believed in centralisation. He, however, did not contemplate concentration of all decision making authority in the top management. He, however, held that centralisation and decentralisation is a question of proportion. In a small firm with a limited number of employees, the owner-manager can give orders directly to everyone. In large organizations, however, where the worker is separated from the chief executive through a long scalar chain, the decision making authority has to be distributed among various managers in varying degrees. Here one generally comes across a situation of decentralisation with centralised control. The degree of centralisation and decentralisation also depends on the quality of managers.

10. **Order :** Order, in the conception of Fayol, means right person on the right job and everything in its proper place. This kind of order, depends on precise knowledge of human requirements and resources of the concern and a constant balance between these requirements and resources.

11. **Equity :** It means that subordinates should be treated with justice and kindliness. This is essential for eliciting their devotion and loyalty to the enterprise. It is, therefore the duty of the chief executive to instill a sense of equity throughout all levels of scalar chain.

12. **Stability of Tenure of Personnel :** The managerial policies should provide a sense of reasonable job security. The hiring and firing of personnel should depend not on the whims of the superiors but on the well-conceived personnel policies. He points out that it takes time for an employee to learn his job; if they quit or are discharged within a short time, the learning time has been wasted. At the same time those found unsuitable should be removed and those who are found to be competent should be promoted. However, "a mediorce manager who stays is infinitely preferable to outstanding managers who come and go".

13. **Initiative :** It focuses on the ability, attitude and resourcefulness to act without prompting from others. Managers must create an environment which encourages their subordinates to take initiative and responsibility. Since it provides a sense of great satisfaction to intelligent employees, managers should sacrifice their personal vanity in order to encourage their subordinates to show initiative. It should, however, be limited, according to Fayol, by respect for authority and discipline.

14. **Esprit de Corps :** Cohesiveness and team spirit should be encouraged among employees. It is one of the chief characteristics of organized activity that a number of people work together in close coopearation for the achievement of common goals. An environment should be created in the organization which will induce people to contribute to each other's efforts in such a way that the combined effort of all together promotes the achievement of the overall objectives of enterprise. Fayol warns against two enemies of *esprit de corps,* viz. (i) divide and rule, and (ii) abuse of written communication. It may work to the benefit of the enterprise to divide its enemy but it will surely be dangerous to divide one's own workers. They should rather be welded in cohesive and highly interacting work-groups. Overreliance on written communication also tends to disrupt team spirit. Written communication, where necessary, should always be supplemented by oral communication because face-to-face contacts tend to promote speed, clarity and harmony.

The other important principles of management as developed by pioneer thinkers on the subject are :
   a) Separation of planning and execution of business operations.
   b) Scientific approach to business problems.
   c) Adoption of technological changes.
   d) Economizing production costs and avoiding the wastage of resources.
   e) Fuller utilization of the operational capacity and emphasis on higher productivity.
   f) Standardisation of tools, machines, materials, methods, timings and products.
   g) Evaluation of results according to criteria of standard levels of performance.
   h) Understanding and co-operation among the members of the organization set-up.

Notes

1.7 FUNCTIONS OF MANAGEMENT

There is enough disagreement among management writers on the classification of managerial functions. Newman and Summer recognized only four functions, namely, organizing, planning, leading and controlling. Henri Fayol identifies five functions of management, viz. planning, organizing, commanding, coordinating and controlling. Luther Gulick states seven such functions under the catch word "POSDCORB' which stands for planning, organizing, staffing, directing, coordinating, reporting and budgeting. Warren Haynes and Joseph Massie classify management functions into decision-making, organizing, staffing, planning, controlling, communicating and directing. Koontz and O'Donnell divide these functions into planning organizing, staffing, directing and controlling.

For learners' easy understanding, we shall designate the following six as the functions of a manager: planning, organizing, staffing, directing, coordinating and controlling.

1. **Planning :** Planning is the most fundamental and the most pervasive of all management functions. If people working in groups have to perform effectively, they should know in advance what is to be done, what activities they have to perform in order to do what is to be done, and when it is to be done. Planning is concerned with 'what', 'how, and 'when' of performance. It is deciding in the present about the future objectives and the courses of action for their achievement. It thus involves:

   (a) determination of long and short-range objectives;

   (b) development of strategies and courses of actions to be followed for the achievement of these objectives; and

   (c) formulation of policies, procedures, and rules, etc., for the implementation of strategies, and plans.

The organizational objectives are set by top management in the context of its basic purpose and mission, environmental factors, business forecasts, and available and potential resources. These objectives are both long-range as well as short-range. They are divided into divisional, departmental, sectional and individual objectives or goals. This is followed by the development of strategies and courses of action to be followed at various levels of management and in various segments of the organization. Policies, procedures and rules provide the framework of decision making, and the method and order for the making and implementation of these decisions.

Every manager performs all these planning functions, or contributes to their performance. In some organizations, particularly those which are traditionally managed and the small ones, planning are often not done deliberately and systematically but it is still done. The plans may be in the minds of their managers rather than explicitly and precisely spelt out: they may be fuzzy rather than clear but they are always there. Planning is thus

the most basic function of management. It is performed in all kinds of organizations by all managers at all levels of hierarchy.

2. **Organizing :** Organizing involves identification of activities required for the achievement of enterprise objectives and implementation of plans; grouping of activities into jobs; assignment of these jobs and activities to departments and individuals; delegation of responsibility and authority for performance, and provision for vertical and horizontal coordination of activities. Every manager has to decide what activities have to be undertaken in his department or section for the achievement of the goals entrusted to him. Having identified the activities, he has to group identical or similar activities in order to make jobs, assign these jobs or groups of activities to his subordinates, delegate authority to them so as to enable them to make decisions and initiate action for undertaking these activities, and provide for coordination between himself and his subordinates, and among his subordinates. Organizing thus involves the following sub-functions :

   (a) Identification of activities required for the achievement of objectives and implementation of plans.
   (b) Grouping the activities so as to create self-contained jobs.
   (c) Assignment of jobs to employees.
   (d) Delegation of authority so as to enable them to perform their jobs and to command the resources needed for their performance.
   (e) Establishment of a network of coordinating relationships.

Organizing process results in a structure of the organization. It comprises organizational positions, accompanying tasks and responsibilities, and a network of roles and authority-responsibility relationships.

Organizing is thus the basic process of combining and integrating human, physical and financial resources in productive interrelationships for the achievement of enterprise objectives. It aims at combining employees and interrelated tasks in an orderly manner so that organizational work is performed in a coordinated manner, and all efforts and activities pull together in the direction of organizational goals.

3. **Staffing :** Staffing is a continuous and vital function of management. After the objectives have been determined, strategies, policies, programmes, procedures and rules formulated for their achievement, activities for the implementation of strategies, policies, programmes, etc. identified and grouped into jobs, the next logical step in the management process is to procure suitable personnel for manning the jobs. Since the efficiency and effectiveness of an organization significantly depends on the quality of its personnel and since it is one of the primary functions of management to achieve qualified and trained people to fill various positions, staffing has been recognized as a distinct function of management. It comprises several sub- functions :

a) Manpower planning involving determination of the number and the kind of personnel required.
b) Recruitment for attracting adequate number of potential employees to seek jobs in the enterprise.

11

c) Selection of the most suitable persons for the jobs under consideration.
d) Placement, induction and orientation.
e) Transfers, promotions, termination and layoff.
f) Training and development of employees.

As the importance of human factor in organizational effectiveness is being increasingly recognized, staffing is gaining acceptance as a distinct function of management. It need hardly any emphasize that no organization can ever be better than its people, and managers must perform the staffing function with as much concern as any other function.

4. Directing : Directing is the function of leading the employees to perform efficiently, and contribute their optimum to the achievement of organizational objectives. Jobs assigned to subordinates have to be explained and clarified, they have to be provided guidance in job performance and they are to be motivated to contribute their optimum performance with zeal and enthusiasm. The function of directing thus involves the following sub-functions :

      a) Communication
      b) Motivation
      c) Leadership

5. Coordination : Coordinating is the function of establishing such relationships among various parts of the organization that they all together pull in the direction of organizational objectives. It is thus the process of tying together all the organizational decisions, operations, activities and efforts so as to achieve unity of action for the accomplishment of organizational objectives.

The significance of the coordinating process has been aptly highlighted by Mary Parker Follet. The manager, in her view, should ensure that he has an organization "with all its parts coordinated, so moving together in their closely knit and adjusting activities, so linking, interlocking and interrelation, that they make a working unit, which is not a congeries of separate pieces, but what I have called a functional whole or integrative unity". Coordination, as a management function, involves the following sub-functions:

      a) Clear definition of authority-responsibility relationships
      b) Unity of direction
      c) Unity of command
      d) Effective communication
      e) Effective leadership

6. Controlling : Controlling is the function of ensuring that the divisional, departmental, sectional and individual performances are consistent with the predetermined objectives and goals. Deviations from objectives and plans have to be identified and investigated, and correction action taken. Deviations from plans and objectives provide feedback to managers, and all other management processes including planning, organizing, staffing, directing and coordinating are continuously reviewed and modified, where necessary.

Controlling implies that objectives, goals and standards of performance exist and are known to employees and their superiors. It also implies a flexible and dynamic organization which will permit changes in objectives, plans, programmes, strategies, policies, organizational design, staffing policies and practices, leadership style, communication system, etc., for it is not

uncommon that employees failure to achieve predetermined standards is due to defects or shortcomings in any one or more of the above dimensions of management.

Thus, controlling involves the following process :

   a) Measurement of performance against predetermined goals.

   b) Identification of deviations from these goals.

   c) Corrective action to rectify deviations.

It may be pointed out that although management functions have been discussed in a particular sequence-planning, organizing, staffing, directing, coordinating and controlling - they are not performed in a sequential order. Management is an integral process and it is difficult to put its functions neatly in separate boxes. Management functions tend to coalesce, and it sometimes becomes difficult to separate one from the other. For example, when a production manager is discussing work problems with one of his subordinates, it is difficult to say whether he is guiding, developing or communicating, or doing all these things simultaneously. Moreover, managers often perform more than one function simultaneously

1.8 SUM UP

Management is the force that unifies various resources and is the process of bringing them together and coordinating them to help accomplish organization goal. Management is both, a science as well as art. It is an inexact science. However, its principles as distinguished from practice are of universal application. Management does not yet completely fulfill all the criteria of a profession. There are three levels of management - top, middle and lower. Managers at different levels of the organization require and use different types of skills. Lower level managers require and use a greater degree of technical skill than high level managers, while higher level managers require and use a greater degree of conceptual skill. Human skills are important at all managerial levels.

1.9 UNIT- END EXERCISES

   1. Identify the importance of management from the definitions.

   2. Portray the scope of management from your perspective.

   3. List out the essential requisites for managing human resources.

   4. What are different elements to organize the business?

1.10 ANSWER TO CHECK YOUR PROGRESS

   1. Management is considered to be a managing the individuals tactfully.

   2. Management defines the roles and responsibilities of each human resources associated with the organization

3.   Management allocates the job work to each individual in a organizations.

4. Management gives an idea to reach the common goals and objectives.

1.11 SUGGESTED READINGS

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UNIT - II MANAGEMENT THOUGHTS

Structure

2.1 INTRODUCTION

The origin of management in the organized way can be traced as back as the origin of human beings. They earned their livelihood by hunting that was carried out in groups. Later possession of land mass became important hence there arose conflict between the groups. Local conflicts were resolved by power using primitive weapon system. Management practices were undertaken in a scientific way early 18th century when industrial revolution took place. World War I saw a marked development in evolution of management concepts.

In India management practices were in existence during the king's rule. People were administered by the state and their needs fulfilled. The king was considered to be the master. Proper executive, judicial, and state affairs were managed in a very disciplined way. Every individual was morally responsible to the master (king/ruler) for the task assigned to him. Chanakya was a pioneer in evolving principles of economics and warfare in particular and efficient administration of the state in general. Various systems evolved in those days can be seen even today. Water supply system to Aurangabad introduced by King Aurangazeb is even visible today. Management of education, eradication of social evils and various religious systems are evidence of existence of proper management.

Management as a field of study was considered early 20th century. Management principles like delegation of authority, empowerment, leadership, scalar chain, unity of command and motivation were clearly demonstrated in Roman Umpire and their ability to organize can be seen from its expansion. Shivaji demonstrated above principles in 17th century.

People have displayed tremendous amount of ability and skill in planning, organising, and directing people as to what is to be done, how it is to be done and anticipating future plans. They also evolved various models of controlling the planned work being executed properly. Various wars have been fought where use of human resources, heavy weapon system, its procurement and use

and shifting it to various theatres of war based on threat perceptions are the examples of management. Great war of Mahabharata between Pandavas and Kauravas is an example of managing power, conflict situations, human resource training and development and an art of generalship had been practiced in the most scientific manner. Egyptian pyramids, Great Wall of China are the tangible examples where hundreds of thousands of people were involved in construction activity over a protracted period of time. Every individual had a chain of command. He knew as to what is to be done, how it is to be done and the time frame within which it is to be completed. These examples indicate that organizations have been in existence for thousands of years and management was being practiced ever since.

However, in the past several years, the management has undergone systematic investigation, acquired common body of knowledge, formulated various models to deal with various phenomenons like handling conflict or managing stress and thus became a formal discipline for study. Two landmarks are most important in the management study. One, publication of classical economic doctrines by Adam Smith in 1776 titled "Wealth of Nations" in which Smith has argued that the economic advantages the organizations and societies would gain from the concepts are: 1) division of labour that promoted 2) skill development. 3) specialized task allotment. 4) Time measurement in relation to the quantum of work performed. Smith concluded that, division of work would benefit in higher quality of work and higher productivity.

Two. Industrial revolution of eighteenth century, advent of machine power and subsequent development of infrastructural facilities of rail road transportation, communication network, formation of corporations worldwide promoted requirement of people having increased managerial skills and formalized management practices, which gave birth to the formal theories of management in early 1900s. The concept of management was not clear till about mid of 20th century. There was a contrast between the thinkers. However, Classical approach of management which propagated Scientific Management and General Administrative Theory was a fabulous development. This followed an intensive research work undertaken by Elton Mayo which is known as Hawthorne studies. It was followed by more recent concepts of Operations Research, process management, systems approach, total quality management and last but not the least the contingency approach. In this chapter let us study various theories which are progressed as management.

2.2 BASIC FOUNDATIONS OF MANAGEMENT

The concept of management was not clear till about mid of 20th century. There was a contrast between the thinkers. However, Classical approach of management which propagated Scientific Management and General Administrative Theory was a fabulous development. This followed an intensive research work undertaken by Elton Mayo which is known as Hawthorne studies. It was followed by more recent concepts of Operations Research, process management, systems approach, total quality management and last but not the least the contingency approach. In this chapter let us study various theories as the management progressed.

2.3 DIFFERENT SCHOOLS OF MANAGEMENT

As a consequence of industrial revolution in England during 18th and 19th centuries important inventions like lathe machine, power looms and spinning etc. were invented and used extensively. Therefore to manage the affairs of large industrial houses, modern management came into existence. This development has led to emergence of various schools of thoughts. Harold Koontz (1961) called it as 'Management Theory Jungle'

As mentioned earlier, there are several schools of thought in management. Apart from the 'autocratic' or 'authoritarian' or pre-scientific era (i.e., earlier to 1880) of the early period, several schools of management thought are identified and classified in several ways by experts. It is interesting to note that while early writings on management principles came from experienced practitioners, the more recent writings tend to come from academic theorists, of whom have had no direct experience in organisational management.

During the history of management a number of more or less separate schools of management thought have emerged, and each sees management from its own has classified the management theories into the following six groups:

1. The management process school
2. The empirical school
3. The human behavioural school
4. The social systems school
5. The decision theory school
6. The mathematical school. .

Adding one more style or approach of his own Evans discusses eleven basic styles cited by Herbert Hicks in his books "the management of organizations" (1967) Again leaving the early perspectives, Hitt and others (1979) classify management theories into three broad groups.

a) Classical management theory (Traditional School of Management)
Existence between 1880-1920
    Main contributors are
    ❖ F. W. Taylor (***Scientific management***),
    ❖ Henry Fayol (***Administrative principles***) and
    ❖ Max Weber (***Bureaucratic organization***).
b) Neo-classical management theory Existence between 1920-1950
    Main contributors are
    ❖ Elton Mayo, Roethlisberger and William J Dickson (***Human-Relations Approach***)
    ❖ Abraham Maslow, Douglas McGregor, Chris Argyris, Frederick Herzberg, Rensis Likert, Kurt Lewin, Chester Barnard, Mary Parker Follett, George- Homans and Warren Bennis (***Behavioral Approach***)
c) Modern management theory existence after 1950
    Main contributors are
    ❖ Chester Barnard, George Homans, Philip Selznick and Herbert Simon (***Systems Theory***)

❖ Fred Fiedler (*Contingency Model*)

❖ Chris Argyris, Douglas Mc Gregor and Abraham Maslow (*Organizational Humanism*)

Under each group a few schools of thought are identified. These three groups of schools of management thought are currently in vogue and found adequate for the purpose.

2.4 CONTRIBUTIONS MADE BY HENRY FAYOL

The real father of modern management theory is the French industrialist Henry Fayol. His contribution is generally termed as process management and administrative management. Fayol looked at the problems from the top management point of view. He has used the term 'administration' instead of management emphasizing that there is unity of science of administration. This administrative science can be applied equally well to public and private affairs. Therefore, management is a universal phenomenon. However he has emphasized that principles of management are flexible and not absolute and are usable regardless of changing and special conditions.

Fayol found that activities of an industrial organization could be divided into six groups

1. Technical – relating to production and maintenance
2. Commercial – buying, selling and exchange.
3. Financial – search for capital and its optimum utilization.
4. Security – protection of property and human beings
5. Accounting – accounting of stores and equipment. Statistics is also covered under accounting.
6. Managerial – activities include planning, organizing, commanding, coordinating and control.

Fayol divided his approach of studying management into three parts.

I) Managerial Qualities

Fayol Considered that manager must have following qualities

(a) Physical ability: relating to health, vigour and ability to effectively addresses the
people.

(b) Mental ability: to understand and learn, judgment, mental vigour and adaptability.

(c) Moral ability: energy, firmness, initiative, loyalty, tact and dignity

(d) Educational ability: General acquaintance with matter not belonging exclusively to
the function performed

(e) Technical ability: Particular to function being performed

(f) Experience: Arising out of work

II. General Principles of Management

In order to develop managerial knowledge, Henry Fayol developed 14 principles of management. These are given below

(i) Division of Labour:

Fayol recommended that work of all types must be subdivided and allotted to number of persons. Sub-division makes each task simpler and results in greater efficiency.

(ii) Parity of authority and responsibility:

Authority refers to the right of a superior to give orders to subordinates, take decisions on specified matter, use the sources of organization. Responsibility on the other hand includes obligation with respect to the performance and achieving goals in a satisfactory manner. This principle suggests that giving authority without corresponding responsibility leads to arbitrary and unmindful use of authority. Authority relates to the power an individual acquire by virtue of his official position. Personal authority can also be derived from intelligence, moral worth and past experience of an individual.

(iii) Discipline:

In the context of management means obedience, proper conduct in relation to others and complying with the rules and regulations of the organization. Smooth functioning needs discipline. Discipline is also self-imposed in relation to the work environment. If an individual does not display adequate self-discipline and if it has an adverse impact on the work then he should be warned, suspended, demoted or even dismissed depending upon the gravity of the indiscipline.

(iv) Unity of command:

This principle states that subordinate should receive orders and be accountable to one and only one superior. It is necessary for stability, orderly functioning of the organization and accountability

(v) Unity of direction:

According to this principle, the efforts of all the members of the organization should be directed towards common goals. The principle seeks to ensure unity of action, coordination of strength and focusing of effects. Ex. Production department should have a single plane and all must work to achieve specified goals in terms of quality and quantity.

(vi) Subordination of individual to general interest:

What is in the interest of the organization as a whole must take precedence over the interest of individuals. The efforts should be to bring about convergence of general and individual interest. Organizational interests are common to all employees. These should be above the individual interests. All the employees must set an example and be fair in their dealings. Supervisory staff must be vigilant and carry out supervision of assigned job religiously.

(vii) Fair remuneration to employee:

Remuneration of employee should be fair and reasonable. It should be decided on the basis of work assigned, cost of living, financial and position of business He recommends profit sharing by managers and not by workers. Fayol recommends non-financial incentives for workers.

(viii) Centralization and decentralization:
Centralization means the concentration of all powers at the top level of management and decentralization means the authority or the power is shared by middle as well as low level of management. Degree of centralization and decentralization depends upon the size of the organization, experience of the superiors and ability of subordinates.

(ix) Scalar chain:
Fayol defines scalar chain as the chain of superiors ranging from the top management to the lowest rank. The chain also determines the line of authority. The principle suggests that there should be a clear line of authority from top to bottom linking managers at all levels. It is a chain of command as well as communication. An employee could speak to his counterpart by cutting across the formal chain. Same way other employee could speak to rest of the employee. This communication was necessary for organizational efficiency.

(x) Order:
The principle is concerned with arrangement of things and placement of people. Arrangement of things—material order and arrangement of people social order. The people should be assigned specific places of work and that they should be available there and things should be kept at allotted places.

(xi) Equity:
It means, similar treatment is assigned to people at similar positions. For example workers performing similar jobs should be paid the same wages. The performance should be judged on the same basis for the same category of employees. Equity is combination of justice and kindness. Equity is treatment to subordinates by their superiors for an exemplary behaviour. It brings loyalty in the organization. It requires good sense, good nature and devotion to duty.

(xii) Stability of tenure of personnel:
Employees should not be moved from their positions frequently. Period of service in a position should be fixed. The individual should not be transferred often as it takes time to settle down in the new appointment. It does not mean that when an employee is due for promotion and a vacancy exists at a new place, should not be transferred. Individual interests must have priority over the other aspects of the organization.

(xiii) Initiative:
Employees at all levels should be allowed to take initiative in work related matters. Initiative means eagerness to initiate action without being asked to do so. However it does not imply freedom to whatever people like to do. Initiative increases zeal and energy.

(xiv) Esprit de corps:
It refers to team-spirit that is harmony in work group and mutual understanding among workers. Managers must take steps to develop a sense of belonging among the members of the work group. If there is team-spirit then everyone comes forward to help each other. It must be remembered that' union is strength'. Written explanation from erring member complicates matter and all issues should be resolved verbally.

III. **Elements of Management**

Fayol has regarded the 'Elements of Management' as principles of management. These elements or functions of management are discussed in brief

1. Planning: It is the most important element or function of management and failure to plan leads to hesitation, false step and untimely changes in directions, which causes weakness in the organization.

2. Organising: It is the process of bringing together physical, financial and human resources and establishing productive relations among them for the achievement of specific goals.

3. Commanding: This function is necessary to execute plans. This function includes the influencing the behaviour and work of others in a group to the realization of specified goals in the given situation.

4. Coordination: Co-ordination as a function of management refers to the task of integrating the acts of separate units of an organization to accomplish the organizational goals effectively.

5. Controlling: Controlling refers to the process of ensuring that acts of subordinates and use of resources is in conformity with the pre determined goals.

Contribution of Fayol has made the real beginning of development of management as a separate field of study. And it has been taught as separate discipline as of now in the most of the institutions in the world-wide as crown to his contribution. It is mostly practical oriented so that the learner can compare the texts and field exposure

2.5 CONTRIBUTIONS MADE BY F. W. TAYLOR

Fredrick Winslow Taylor (1856-1915), Frank Gilberth his wife Lillan Gilberth and Henry Gantt have done pioneering work in the field of management They evolved methods and techniques and transformed the field of management in which all works were to be done in the scientific way. Taylor's work was so unique that he eventually came to be known as the father of scientific management. Taylor joined Midvale steel company as a worker and later he was promoted as supervisor. While working, he completed post graduation in industrial engineering and subsequently joined Bethlehem Steel Company. Salient points of scientific management propagated by Taylor are given as under:

(i) Effective use of human beings in industrial organizations particularly at the shop floor. He introduced various systems to improve the efficiency of workers.

(ii) Taylor stated that managing workforce is an art. He further defined managing as '*knowing exactly what you want men to do and then see that they do it the best and cheapest way*'

(iii) He standardized the work and introduced better methods of doing it.

(iv) Time and motion study.

(v) Introduction of differential piece- rate system of payment offering additional reward for production beyond the standard laid down.

(vi) Functional foremanship, creating supervisor having direct authority over the workers

Features of Scientific Management

1. *Separation of Planning and doing*. Earlier entire work was done by workers. There were no separate teams for planning and executing the work. Taylor divided the entire work into two parts namely planning and doing. It was the responsibility of supervisors to plan the work that an individual worker is required to do and ensure that the tools required by them are made available to them.

2. *Functional foremanship.* Separation of planning from doing resulted in introduction of supervisory staff system, which could undertake planning work separately. This has led to introduction of functional foremanship though it went against the principle of unity of command. The entire work was divided into two parts i.e. planning and doing. Supervisors headed these departments. Each of the departments was further divided into four functional parts. Planning department therefore consisted of route clerk, instrument card clerk, time and cost clerk and disciplinarian. Supervisor "doing" department had under him speed boss, inspector, maintenance foreman and gang boss.

3. *Job Analysis.* Taylor carried out intensive studies on time and motion about each job and incorporated such layout in the operations that involved least movement to the workers, minimum operation time and therefore less cost of production. He also carried out studies pertaining to fatigue and incorporated rest periods so that efficiency of the worker is increased.

4. *Standardisation.* Taylor carried out job analysis and based on the analysis he standardised tools, instruments, period of work, amount of work each worker has to undertake, working conditions and cost of production. This type of improved work culture and working conditions brought revolution in the production units.

5. *Scientific selection and training of workers*. Workers selection should be carried out on scientific basis. Taylor suggested that workers should be given adequate training and work allotted based on their physical and technical aptitude.

6. *Financial incentives.* Taylor was a visionary in his approach. He always balanced organizational responsibilities and worker's responsibilities towards the organization. In his approach he tried to introduce scientific way of doing a job and went in details as to how it could be improved at the same time keeping interests of the workers in mind. He introduced various methods to motivate workers by introducing differential piece- rate of payment system. He fixed targets for each work and they were paid based on efficiency. Anybody who worked beyond the laid down target were paid higher rate of wages and any employee who could not meet allotted target was paid below the laid down rate. He also introduced various incentive systems in the organization so that higher productivity was achieved.

7. *Economies.* Taylor insisted that internal economy must be ensured by each worker ensuring that there was no wastage in time and material while carrying out the job. Adequate care must be taken at all levels that the work was carried out as per the planning done by the supervisors. Organizations must ensure adequate profitability, which was necessary for survival, he maintained.

8. *Mental revolution*. Taylor was a firm believer that there must be sound relations between the management and the workers. All disputes should be resolved by mutual discussion within the organization. Close supervision therefore was a part of supervisors job. Gang boss was responsible for the smooth flow of the work. Workers were provided necessary tools, instructions pertaining to the job, perfect work environment and advise when necessary.

Principles of Scientific Management

1. *Replacing Rule of Thumb with Science:* Taylor introduced standardization, differential piece-rate of payment and carried out detailed work-study about each job in industry. He was the first engineer who separated planning and execution of work in the scientific way and allotted specific responsibilities to each of the persons involved in planning and doing.

2. *Harmony in Group Action:* All work groups should work in harmony. They must develop the spirit of give and take.

3. *Co-operation:* Taylor recommended "co-operation among workers as against chaotic individualism. He insisted peace for war; replace suspicion to mutual confidence, friends for enemy". From this principles one can find out and imagine that there was a shadow of world war- I prevailing at the time he carried out his work. He carried out tremendous work to put the organizations on scientific footing and evolved methods to develop harmonious relations among workers.

4. *Maximum Output and development of workers:* Taylor was of the opinion that development of workers was central to improvement of productivity. He incorporated Gantt graphics in industrial operations. He disliked estimation and insisted precision in measuring the job. Work of Taylor brought near revolution in management and therefore was called the ***"father of Scientific Management"***

INTERPRETATIONS BY THE OTHER MANAGEMENT THINKERS

Scientific management propagated by Taylor made contributions at the production level. It created a near revolution in the field of engineering, production and work performance. It contributed towards efficiency, standardisation, specialisation and simplification of work. Optimum use of men and material was carried out in scientific way. Taylor emphasized five basic concepts to improve theory of management. These are research, standardisation, planning, cooperation and control. He assumed that industrial efficiency could be improved through the application of methods of science. Higher wages were related to higher productivity. He firmly believed that standardisation of working conditions, work methods, time and motion study and lastly the planning of daily tasks as important components of industrial efficiency.

Taylor failed to appreciate human potential and treated human beings as yet another source. Indeed, he considered human recourse as component of large productive system. Man was literally equated with machine and his motives and desires had no place in the scientific management. The theory was not people oriented. Man was considered a rational being and not the emotional

being. This led to exploitation of the human resources by introducing piece-rate of payment and enhanced payment based on units of production. Scientific management advocated fragmentation of work into small units that led to allocation of small part of a whole job to each individual who was controlled mechanically. It induced in the minds of workers to work more and earn more that reduced them to the level of machines.

Very little attention was paid to the welfare, security and health of the employees, if any. A centralized controlled system and excessive rules and regulations were required to be implemented by managers. Taylor's scientific management brought revolution in higher productivity, savings in time, optimum utilisation of machines, expertise, higher rate of payment and materialistic approach in the field of management.

The theory was work oriented rather than people oriented. Taylor described scientific management as under: "Science not rule of thumb. Harmony not discord. Co-operation, not individualism. Maximum output, in place of restricted out put. The development of each man to his greatest efficiency and prosperity."

2.6 CONTRIBUTIONS MADE BY PETER .F. DRUCKER

Peter F. Drucker has advocated that the managerial approach to handle workers and work should be pragmatic and dynamic. Every job should be designed as an integrated set of operations. The workers should be given a sufficient measure of freedom to organize and control their work environment. It is the duty of every manager to educate, train and develop people below him so that they may use their potentialities and abilities to perform the work allotted to them. He has also to help them in satisfying their needs and working under him, he must provide them with proper environment. A manager must create a climate which brings in and maintains satisfaction and discipline among the people. This will increase organizational effectiveness.

Drucker has written on virtually every aspect of organizational management and change. In his Practice of Management (1954) he says that the function, which distinguishes the mangers above all others, is an educational one. The managers unique contribution should be to give others vision and the ability to perform.' He also proposed' management by objectives', 'risk-taking decisions', strategic thinking' and 'building an integrated team'. Based on the contributions made by the Drucker, he has called as a "father of modern management Theory".

DECENTRALIZATION

A common theme across much of Drucker's enormous body of work was his firmly held belief that managers should delegate tasks in order to empower employees, the decentralisation of management. As he saw it, many business leaders would attempt to take on all responsibilities as a display of power or to maintain a level of control, with the suggestion that they were the only ones capable to undertake those responsibilities. In his ground-breaking 1946 book,

'Concept of the Corporation', Drucker stated decentralization was a good thing as it created smaller teams where people would feel that they could make an important contribution. His suggestion to achieve this was to move businesses away from having one central office toward having several more independent, smaller ones.

Management by Objectives (MBO)

MBO is an acronym for Management by Objectives, and was a phrase coined by Drucker in his 1954 book 'The Practice of Management'. MBO is a measurement by which the performance of employees is considered. The process involves superiors and their subordinates working together to identify common goals, defining each employee's area of responsibility and expected results, and using these as a plan for a team and to measure its performance. In this way, an organisation's goals and plans flow top-down and those same goals become personal objectives for each member of the organisation. It is regarded to be his remarkable contribution to the management thought. It consists of environmental scanning, identification of key result areas, setting objectives for departments as well as to subordinates, motivation and performance appraisal. He opines that MBO is a management Philosophy rather than a management technique.

The system was formulated by Drucker but it was actually one of his students of the class he taught at New York University, George S. Odiorne, who further developed the idea. It went on to be popularised by companies like Xerox, DuPont, Intel, and Hewlett-Packard, who all became great advocates of the practice.

SMART Method

Following on from MBO, Drucker suggested the SMART method as means of checking the validity of a planned objective. The first known mention of this principle was in a 1981 issue of the 'Management Review' by George T. Doran. However, it was Peter Drucker who recommended that managers who are implementing MBO goals use this handy mnemonic as the criteria to verify that those objectives are specific in their aim, measurable in order to track progress, assignable to a specific person, realistic in their attainability, and time-related to confirm when its completion should be expected by.

KNOWLEDGE WORKER

In his 1959 book, 'The Landmarks of Tomorrow', Drucker suggested "the most valuable asset of a 21st-century institution, whether business or non-business, will be its knowledge workers and their productivity". More of a term than a theory, knowledge workers are workers whose value is found in their expertise, such as architects, software engineers, lawyers, and those who engage in problem-solving or creative thinking. Whereas in the 20th century organisations focused on the productivity of manual work, Drucker anticipated that in the future (from 1959, remember) knowledge work would become increasingly vital with a focus on handling and using information. He believed

that by understanding the needs of the knowledge worker, managers can implement leadership practices that are both consistent and lasting.

MANAGEMENT FUNCTIONS

According to Drucker, management is the organ of its institution. He sees management through its tasks. Drucker has attached great importance to the objective setting function and has specified eight areas where clear objective setting is remained. These are market standing, innovation, productivity, physical and financial resources, profitability,managerial performance and development, worker performance and attitude and public responsibility.

ORGANIZATION STRUCTURE

Drucker always advocates for the parallel growth of second line managers because whenever the existing managers vacate their offices, organizations should not suffer form the non- availability of experienced managers, if there is gap, it is detrimental to the performance of the organization.

ORGANISATION CHANGE

Futher Drucker has forecasted that organizations facemany changes because of rapid social and technological changes. Hence dynamic organization structures are essential than static and bureaucratic structures.

FEDERALISM

Federalism means centralization of control and decision making in decentralized structure. Drucker has felt the need for close links between the decisions adopted by the top management on the one hand and by autonomous unit on the other hand.

ACTIVITY ANALYSIS, DECISION ANALYSIS AND RELATION ANALYSIS

In the words of Drucker, organization is a means to the end of business performance and business results. The first question that every manager must ask himself is what is our business and what it should be? Then the organization should be designed to attain the objectives of the business.

It is beyond doubt that the decision making is an essential part of every function of management. According to Peter F. Drucker, "Whatever a manager does, he does through decision making". Decision making lies deeply embedded in the process of management, spreads over all the managerial functions and covers all the areas of the organization. Management and decision making are bound up and go side by side in every activity performed by manager. Whether knowingly or unknowingly, every manager makes decisions constantly. Right from the day when the size of the organization used to be very small to the present day huge or mega size of the organization, the importance of decision making has been there.

The significant difference is that in today's complex organization structure, the decision making is getting more and more complex. Whatever a manager does, he does through making decisions. Some of the decisions are of routine and repetitive in nature and it might be that the manager does not realize that he is taking decisions whereas, other decisions which are of strategic nature may require a lot of systematic and scientific analysis. The fact remains that management is always a decision making process.

The most outstanding quality of successful manager is his/her ability to make sound and effective decisions. A manager has to make up his/her mind quickly on certain matters. It is not correct to say that he has to make spur of the moment decisions all the time. For taking many decisions, he gets enough time for careful fact finding, analysis of alternatives and choice of the best alternative. Decision making is a human process. When one decides, he chooses a course alternative which he thinks is the best. Decision making is a proper blend of thinking, deciding and action.

An important executive decision is only one event in the process which requires a succession of activities and routine decisions all along the way. Decisions also have a time dimension and a time lag. A manager takes time to collect facts and to weigh various alternatives. Moreover, after decides, it takes still more time to carry out a decision and, often, it takes longer before he can judge whether the decision was good or bad. It is also very difficult to isolate the effects of any single decision.

The contributions of Drucker, especially his futurism, objective – orientedness and perception of changes stood as hall – marks in the management evolution.

Even today, Peter Drucker's legacy lives on. It is testament to his far-seeing ideas that they are still considered the standard practice in nearly every business in the Western world.

2.7 SUM UP

Management is enlisting core and peripheral concepts of managing the people and institutions. In this line we were discussed the contributions made by FW Taylor, Henry Fayol and Peter F Drucker. This chapter had given idea to understand the organization and people's decision making process. Hence we would study the in-depth analysis in coming chapters for learning the concepts with existing practices at the fields. So the future managers need to understand all such concepts which is going to discuss in this course material so that the learner can chose the title for the research study as a part of this curriculum described by the Alagappa University. So the learners can go through every chapter and its units in a comprehensive manner to understand the concepts and descriptions in a better way.

2.8 UNIT- END EXERCISES

1. Illustrate the contributions made by F. W. Taylor.

2. Points out the major functions of Management given by Henry Fayol.

3. What is MBO and how did applies in a business?

4. Who is Knowledge worker and where you may find them in a IT company?

5. How does the principles of scientific management is using today?

6. What are the qualities required for a Manager?

2.9 ANSWER TO CHECK YOUR PROGRESS

1. Management is considered to be an understanding others.

2. Administration instead of management emphasizing that there is unity of science of administration.

3. Replacing Rule of Thumb with Science.

4. Specific in their aim, measurable in order to track progress, assignable to a specific person, realistic in their attainability, and time-related to confirm.

2.10 SUGGESTED READINGS

1   Arun Kumar and R. Sharma(2000), Principles of Business Management. Atlantic Publisher, New Delhi
2   J.S. Chandan (1997), Management Concepts and Strategies. Vikas Publishing, New Delhi
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UNIT - III HUMAN RESOURCE MANAGEMENT

Structure

3.1 Introduction
3.2   Concept of Human Resource Management
3.3   Meaning
3.4   Definitions
3.5   Scope of Human Resource Management
3.6   Evolution of Human Resource Management
3.7   Functions of Human Resource Management
3.8   Sum up
3.9   Unit- End Exercises
3.10   Answers to check your progress
3.11   Suggested Readings

3.1 INTRODUCTION

Managing the human resource in an organization is not an easy task for the people; If only know the process of handling them is a trouble-free task to the managers of the any organization. As an outcome of this work, the managers are heavily paid by the management of the organization. For understanding the human resource to manage effectively is requires hectic task of the any individuals to rule over the human resources. Human Resource Management (HRM) is a relatively new approach to managing people in any organization. People are considered the key resource in this approach. it is concerned with the people dimension in management of an organization. In prior to Second World War the term 'Personnel Management' is widely used for managing Human Resources in those days.

It's necessary to point out here that every manager has some role relating to human resource management. Just because we do not have the title of HR manager doesn't mean we won't perform all or at least some of the HRM tasks. For example, most managers deal with compensation, motivation, and retention of employees making these aspects not only part of HRM but also part of management. These activities fall in the domain of HRM. As a result, this unit is equally important to future buddies who wants to be an HR manager and to someone who will manage a business.

3.2 CONCEPT OF HUMAN RESOURCE MANAGEMENT

Human Resource Management has come to be recognized as an inherent part of management, which is concerned with the human resources of an organization.

➢ It is an integral but distinctive part of management, concerned with people at work and their relationships within the enterprise.

29

> ➢ Human Resource Management is a process of bringing people and organizations together so that the goals of each are met.
> ➢ The term Human Resource Management stands for the recruitment, selection, development, utilization, compensation and motivation of human resources by the organization.

3.3 MEANING OF HUMAN RESOURCE MANAGEMENT

"The management of Man" is a very important and challenging job; important because it is a job, not of managing men', but of administering a social system. The management of men is a challenging task because of the dynamic nature of the people. Now two persons are similar in mental abilities, traditions, sentiments, and behavior; they differ widely also as groups, and are subject to many varied influences. People are responsive; they feel, think and act; therefore they cannot be operated like a machine or shifted and altered like a template in a room layout. They, therefore, need a tactful handling by management personnel. If manpower is properly utilized, it may prove a dynamic motive force for running an enterprise at its optimum results and also work as an elixir for maximum individual and group satisfaction in relation to the work performed.

Human Resource Management (HRM) is concerned with the people dimension in management of an organization. Since an organization is a body of people, their acquisition, development of skills, motivation for higher levels of attainments, as well as ensuring maintenance of their level of commitment are all significant activities. These activities fall in the domain of HRM.

Human Resource Management is a process, which consists of four main activities, namely, acquisition, development, motivation, as well as maintenance of human resources.

3.4 DEFINITIONS OF HUMAN RESOURCE MANAGEMENT

Scott, Clothier and Spriegel have defined Human Resource Management as that branch of management which is responsible on a staff basis for concentrating on those aspects of operations which are primarily concerned with the relationship of management to employees and employees to employees and with the development of the individual and the group.

Human Resource Management is responsible for maintaining good human relations in the organization. It is also concerned with development of individuals and achieving integration of goals of the organization and those of the individuals.

Northcott considers human resource management as an extension of general management, that of prompting and stimulating every employee to make his fullest contribution to the purpose of a business. Human resource management is not something that could be separated from the basic managerial function. It is a major component of the broader managerial function.

French Wendell, defines Human resource management as the recruitment, selection, development, utilisation, compensation and motivation of human resources by the organisation.

According to Edwin B. Flippo, Human resource management is the planning, organising, directing and controlling of the procurement, development, resources to the end that individual and societal objectives are accomplished‖ . This definition reveals that human resource (HR) management is that aspect of management, which deals with the planning, organising, directing and controlling the personnel functions of the enterprise.

Some of the other definitions are as follows…,

The personnel function is concerned with the procurement, development, compensation, integration and maintenance of the personnel of an organization for the purpose of contributing toward the accomplishment of that organization's major goals or objectives.

<div align="right">- Edwin B. Flippo</div>

Personnel administration is a method of developing the potentialities of employees so that they get maximum satisfaction out of the work and give their best effort to the organization.

<div align="right">-Pigors and Myres</div>

Personnel Management is the specialized intelligent handling of the human factor by a separate department which could devote its full time for research along the line of improvement in industrial relations.

<div align="right">- R.G.Gokhale</div>

Personnel administration is the art of acquiring, developing and maintaining a component work force in such a manner as to accomplish maximum efficiency and economy in the functions and objectives of the organization.

<div align="right">-American Society for Personnel Administration</div>

Personnel Management is the part of the management function which is primarily concerned with human relationships within an organization. Its objective is the maintenance of those relationships on a basis which, by considering of the well-being of the individual, enables all those engaged in the undertaking to make their maximum personnel contribution in the effective working of the undertaking.

<div align="right">- Indian Institute of Personnel Management</div>

Manpower management effectively describes the process of planning and directing the application, development and utilization of human resources in employment.

<div align="right">- Dale Yoder</div>

31

3.5 SCOPE OF HUMAN RESOURCE MANAGEMENT

The scope of HRM is very wide:

1. ***Personnel aspect:*** This is concerned with manpower planning, recruitment, selection, placement, transfer, promotion, training and development, layoff and retrenchment, remuneration, incentives, productivity etc.
2. ***Welfare aspect:*** It deals with working conditions and amenities such as canteens, creches, rest and lunch rooms, housing, transport, medical assistance, education, health and safety, recreation facilities, etc.
3. ***Industrial relations aspect****: This* covers union-management relations, joint consultation, collective bargaining, grievance and disciplinary procedures, settlement of disputes, etc.

On the basis of the various definitions given in the previous part, a few other Scope and characteristics may be noted about Human resource Management.
First, HRM is concerned with managing people to rank employees at work. Such people or personnel do not simply refer to rank and the employees‖ or unionized labour but also include higher personnel‖ and non-unionized labour. In other words, it covers all levels of personnel, including blue-collared employees (craftsmen, foremen, operatives and labourers), and white-colored employees (professional, technical and kindred workers, managers, officials and proprietors, clerical workers and sales workers). The shape and form that personnel administrative activity takes, however, may differ greatly from company to company; and to be effective, it must be tailored to fit the individual needs of each organization.

Second, it is concerned with employees, both as individuals as well as a group, the aim being to get better results with their collaboration and active involvement in an organization's activities, i.e., it is a function or process or activity aiding and directing individuals in maximizing their personal contribution.

Third, personnel management is concerned with helping the employees to develop their potentialities and capacities to the maximum possible extent, so that they may derive great satisfaction from their job. The task takes into consideration four basic elements, namely, the capacities, interests, opportunities and personality of the employees.

NATURE OF HRM:

The various features of HRM include:

  ➢ It is pervasive in nature as it is present in all enterprises.
  ➢ It tries to help employees develop their potential fully.
  ➢ It encourages employees to give their best to the organization.
  ➢ It is all about people at work, both as individuals and groups.
  ➢ It tries to put people on assigned jobs in order to produce good results.

- ➤ It helps an organization meet its goals in the future by providing for competent and well-motivated employees.
- ➤ It tries to build and maintain cordial relations between people working at various levels in the organization.
- ➤ It is a multidisciplinary activity, utilizing knowledge and inputs drawn from psychology, economics, etc.
- ➤ Its focus is on results rather than on rules.

3.6 EVOLUTION OF HUMAN RESOURCE MANAGEMENT

Human resource management as a practice happens wherever there is more than one person. It starts at the family level where family members take different roles and responsibilities for the accomplishment of family objectives. The head of the household would harness all available resources including people to find the best in them in order to achieve whatever may be needed or desired. Indeed, the division of labour depends on the philosophies, values and expectations of family members and which are rooted in the wider society, be it a clan, a tribe or religion. Managing people in an organizational setting is well documented throughout the history of mankind (Munsterberg 1913; Taylor 1960; Cuming 1985). Organizational structures evolved, leadership emerged or was formed, roles and responsibilities were assigned to people, accountability systems were laid down, and rewards and punishments were also provided. In this regard, division of labour, specialization and accountability were systematically organized to achieve a specific purpose. However, the documentation of the evolution and development of human resource management practices can be traced back to the booming European economy of the 1900s (Roethlisberg 1939). This economy created the necessary environment for more serious thought on the role of effective people management in the emerging labour market of the time.

The economies were preparing for the First World War and its aftermath where industrial production required a mass of skilled, well organised and disciplined labour force. The challenges revolved around mobilisation of resources including people, which led to the evolution and development of four stages in managing labour. The stages were mainly identified by looking at the changing titles of officers responsible for managing the workforce and different roles that were emerging over time. Therefore, although personnel management literature often states particular dates or decades of transformation from one phase to another (Chruden & Sherman 1984; Cuming 1985), as a matter of principle, such dates or decades are more for convenience and reference purposes than being actual historical events. The same recognition is used to provide a picture of the chronology of the evolution and development of human resource management as we see it today.

Stages in the evolution and development of human resource management

official titles	Welfare officer	Personnel admini-strator	Personnel manager	Personnel/ Human resource manager	Human resource manager	Strategic human resource manager
stages	Employee welfare	Personnel administra-tion	Personnel manage-ment	Personnel / Human resource management	Human resource manage-ment	Strategic human resource manage-ment
decades	1900	1920-1930	1940-1960	1970-1980	1990	2000

The above figure displays the stages in the evolution of human resource management. Welfare stage in industrial age Historically, the 1900s was a time of increasing technological and economic breakthroughs arising from continued advancement in general and scientific knowledge through creativity and innovations. Indeed, the advancements had serious impact on economic growth and demand for goods and services in Europe and in Germany in particular for the preparations of World War I (Roethlisberg & Dickson 1939). More goods were demanded, and the massive production of goods could be done more efficiently than ever before, under one industrial roof. This was a common phenomenon across

Welfare stage in industrial age

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Change of focus from welfare to personnel administration

The 1920s and mid 30s are generally regarded as decades of personnel administration. The growing size of organizations and pressure to improve productivity called for the need to recruit, select, train, keep records, appraise, motivate, control, and improve production of job entry level of employees and those in the job as part of job orientation. These administrative tasks were best handled by welfare officers because of their experiences in welfare matters. However, since the roles of welfare officers changed in nature and scope and became more demanding in terms of knowledge, skills and behavioral attributes, the whole situation suggested that the title of welfare officer was not good enough to describe what was actually happening. To address these new dimensions of a welfare job, the title had to change from welfare officer to personnel administrator (Cuming 1985).

Evolution and development of personnel management

This covers the period during and after World War II. In the 1940s and 50s, there was an ever growing role for personnel administration to cope with the rising challenges and demands of the job which included craft, supervisory training and labour disputes that were threatening employees and organizational efficiency. These new dimensions in employee management were exacerbated by developments in academia, professional managers interested in academics and consultants where efforts were devoted to study behavioural factors in job performance. Such developments include human relations' school, which was pioneered by Elton Mayo and Kurt Lewin, who emphasized on improving the work environment and work groups as a strategy to improve productivity (Rush 1959; Robbins 1990; Torrington et al. 2005).

Treating employees as human beings rather than working tools was a new doctrine that was revealing other aspects of people management in other phases of personnel management. This period marked a shift of emphasis from managing an individual employee to managing groups/teams in the organization (Davis 1980).

Other contributions were from the work of Abraham Maslow on the human hierarchy of needs and the power of employee's motivation on productivity (Maslow 1970). Later, Chris Argyris and Frederick Herzberg wrote about the concept of employee's satisfaction and the significant impact this concept has had on the organizational practices in improving the quality of work in organizations (Deci & Ryan 1985).

The organization development school driven by Bennis & Schein provided equally useful inputs to personnel practices particularly in areas of effective communication and the need to reduce conflict in the work place (Davis 1980; Walton & McKerzie 1991). Therefore, to suit the fashion of the time, there appeared to be a difference between 'administration' and 'management'. Likewise, there is a difference between 'administrator' and 'manager', where the former appears to be dealing more with routine activities, the latter deals with more strategic issues. There is however an on-going debate in academia on the semantics and the actual substance of personnel jobs. During the 1950s

and 60s personnel management as a professional discipline matured as characterized by most personnel management theories, practices, and processes we know today (Chruden & Sherma 1984; Cuming 1985).

In addition to the services provided in the earlier phases, other areas covered in the functions of personnel management, particularly in the 1960s, were organizational development, management development, systematic training and manpower planning. Better processes and techniques of employee selection, training, wages and salary administration and performance appraisal were introduced. The other area was industrial relations in which personnel managers became experts in labour law and represented their organizations in industrial relations disputes (Chruden & Sherman 1984).

Therefore, personnel management as a type of management in organizations has evolved into a distinctive discipline. Perhaps one of the most widely accepted descriptions of the meaning of personnel management is the one given by Michael Armstrong in 1995. This definition is not very different from the ones found in revised editions and other textbooks on human resource management throughout the 2000s. Armstrong (1995) defines personnel management as 'the process and practice of getting people in organization, assessing and rewarding for performance, and developing their full potential for the achievement of organizational objectives'. By looking at personnel management in this perspective, as may also be noted from other work by the same author, and many other experts including Dessler (2005) and Bhatia (2007) there are many functions that ought to be performed in a designated functional department (personnel department). However, as shall be observed later, these functions are not by themselves necessarily different from those under a human resource management conceptual framework (Storey 1989; Armstrong 1995; Guest 2001).

The personnel functions are summarized and explained below as follows.

a) Establishment of the organizational structure:

This involves establishing the organization structure in a way that will enable the realization of the intended mission, vision, goals, objectives, strategies and tasks. It is like an African saying that 'you scratch your back where your hand can reach'. No single organizational structure can suit all organizations because the suitability of an organizational structure will depend on where the organization is, and what its future prospect are. If the mission of the organization involves rapid growth and expansion, a tall bureaucratic structure may not be desirable because such a structure slows the decision making process, which in turn, stifles flexibility, creativity and innovation. A personnel officer who is fundamentally responsible for effective manning levels in the organization has the mandate to become part of the organizational structure design team.

b) Human resourcing

Resourcing is a concept that has emerged with the use of the term 'human resource planning' as we shall see later. It involves a process of enabling the organization to have the right people, doing the right jobs at the right time. This is in line with the challenges facing managers in staffing organizations. It

is about planning for the number and quality of employees required under different job categories and to make sure that staffing process such as recruitment, selection, placement, promotions, transfers and downsizing are effective.

c) Managing performance appraisal

The personnel department has to initiate the system, process, techniques and tools of individual, teams and organizational performance measurement. It has to ensure that performance targets for individuals, teams, sections and departments are set and agreed upon and measures to address performance gaps are in place and are working. This is not an easy task because it requires a value judgment about employees. Indeed, there are no other areas of personnel management that make personnel officers more uncomfortable and unpopular than the appraisal function. This is because whatever process or tool is used to appraise staff and reward them accordingly, there is always tacit or explicit dissatisfaction from staff based on the feelings that such decisions were biased. Progress has been made towards improving staff appraisal systems, which will be covered later under performance management.

d) Personnel training and development

Since the performance of the organisation depends on the competence of the workforce, training and development are important, not only for the present job but also for the future job and organization. The head of the personnel department has to design tools for assessing the need for training that will be used to identify training and development gaps and develop effective strategies and programmes for training and developing staff. In most large organizations and more so in government ministries, there are departments and officers responsible for ensuring that personnel training and development functions are carried out effectively.

e) Compensation/Rewards management

The words 'compensation' and 'reward' are often used interchangeably in contemporary personnel management. Although in principle, the two concepts may mean the same thing, they have different philosophical roots. Whereas the former is based on the interpretation that work is not necessarily a good thing and hence those who work lose something which should be compensated, the later considers work positive and something which has to be rewarded depending on the quantity and quality of accomplishment. Therefore, employees need different types of compensations or rewards for the effort they expend on the job and enable the organization function. It is the duty of the human resource department through the responsible officers to evaluate different types and levels of jobs in order to develop appropriate compensations or rewards in terms of pay and other incentive packages.

f) Personnel relations

Relationships between an employer and employee and among employees in the workplace need to be nurtured to avoid conflicts and disputes which will

37

ultimately lead to unproductive behavior. The personnel department is well placed for this job as it has staff trained in people management particularly in industrial legislation, labour laws and conflict management. Some industrial organizations employ lawyers as industrial relations officers, but qualified personnel officers should be able to perform this role. However, other experts such as lawyers and professional counselors may be consulted where necessary.

g) Other routine personnel administration functions

There are a myriad of other personnel functions, which are basically routine work and constitute day-to-day administrative activities performed by personnel officers depending on the size and scope of the organization. These functions include but not limited to, health, transport, security and safety, pensions, deaths, and personnel information system.

h) Change to human resource management

From the late 1970s and early 80s we witnessed many developments and challenges which disturbed the stability of economic, political, technological and academic environment experienced in the 1960s. These challenges have had enormous impacts on people management in organizations perhaps more than at any time in human history.

i) Shift in global macro policy framework

The late 1970s and early 80s was an era of neo liberalism in which market forces were a driver of institutional frameworks of nation states and organizations. This was a period when we witnessed strong arguments against direct state involvement in the economy. It is not clear what was the 'chicken' or 'egg' between politicians and academics or who these people, often referred to as 'experts' of the World Bank and the International Monetary Fund are, and what their role in the architecture and birth of neo liberalism and marginalization of the role of government in economic development is. However, whatever the case may be, both politicians and consultants were important in the doctrine of neo liberalism. One of the foremost advocates of neo liberalism was the former conservative British Prime Minister Margaret Thatcher and her counterpart conservative president of the United States of America Ronald Reagan whose philosophies were

known by their names, that is, Thatcherism and Reaganism respectively. They brutally blamed earlier liberal governments for causing the economic crisis of the 70s through excessive government control of economies and overprotection of employees. The privatization of state owned organizations, relaxation of legislation in favour of the private sector and the urge for profit maximization became the new agenda and both the desired and required framework for managing organizations and the workforce. Therefore, costs consciousness and the pressure to justify the role of employees in developing and sustaining organizations in the market became a challenge. Failure to respond to these challenges through proper personnel management strategies

was seen as a slippery slope towards the collapse of companies that had long historical roots of successful business.

j) Business competition

The 1980s and early 90s witnessed an uncertain, chaotic and often turbulent business environment. Increased competition from Japan, and other international companies with cheaper but high quality goods was a challenge to American and European organizations. In reaction to the new competition and as a strategy for coping with the crisis, a substantial number of organizations experienced takeovers, mergers, and business closures. These were also accompanied by heavy losses of work, working on part time, the need for individuals to become multi skilled, and the contracting out of some work. Partly as a way of addressing these challenges the role of the personnel specialist had to change from reactive to proactive and from routine to strategic approach to the management of personnel functions so as to be able to match the unpredictable environment.

k) Change in customer needs and expectations

A change in customer taste, fashion and quality of goods to reflect their purchase price put more pressure on the organizations to get the best out of their production systems, processes, and employees. This could only be achieved by getting the best people from the labour market, develop, reward, and ensure that they are committed to high quality service to the organisation. In order to achieve these objectives, an enabling environment for employee creativity and innovation became a necessity. This new demand had an impact on recruitment and selection criteria, staff development and reward systems as well as the roles of personnel specialists vis-à-vis line managers in personnel management functions. The role of personnel had to change from that of a doer of personnel functions to that of partner in providing support services to other departments to perform personnel functions.

l) Technological change

Competition was also intensified by the organizations that could adopt and adapt flexible specialization technologies to meet customer needs and expectations. The implications were that organizations had fewer, but better trained people, flexible to cope with rapid technological changes. Continuous learning and adaptation based on teams became a natural area of focus on people management. Information technology destroyed knowledge monopoly. The power of knowledge became how best to use it, rather than who owns it.

m) Change of philosophy of employee relations

The power of employees was through legislated trade unions where thousands of employees under the industrial production system held power. Therefore, the power of individual employees in the employment relationship was vested in a collective solidarity. Mass redundancies, less protective role of the state as well as the declining role of trade unions made life more individualistic than collective. The change of employee relations from collectivism to

39

individualism was an automatic consequence of the above changes. Employment relations became more based on arrangements and agreements between the employee and employer as opposed to the use of trade unions and labour legislation.

n) Developments in the academia

Building on the knowledge accumulated in previous decades and research that was being conducted particularly in the 1980s and early 1990s, it appeared that organizational strategy, and strategic approach to managing employees was the best option for responding to challenges facing organizations (Hendry 1995). The Human Resource Management School, advanced by academics from America and Europe, which spearheaded the concept of 'strategic approach' to managing people, became the centre of debates and development of human resource management as a philosophy distinct from personnel management. The Excellence School propounded by Peters & Waterman and their followers on the role of strong organizational cultures and commitment to excellence also has had a remarkable influence on the development of human resource management (Storey 1989). Some areas of corporate management including the size, structure, strategy, culture, product, and organizational life cycle were now included in human resource management (Schuler 2000).

The major issue was how personnel management functions could make an impact on the functional level, as part of supporting other departments, as well as being part of business strategy. Personnel managers had to become partners in the business. As part of improving employees' utilization, a more rigorous method of assessing the performance of employees in relation to rewards was also developed. The introduction of performance management systems and reward systems based on performance was an indication of changes in personnel management practices. Within these changes, personnel management was redefined and the concept of 'human resource 'vis-à-vis 'personnel' was adopted, although the debate concerning the differences continues (Storey 1989). However, as may appear in the literature, the difference

between 'human resource' and 'personnel' may be clear or unclear (Armstrong 1995). This difference depends on the taste, or on the taste and fashion rather than on what managers do, this is notwithstanding the fact that most academics and managers in organisations use the term human resource management as opposed to personnel management when referring to people management even without making conscious effort to distinguish between the two. Perhaps the most popular definitions of human resource management are those suggested by Storey and Armstrong because such definitions are based on thorough reviews of earlier works from both American and European human resource management debates. Storey looks at human resource management as: … a distinctive approach to employment management which seeks to achieve competitive advantage through the strategic deployment of a highly committed and capable workforce using an integrated array of cultural, structural and personnel techniques (Storey 1995: 42). It is worth noting here

that the focus of human resource management is on employee management techniques that are directed towards gaining competitive advantage depending on the adopted business or organizational strategy. Armstrong also appreciates the role of strategies but goes further by emphasizing the need for robust personnel systems, which will take care of employees (individuals and teams), as valuable assets where investment is crucial. Thus, he defines human resource management: … as a strategic and coherent approach to the management of organizations' most valued assets the people working there who individually and collectively contribute to the achievement of business objectives (Armstrong 1995: 42). By looking at the various debates in academia and good practices in personnel and human resource management, human resource management may be further defined as a strategic approach and management practice of managing employees so that there is sustainable achievement of an organisational mission, goals, and objectives. These definitions are conclusively derived from the American and European schools of thought.

The evolution and development of human resource management has relied on two traditions. These are the American, alias Harvard and European under the leadership of British academics, particularly from the University of Lancaster.

The American school alias 'Harvard School'

The works by Boxall (1992), Beer & Spector (1985) and Beer et al. (1994) are considered to be some of the main foundations of different concepts and disciplines which shape the scope of human resource management in America, and which were later adopted, adapted, or dropped by other scholars worldwide. Indeed, they represent what is often termed as American school of thought and contribution in the understanding of human resource management in contemporary organizations. The main building blocks are crystallized into four categories. The first involves a focus on stakeholders 'interests, according to stakeholders' theory, organizations that strive to maximise key stakeholders' interests flourish more than those that pursue purely performance-oriented objectives. This argument rests on the fact that organizations exist to serve different stakeholders with different interests but which may not necessarily be explicit. In this case, human resource functions have to maximize the interests of key stakeholders who, in turn, pay back by steering the organization towards success. The second category is the balancing of stakeholders interests. This category is linked to the above argument but the focus here is on the need to take specific initiatives to ensure that, although there are stakeholders who matter more than others, if some stakeholders feel that there are some who benefit more than others, they may create tensions, dissatisfactions and ultimately erode commitment. Therefore, human resource managers should ensure employees' interests are balanced with those of other stakeholders. The third category is positive influence on employees. Employees are central in influencing survival and the growth of an organization and hence human resource functions should exert positive influence on employees. Finally, the fourth is strategic approach to managing employees. Organizations will remain competitive if they focus on the organizational strategic issues and their environment. Strategic approach

includes formulation of organizational mission, goals, objectives, strategies, and targets.

The UK school alias European school
Storey (1989) has described the role of David Guest and Colleagues in shaping human resource management discourses in Europe. These authors consider the following key critical areas of focus in human resource management:
1. The need to marry business and human resource strategies, that is, human resource strategies should be developed and save business strategies.
2. Strong organizational culture for employee commitment. The assumption here is that a committed employee will put in the maximum effort required for the desired organizational performance.
3. Obsession for Quality. In a world of increasing competition, new customer tastes, and choice, no organization can survive without addressing issues of quality. Quality will always matter in human resource management and the starting point of this is during recruitment, where an organization should get the right staff right away.
4. Creativity and innovation. This is a critical factor, which distinguishes one organization from another in terms of how they respond to the environment. Employees have to be able to come up with new ideas and put them into practice in order to exploit business opportunities. Current human resource management debates seem to consider these two ways of looking at the basics of human resource management as more complementary rather than pointing to different directions. As a result, human resource philosophies and objectives are anchored on these schools of thought (Storey 1989; Guest 2001).

3.7 FUNCTIONS OF HUMAN RESOURCE MANAGEMENT

Human Resources management has an important role to play in equipping organizations to meet the challenges of an expanding and increasingly competitive sector. Increase in staff numbers, contractual diversification and changes in demographic profile which compel the HR managers to reconfigure the role and significance of human resources management. The functions are responsive to current staffing needs, but can be proactive in reshaping organizational objectives. All the functions of HRM are correlated with the core objectives of HRM. For example personal objectives is sought to be realized through functions like remuneration, assessment etc.
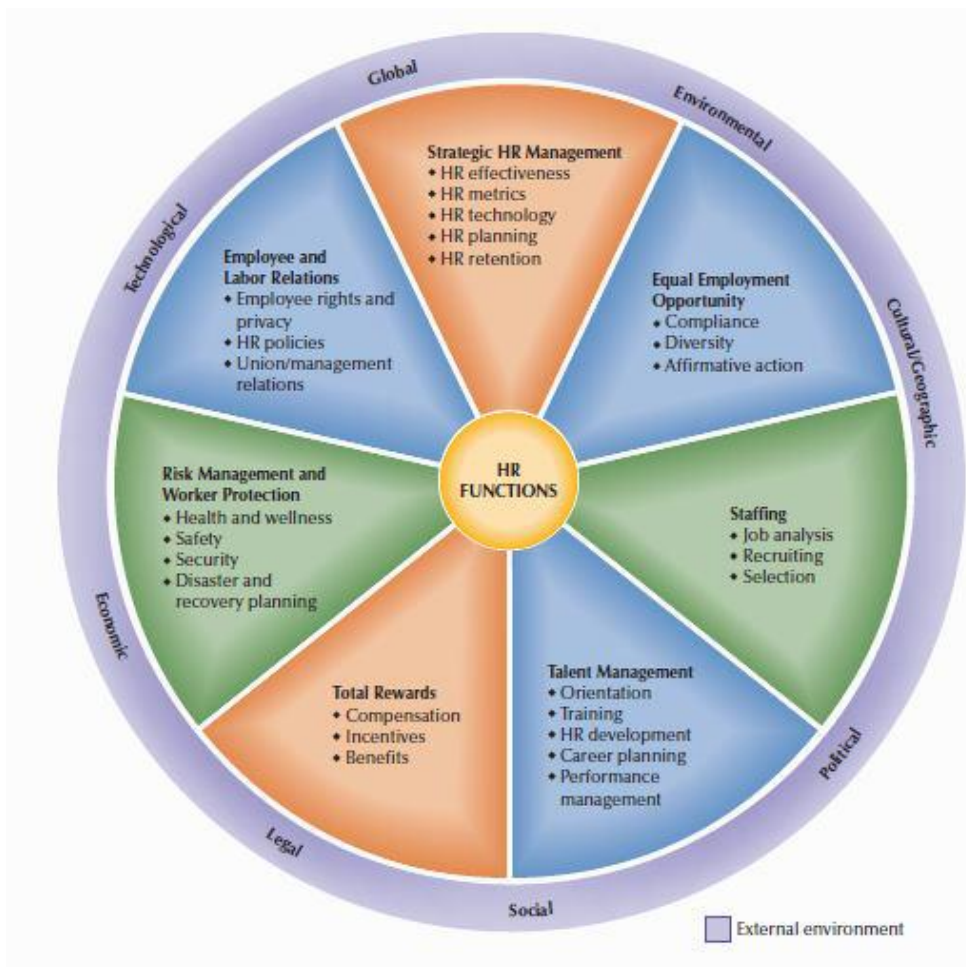
Chart describing HRM Functions

HR management can be thought of as seven interlinked functions taking place within organizations, Additionally, external forces like legal, economic, technological, global, environmental, cultural/geographic, political, and social—significantly affect how HR functions are designed, managed, and changed. The functions can be grouped as follows:

➢ **Strategic HR Management:** As a part of maintaining organizational competitiveness, strategic planning for HR effectiveness can be increased through the use of HR metrics and HR technology.

➢ **Human resource planning (HRP)** function determine the number and type of employees needed to accomplish organizational goals. HRP includes creating venture teams with a balanced skill-mix, recruiting the right people, and voluntary team assignment. This function analyzes and determines personnel needs in order to create effective innovation teams. The basic HRP strategy is staffing and employee development.

➢ **Equal Employment Opportunity:** Compliance with equal employment opportunity (EEO) laws and regulations affects all other HR activities.

➢ **Staffing:** The aim of staffing is to provide a sufficient supply of qualified individuals to fill jobs in an organization. Job analysis, recruitment and selection are the main functions under staffing.

Workers job design and job analysis laid the foundation for staffing by identifying what diverse people do in their jobs and how they are affected by them.

Job analysis is the process of describing the nature of a job and specifying the human requirements such as knowledge, skills, and experience needed to perform the job. The end result of job analysis is job description. Job description spells out work duties and activities of employees.

Through HR planning, managers anticipate the future supply of and demand for employees and the nature of workforce issues, including the retention of employees. So HRP precedes the actual selection of people for organization. These factors are used when recruiting applicants for job openings. The selection process is concerned with choosing qualified individuals to fill those jobs. In the selection function, the most qualified applicants are selected for hiring from among the applicants based on the extent to which their abilities and skills are matching with the job.

➢ **Talent Management and Development**: Beginning with the orientation of new employees, talent management and development includes different types of training. Orientation is the first step towards helping a new employee to adjust himself to the new job and the employer. It is a method to acquaint new employees with particular aspects of their new job, including pay and benefit programmes, working hours and company rules and expectations.

Training and Development programs provide useful means of assuring that the employees are capable of performing their jobs at acceptable levels and also more than that. All the organizations provide training for new and in experienced employee. In addition, organization often provide both on the job and off the job training programmes for those employees whose jobs are undergoing change.

Likewise, HR development and succession planning of employees and managers is necessary to prepare for future challenges. Career planning has developed as result of the desire of many employees to grow in their jobs and to advance in their career. Career planning activities include assessing an individual employee's potential for growth and advancement in the organization.

Performance appraisal includes encouraging risk taking, demanding innovation, generating or adopting new tasks, peer evaluation, frequent evaluations, and auditing innovation processes. This function monitors employee performance to ensure that it is at acceptable levels. This strategy appraises individual and team performance so that there is a link between individual innovativeness and company profitability. Which tasks should be appraised and who should assess employees' performance are also taken into account.

➢ **Total Rewards:** Compensation in the form of pay, incentives and benefits are the rewards given to the employees for performing

44

organizational work. Compensation management is the method for determining how much employees should be paid for performing certain jobs. Compensation affects staffing in that people are generally attracted to organizations offering a higher level of pay in exchange for the work performed. To be competitive, employers develop and refine their basic compensation systems and may use variable pay programs such as incentive rewards, promotion from within the team, recognition rewards, balancing team and individual rewards etc. This function uses rewards to motivate personnel to achieve an organization's goals of productivity, innovation and profitability. Compensation is also related to employee development in that it provides an important incentive in motivating employees to higher levels of job performance to higher paying jobs in the organization. Benefits are another form of compensation to employees other than direct pay for the work performed. Benefits include both legally required items and those offered at employer's discretion. Benefits are primarily related to the area of employee maintenance as they provide for many basic employee needs.

- ➢ **Risk Management and Worker Protection**: HRM addresses various workplace risks to
  ensure protection of workers by meeting legal requirements and being more responsive to concerns for workplace health and safety along with disaster and recovery planning.
- ➢ **Employee and Labor Relations:** The relationship between managers and their employees must be handled legally and effectively. Employer and employee rights must be addressed. It is important to develop, communicate, and update HR policies and procedures so that managers and employees alike know what is expected. In some organizations, union/management relations must be addressed as well. The term labour relation refers to the interaction with employees who are represented by a trade union. Unions are organization of employees who join together to obtain more voice in decisions affecting wages, benefits, working conditions and other aspects of employment. With regard to labour relations the major function of HR personnel includes negotiating with the unions regarding wages, service conditions and resolving disputes and grievances.

3.8 SUM UP

In any organization the Human Resource Management Department plays a vital role to control over the business of the organization. It involves lot of risks to bear to administer the organization. So the company requires a right person for right position in right time. If any thing missing in the sequences the companies will not flourish or hard time recover the business. So in any company it is a base. The learner has to correlate the concepts from the texts to the practical fields in the real world. This unit gives you to understand the areas of managing the human resources in all the fields. As an extra effort the

45

learner has to do the unit end exercises at home by exploring themselves to real situations at the field.

3.9 UNIT- END EXERCISES

1. Could you find the functions of HR manager in Textile company at your area?

2. What is the Scope of the HRM in future?

3. Why did the Harvard School of Business had given more studies in management in a contrary manner?.

4. Illustrate with examples of the evolution of the Human Resource management.

5. Being an HR Manager, how would you tackle the obstacles of the company?

3.10 ANSWER TO CHECK YOUR PROGRESS

1. The scope of human resource management in America is contemporary to the contribution in the understanding of human resource management.
2. Human resource management as the recruitment, selection, development, utilization, compensation and motivation of human resources by the organization.
3. Employer and employee rights must be addressed. It is important to develop, communicate.
4. The aim of staffing is to provide a sufficient supply of qualified individuals.

3.11 SUGGESTED READINGS

1 Arun Kumar and R. Sharma(2000), Principles of Business Management. Atlantic Publisher, New Delhi

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UNIT - IV HUMAN RESOURCE POLICY

Structure

4.1 Introduction
4.2   Formulation and Implementations of Human Resource Policy
4.3   Duties and Responsibilities of HR Manager
4.4   Qualities of HR Manager
4.5   Challenges in the 21st Century
4.6   Sum up
4.7   Unit- End Exercises
4.8   Answers to check your progress
4.9   Suggested Readings

4.1 INTRODUCTION

The establishment of policies can help an organization demonstrate, both internally and externally, that it meets requirements for diversity, ethics and training as well as its commitments in relation to regulation and corporate governance of its employees. For example, in order to dismiss an employee in accordance with employment law requirements, amongst other considerations, it will normally be necessary to meet provisions within employment contracts and collective bargaining agreements. The establishment of an HR Policy which sets out obligations, standards of behavior, and documents disciplinary procedures, is now the standard approach to meeting these obligations. HR policies provide frameworks within which consistent decisions are made and promote equity in the way in which people are treated.

HR policies can also be very effective at supporting and building the desired organizational culture. For example, recruitment and retention policies might outline the way the organization values a flexible workforce, compensation policies might support this by offering a 48/52 pay option where employees can take an extra four weeks holidays per year and receive less pay across the year.

4.2 FORMULATION AND IMPLEMENTATIONS OF HUMAN RESOURCE POLICY

Policies are statements of the organizations overall purposes and its objectives in the various areas with which its operations are concerned- Personnel, finance, production, sales / marketing etc.., Human resource policies are continuing guidelines on the approach of which an organization intends to adopt in managing its people. They represent specific guidelines to HR managers on various matters concerning employment and state the intent of the organization on different aspects of Human Resource management such as recruitment, promotion, Compensation, training, selection etc.., They therefore serve as a reference point when human resources management practices are being developed or when decisions are being made about an organization's workforce.

A good HR policy provides generalized guidance on the approach adopted by the organization, and therefore its employees, concerning various aspects of employment. A procedure spells out precisely what action should be taken in line with the policies.

Each organization has a different set of circumstances and so develops an individual set of human resource policies. The location an organization operates in will also dictate the content of their policies.

Human resource policies and practices are concerned with employee's selection practices, training and development program and performance evaluation system. HR policies defi ned by Armstrong as the continuing guidelines the organization intends to adopt in managing its people. HR policies define the values of the organization to how people should be treated. From these, principles are derived for health managers to how to deal with HR matters. Therefore, HR policies serve a reference point for employment practices and decisions are being made about people.

HR policies guides the actions required for achieving the objectives of the organization. Therefore, study was conducted with an aim to critically analyze HR policies and practice under primary health care system in Delhi. The study would help in re-introspection of the terms and conditions of engaging/hiring/recruiting HRs and use of HR management principles to address the job outcome and enhance job satisfaction and motivation.

According to Dale Yoder "Personnel or Human Resource policy provides guidelines for wide variety of employment relationship in the organization. These guidelines identify the organizations intensions on recruitment, selection, promotion, development, compensation, organization, motivation and otherwise leading and directing people in the working organization. Personnel policies serve as a road map to personnel managers"

According to Calhoon, "Personnel policies (HR policies) constitute guides to action. They furnish general standards or bases on which decisions are reached. Their genesis lies in an organizations values, philosophy, concepts and principles."

Thus, personnel policies or Human resource policies refer to principles and rules of conduct which "formulate, redefine, break into details and decide a number of actions" that govern the relationship with employees in the attainment of organizational objectives.

Types of Personnel policies:
      a) Major policies.
      b) Minor policies.
      c) Functional grouping of policies.

- ❖ Canteen Policy
- ❖ Wage Policy
- ❖ Leave Policy
- ❖ Compensation Policy
- ❖ Safety Policy
- ❖ Security Policy
- ❖ Welfare Policy
- ❖ Induction Policy
- ❖ Performance Evaluation Policy
- ❖ Management Policy or founders' policy
- ❖ Separation Policy

- ❖ Contract Policy
- ❖ Recognition Policy
- ❖ Training Policy
- ❖ Drug Policy
- ❖ Environment Policy
- ❖ Personnel Record policy
- ❖ Occupational Health Policy
- ❖ Sexual Harassment Policy (Internal Complaints Policy)
- ❖ Settlement Policy and etc..,
- ❖ Misconduct And Reprehension Policy

d) Centralized policies.

GUIDELINES FOR FORMULATING PERSONNEL POLICIES

1. Policies should contribute to objectives and plans. If strategy or policy does not further the plan or make company objectives more attainable it has not done its job. No manger should have a chance to say ."There is no good reason - why we do it, it is just our policy."
2. Policies should be long range and fairly consistent. Important changes should only be made at fairly long intervals. Policies should not be violated on slight pretexts. If this is done, there is a clear-cut indication that they are not sound.
3. Policies should be flexible. While policies should oe long range and consistent, they should not be treated as natural laws engraved on stone. In fact, they should always be stated in broad terms to ensure flexibility.
4. Policies must recognize the fact that informal groups in the organization play a vital role.
5. Policies must recognize that there are individual differences among human beings.
6. Policies must give due regard to the interest of all parties, i.e., the owners, the employees, the consumers and the public at large.
7. Policies must conform to government regulations.
8. Policies must be prepared after a careful analysis of facts both within the organization and outside the organization.
9. Policies should be distinguished from rules and procedures. This is important for good planning and correct delegation of authority. "Procedures" are also guides to action. But their essence is chronological sequence of required tions. They are detailed expositions of how policies will be implemented. They e policy operational in detail. "Rules" like procedures also guide an action, lit they do not specify any time sequence. They also do not allow any discretion their application as policies do. Rules may or may not be related to a edure. For example, 'no smoking' is a rule unrelated to any procedure but t the

supervisor must give a reply to the aggrieved employee within three ys is a rule related to the procedure for handling grievances.

10. Policies should be in writing set out in a loose-leaf register so that new licies covering certain items are easily inserted and the manual kept up-to- date.

STEPS IN POLICY FORMULATION AND ADMINISTRATION.

Following are the prinicpal steps in policy formulation and administration :

1. Initiating the need. If an organization does not already have an appropriate personnel policy, recognition that it is needed may be voiced by a staff expert, a first-line supervisor, a union leader or a rank-and-file employee. Whoever first feels the need of a personnel policy, the personnel manager should " j of it, and start thinking about it. He should also convince the chief executive the need.

2. Fact-finding. After the executive has approved the idea to formulate a policy, the next step is to collect facts for its formulation. Five principal sources from which facts can be gathered are : (1) past practice in the organisation, (2) prevailing practice among the companies in the community and throughout the n in the same industry, (3) the attitudes and philosophy of the top management, (4) the attitudes and philosophy of middle and lower management,(5) the knowledge and experience gained from handling countless personnel nr "is on a day-to-day basis. The personnel department should study existing documents, survey industry and community practices, and interview people within the organisation to collect appropriate information. Widespread consultations and discussions at this stage prove helpful later on when it comes to applying the policies.

'3) Putting the policy in writing. After the necessary information has been gathered, the personnel department can begin the actual work of formulating the written expressions of company personnel policy. In writing a policy words, sentences and paragraphs should be short. Statements should be complete, yet precise. Emotional phrases should be avoided. Finally, the substantive content should be got approved by the chief executive.

(4) Communicating the policy. The policy once formulated should be Communicated throughout the organisation. Not only this. A real education programme should be set up to reach people how to handle various personnel problems in the light of the newly enunciated policy. (5) Evaluating an existing policy. If policies are to be kept alive and useful, top management needs full information (a) on the experience of those who are guided and those who are affected by policies as well as (b) about situational changes, if any. Only on the basis of both kinds of information can top executives know whether there is any need to restate or to reformulate a policy.

Following questions can be asked to evaluate an existing personnel policy:

i)   How much is the policy clear in its statements?
ii)   How much is the policy consistent with public policy?

iii) How much accurately does the policy reflect the company's managerial philosophy?

iv) How much effectively has the policy been communicated throughout the organisation?

THE IMPORTANCE OF HUMAN RESOURCE POLICIES

As managers, before considering any human resource policy, it is important to pose a number of questions which have to be answered by the managers themselves because developing human resource policy to address specific areas of human resource management is an investment which, in principle should have positive returns in terms of facilitating decision making and creating a motivating environment for the employee. However, despite the fact that this topic is important for people management in organisations, a cursory review of the coverage of human resource policies as a distinct topic in the mainstream literature of human resource management studies show inadequacies in terms of scope and content *(Cuming 1985; Beach & Dale 1985; Armstrong 2006)*. One of the reasons seems to be that policies, when defined as guidelines, are implicitly covered in separate topics such as strategic human resource management, human resource plans, performance and reward management and so on. However, where human resource policies are discussed, the best arguments for establishing human resource policies are:

First, human resource policies help managers to ensure that people management is in line with corporate values. It is not an easy task to solicit employees' commitment to the organisation if what is contained in the corporate vision, mission, and values is not further developed and put across in such a way that both managers and employees feel that the organisation is not just paying lip service. Indeed, human resource policy is useful in judging the extent to which the consistency between the declared philosophy in people management at the strategic level and the day-to-day management of human resources in terms of decisions and activities at operational level is sustained.

Second, is about ensuring that human resource management decisions are made consistently. Managing employees is about decision-making and implementation of human resource intents in the whole spectrum of the terms and conditions of employment Human resource policies provide a reference and guidance for avoiding inconsistent decision making by substantive managers or those who make decisions in similar matters and thus affecting different employees over time. This builds confidence and trust between managers and staff.

Third, is to minimise inequality in the treatment of employees. Although the mere presence of human resource policies cannot guarantee equality in the treatment of employees in various areas such as training, employment benefits or gender, lack of specific policies can create even more disparity between employees. It becomes difficult for employees to demand equal treatment when there are anomalies and when there are no clear definitions and criteria for judging equality.

Fourth, human resource policies facilitate decentralisation, delegation and local empowerment. Staffing decision making can be delegated to lower levels of management without the risk of the wrong decisions being taken because the policy will provide guidance on how certain issues or problems on staffing should be handled. The human resource policy document becomes the source of power and authority for those entrusted with the execution of duties affecting employee's work and welfare.

FORMULATING HUMAN RESOURCE POLICIES

In an ideal situation, it is strongly recommended that an organisation formulates human resource policies that will cover all human resource management functions. These include: recruitment, selection, performance management, training and development, pay, promotion, and redundancies (Beach & Dale 1985). Emphasis on the forming of policies is common in large and medium size organisations in developed countries and less if at all present in organisations in poor countries.

The formulation of policies covering almost all the aspects of human resource management functions or just a selection of a few areas like training and development depends on a number of factors, including lack of top management's appreciation of the need for policies and resource constraints such as technical expertise and finance. The formulation of human resource policies requires thorough preparation and commitment to provide the necessary impetus for the preparation of the policy document, its implementation and continuous review (Cherrington 1995).

In fact, it is better to have no policy at all than having one that is not implementable as it will be a potential source of conflict between the management and staff and could seriously hinder productivity. Some organisations may have the expertise and financial resources required but may not have the time to go through the task of preparing human resource policies. As a result, consultants are engaged to do the job alone or in collaboration with some technical staff from within the organisation, particularly the human resource specialist. Regardless of whether the policy is formulated by the organisation or consultancy firm, some basic procedures and processes need to be followed. The following figure summarizes the salient features.

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            │       │     Develop strategies    │
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            │       ┌──────────────────────────┐
            │       │   Prepare policy document │
            │       └──────────────────────────┘
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            │       │        Implement          │
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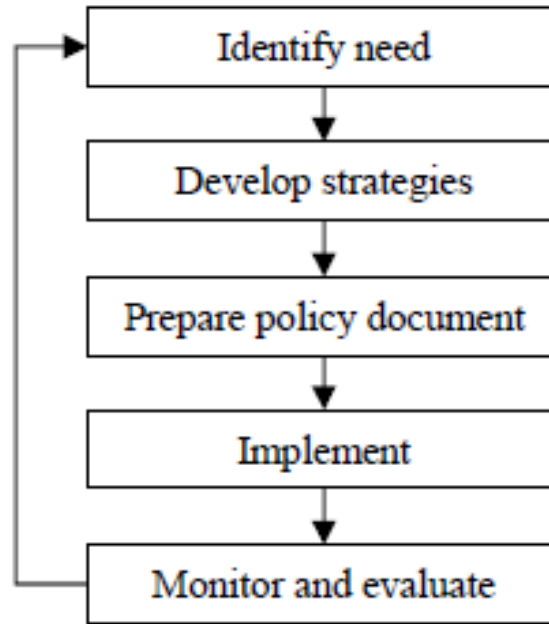
Formulation and implementation of human resource policy
Source: Cherrington (1995).

A) Identifying the need

The process of identifying the need for a particular HRP should emanate from the review of the organisational vision, mission, goals, strategies, objectives and activities on the one hand, and human resource strategies (if available) on the other. These sources may explicitly or implicitly provide the necessary starting point for building arguments for a particular HRP. For example, if one of the statements observed says that 'the organization strives to excel in error free products', it means that there should be particular policy guidelines for human resource recruitment, rewards, retention and development in order to ensure the availability of staff of the quality and the size capable of producing error free products.

B) Developing appropriate strategies

Effective human resource polices will also depend on the ability to identify and use appropriate strategies to establish the foundation for generating relevant human resource policy documents. Such strategies include:

    i) Seeking top management opinion and support.

Human resource managers as partners in human resource functions have an obligation to seek support from the top management in order to get the necessary resources and commitment. For example, a policy on certain financial incentives will affect the budget and the wage bill while the interest of the top management is to reduce costs. To win top management support and commitment requires a well written proposal, strong and convincing arguments and sometimes lobbying. Early management inputs to the policy will reduce resistance at later stages.

    ii) Seeking middle level management opinion

Middle level managers are the implementers of policies. For instance, implementing a particular component of health policy could lead to a higher

workload for the remaining staff; some kind of reward may be required in order to keep work performance at the same level. Therefore, the implementation of one policy may affect another policy or create room for the improvement of other policies. When such effects are noted early enough, it becomes easier to foresee policy consequences and provide some policy clauses to cover such possible policy overlaps or shortfalls.

iii) Assessing awareness and the level of policy desirability

The introduction of any policy in an organisation will change the way employees see their relationship with their employer. Some employees may feel that the policy is not good enough because it does not sufficiently take care of their interests. Despite the fact that this perception may be incorrect, it still affects the way the policy is received by staff, as well as the ability of the policy to meet the intended objectives. Opinion surveys can be used to assess employees' awareness of policy gaps and the extent to which a particular area of human resource functions require policy or policy instruments.

iv) Assessing other factors

There are a number of other factors that may facilitate or hinder the adoption and effectiveness of the day-to-day implementation of the expected policy. This will cover resources, legal issues, trade unions and the working culture.

C) Drafting policy document

The above strategies will provide the necessary data and information for drafting the policy document. Usually, the policy document will have a number of sections that point to specific aspects of the policy. Such sections may include:

a) Policy title

The title of the policy has to be clear, focused, short and without ambiguity. It has to reflect the contents of the policy itself.

b) Definition of key terms

Any policy will have specific terms, concepts or acronyms that have to be clearly defined so that all key stakeholders including management and staff will clearly understand what it means. This will minimise conflicts that may arise out from misinterpretation and misunderstanding.

c) Purpose

The best way to establish the purpose of a policy is to ask the question. 'What would happen if the organisation did not have that particular policy in place? The policy has to be outcome based. That is, what will be achieved at the end of the day if the policy is well implemented? Usually, the purpose is established from the review of the strategic plan by using specific tools such as stakeholders' analysis, problem tree, or mapping.

d) Relevant sections of the policy

Since the policy will aim at addressing specific aspects of particular staffing functions, each of the aspects have to be sufficiently covered by giving specific policy statements, roles and responsibilities, of each of the key stakeholders', rewards and sanctions.

e) Annexes

Usually annexes are in the form of policy instruments or references to particular sections of certain relevant laws. For example, well designed forms

for filling in (if required), extracts from employment law. The qualities of a well drafted policy are many and cannot be adequately covered here. However, there are some general principles that could be used to differentiate between a strong and weak human resource policy:

1. It has to be linked to corporate mission, values, objectives and strategies of the organisation. For example, if the organisation mission is to excel in the production of quality products in a particular industry, a policy on remuneration should show how it could attract, motivate and retain the best people.

2. It has to complement other policies in addressing human resource management issues. It is natural to see for example, a training policy complementing a promotion policy because training will provide the necessary competencies required for higher positions.

3. It has to be flexible but robust enough to match the changing business environment. It may be unrealistic to think that a policy will sufficiently cover certain aspects of human resource management functions at all times. In order to give managers some flexibility in decision making, it is important that there are some policy provisions to help managers make sensible decisions without faulting the fundamentals.

4. It has to be realistic and implementable. Unrealistic policy may raise unrealistic hopes, it may look futile if implemented and may even demotivate staff. It is important that before a policy is approved, its utility is assessed by looking at the real working environment and other intervening factors.

5. It has to be clear, unambiguous, and objective. Lack of clarity and the use of ambiguous concepts, verbs and phrases create room for misinterpretation of the same policy by different managers in the same organisation. The consequences may include lack of consistency in handling policy issues and subjectivity in treating individual members of staff.

6. It has to be accessible to all staff. A policy document has to be available for reading, discussion and referencing for all employees. If the organisation has a library or lounge, it will be useful to display some copies of the policy for reading.

7. It has to be open to continuous review and improvement. For organisations with strategic plans, operational plans and annual action plans, such plans may include review of human resource policies. The reviews have to be participatory in order to ensure that all key takeholders give their opinions on the appreciation or limitation rather than criticism.

Therefore, to ensure that a policy meets the criteria described above, the draft policy document has to be discussed by all key stakeholders including general workers, trade unions, employers' associations, and all levels of management. Stakeholder involvement at this stage is a critical factor for not only improving the quality of the policy itself but also, and more importantly, for its smooth

implementation as it will create a sense of ownership for all the parties involved.

D) Policy implementation

The modality and pace of the implementation of the policy will depend upon many factors including the extent to which the need for the policy is established, strategies used to involve different stakeholders during preparations and the technical quality of the policy document. The most successful organisations implement policies after a series of sensitisation seminars and workshops covering top, middle and lower level management as well as employees and employees' associations. This helps to create a common understanding and a sense of ownership for all key stakeholders. While policy implementation will mainly be the responsibility of line managers, the human resource department will provide support and technical services.

E) Monitoring and evaluation

Policies are there to assist organisations and not vice versa. Continuous monitoring and evaluation is necessary in order to remove rigidity that may match the emerging situation and needs. For example, a change in organisational vision, mission and objectives, or a change of government policies and laws related to employment relationships or the labour market may make it necessary to look back at human resource policies and see how they may better assist both the organisation and the employees.

COMPONENTS OF HUMAN RESOURCE POLICY

Every Human resource policy having the following particulars..,
a) Subject
b) Purpose
c) Policy Descriptions
d) Contents
e) Method or Process to implement

For example,

SUBJECT: Leaves of Absence
PURPOSE: To provide a standard policy for administering and granting employee leaves of absence.
POLICY: It is the policy of Employer ABC to grant leaves to all employees on a consistent basis without regard to race, color, national origin, sex, religion, age, disability or veteran status.
CONTENTS:

1. Vacation Leave
2. Sick Leave
3. Bereavement Leave
4. Emergency Leave
5. Military Leave
6. Jury Duty Leave

7. Federal Family & Medical Leave Act (FMLA) and Parental Leave
8. Leave Without Pay
9. Administrative Leave for Outstanding Performance
10. Employee and Department Responsibilities for Leave

METHODS OR PROCESS TO IMPLEMENT
1. Vacation Leave
Employees shall be entitled to a paid vacation in each fiscal year. Part-time employees will accrue vacation leave on a pro-rated basis with a pro-rated maximum carryover. Entitlement is earned in accordance with the following schedule based on full-time employment:

Length Of Employment	Hours Accrued Each Month	Carryover to Next Fiscal year
0 but less than 2 years	7	168
2 but less than 5 years	8	232
5 but less than 10 years	9	236
10 but less than 15 years	10	220
15 but less than 20 years	11	328
20 years and over	14	376

❖ Vacation entitlement will begin on the first day of employment and terminate on the last day of employment based on the above chart. Based on the above chart, any unused leave time will be carried over each fiscal year. Unused accumulated vacation that exceeds the maximum carryover will be credited to the employee's sick leave balance the first day of the next fiscal year.

❖ Credit for one month's accrual is given for each month (or fraction of a month) of employment and on the first of each succeeding month thereafter. Note: An employee cannot use vacation leave credits until he/she returns to work. Credit for a higher accrual rate is given on the first calendar day of the month, if the employee's anniversary date falls on the first calendar day of the month. Otherwise, the increase occurs on the first calendar day of the following month. Note: the first WORKDAY of a month = the first CALENDAR day of the month for the purpose of this subsection.

❖ Vacation with pay may not be granted until the employee has had continuous employment for six (6) months, although credit will be accrued during that period. Employees may take unearned vacation leave or borrow against future accruals.

❖ Employees are encouraged to take vacation in the fiscal year in which the entitlement is earned. The employee should schedule vacation leave in advance at a mutually agreeable time to both the employee and supervisor.

❖ In computing vacation time taken, time during which an employee is excused from work because of holidays shall not be charged against the employee's vacation.

❖ Vacation accruals will be used for absences due to illness after all accumulated sick leave and compensatory time has been exhausted.

❖ If as a condition of employment you accept or transfer to a position not eligible for vacation accrual, your current vacation balance will be vested and compensated at the final rate of compensation in the last position held that accrued vacation time. Employees are not eligible to use accrued vacation time while in a position not eligible for vacation accrual.

❖ An employee who resigns or separates from employment (including death) will be paid all their unused balance of vacation at the time of separation. Vacation pay out will be the nearest payday after the date of separation.

2. Sick Leave

❖ Employees earn sick leave on the first day of employment and terminating on the last day of duty. Credit for one month's accrual will be given for each month or fraction of a month of employment.

❖ Sick Leave is earned at the rate of eight (8) hours for each month or fraction of a month employment, and accumulates with unused such leave carried forward each month. Part-time employees accrue on a pro-rated basis. Sick leave accrual terminates on last day of employment.

❖ Sick leave is taken when sickness, injury, or pregnancy and confinement prevent the employee to perform job duties or when the employee is needed to care for a member of their immediate family who is ill.

(1) Immediate family is defined as individuals who reside in the same household and are related by kinship, adoption, or marriage, as well as certified foster children.

(2) Minor children of the employee, whether or not living in the same household, are considered immediate family.

(3) An employee's use of sick leave for family members not residing in that employee's household is strictly limited to the time necessary to provide care to a spouse, child, or parent of the employee. This provision does not include an employee's parent-in-law if they do not live in the same household.

❖ An employee absent from work due to illness must notify their supervisor or cause them to be notified of that fact as soon as possible. To be eligible for accumulated sick leave with pay during a continuous period of more than four (4) working days (includes partial absences), an employee must send a doctor's certificate showing the cause or nature of the illness to the supervisor. Note: A written statement of the facts concerning the illness is also acceptable. The supervisor has the discretion to require this documentation. Abuses of sick leave privileges shall constitute grounds for dismissal from employment.

❖ For employees returning to work as a retiree accrues sick leave as a new employee.

❖ Illnesses of the same type or that may routinely re-occur, will have a lifetime maximum sick leave use of ninety (90) days.

❖ Employees must advise their supervisor if they are in receipt of subrogation benefits, i.e., by legal right collecting pay, reimbursement for loss of work time, or damages from a third party.

3. Bereavement Leave

❖ The death of the employee's spouse, a spouse's parents, children, brothers, sisters, grandparents, and grandchildren constitutes bereavement leave. Employees can take up to five (5) days bereavement leave.

❖ An employee shall notify the supervisor on or before the first day of such absence.

❖ Requests for leave must be submitted to the supervisor on or before the first day the employee returns to work. The request for leave must show the name, relationship and date of death of the employee's immediate family member.

❖ Leave for the death of anyone other than members of the employee's immediate family will be charged to vacation, compensatory time, or leave without pay.

4. Emergency Leave

❖ Employer ABC may grant leave with pay to an employee for good cause, subject to the recommendation of the Director of Human Resources and the Divisional Vice President.

❖ An employee, who is a member of the National Guard, called to active duty by the governor will be granted emergency leave without loss of military or annual leave benefits. Such leave shall be provided with full pay.

6. Jury Duty Leave

❖ An employee can serve on a jury with no deduction in pay.

❖ In order for an employee to receive pay for jury duty, certification from the Court Clerk, must be attached to the approved "Leave Notification Report".

7. Federal Family & Medical Leave Act (FMLA) and Parental Leave

❖ An employee with at least twelve (12) months of employment is entitled to FMLA provided that he/she utilizes all available paid vacation and sick leave while taking a leave. Exception: Employees on FMLA leave in receipt of disability benefits or workers' compensation benefits cannot utilize paid vacation, sick leave or emergency leave while receiving such benefits. Leave taken with compensatory time or overtime cannot be designated as FMLA leave.

❖ Employees cannot use sick leave in conjunction with FMLA leave for the adoption of a child under three years of age unless the child is ill. An employee, who is the father of a child, may use his sick leave in conjunction with the child's birth only if the child is ill or to care for his spouse while she is recovering from labor and delivery.

❖ Employees with less than twelve (12) months of employment are eligible to take a Parental Leave of absence, not to exceed twelve (12) weeks, provided that the employee utilizes all available applicable paid vacation and sick leave while taking a leave. Parental Leave is limited

to, and begins with the date of, the birth of a natural child or the adoption or foster care placement of a child under three years of age. Sick leave may be taken only if the child is actually sick.

❖ FMLA requires that employers provide up to twelve (12) weeks of unpaid leave in a twelve (12) month period if requested by an eligible employee for one or more of these reasons:

(1) To care for the employee's child after birth, or placement for adoption or foster care;

(2)To care for the employee's spouse, son or daughter, or parent, who has a serious health condition; or

(3) Due to a serious health condition that makes the employee unable to perform their job.

❖ A serious health condition is:

1. Inpatient care in a hospital; or
2. Hospice, or
3. Residential medical facility; or
4. An incapacity requiring absence of more than three (3) calendar days; or
5. Continuing treatment by a health care provider of a chronic or long-term condition that is incurable or will likely result in incapacity of more than three (3) days if not treated.

❖ Advance Notice and Medical Certification -- An employee, is required to provide advance leave notice and medical certification. Approval of leave may be delayed if requirements are not met. The employee should provide thirty (30) days advance notice when the leave is "foreseeable." Medical certification to support a request for leave because of a serious health condition is normally required within fifteen (15) calendar days when practicable, and the health care provider should provide a return-to-work report when the employee is able to return to work.

Duration and Timing of Leave

❖ Employees may take up to twelve (12) weeks of unpaid leave during a twelve (12) month period inclusive of utilizing, within this twelve (12) week window, all available applicable paid leave. For part-time employees leave is calculated on a prorated basis.

❖ The FMLA leave period runs concurrent with other forms of paid and unpaid leave and it cannot be used with other leaves to extend one's approved leave period.

❖ FMLA leave may be taken intermittently (in separate blocks of time due to a single health condition) or on a reduced leave schedule (reducing the usual number of hours you work per workweek or workday) if medically necessary.

Job Benefits and Protection

❖ During FMLA leave, the employer will maintain the employee's health coverage under the "group health plan." The employee must pay for optional coverage while on leave.

❖ The use of FMLA leave cannot result in the loss of any employment benefit that accrued prior to the start of a leave. However, no other benefits are provided or accrue while on FMLA leave for an entire month except the fringe benefit group health insurance contribution.

❖ Upon return from FMLA leave, employees will be restored to their original or equivalent positions with equivalent pay, benefits, and other employment terms.

Leave without Pay

❖ Employees my be granted leave without pay subject to the following provisions:

❖ Except for disciplinary suspensions, military duty, parental leave, FMLA, and Workers Compensation situations, all accumulated paid leave must be exhausted before granting such leaves. In addition, sick leave must be exhausted only in those cases where the employee is eligible to take sick leave, as provided above. Such leaves will be limited in duration to twelve (12) months.

❖ Approval of such leaves does guarantee employment for a specified period of time.

❖ The CEO may grant exceptions to these limitations.

❖ Except in the case of returning from military leave without pay, each full calendar month in which an employee is on leave without pay will not be counted in the calculation of vacation leave entitlements. Employees do not accrue vacation or sick leave for such month. In addition, each full calendar month of leave without pay does not constitute a break in continuity of employment.

Performance

❖ Performance must be properly documented. Administrative leave cannot exceed thirty-two (32) hours in any fiscal year.

Employee and Department Responsibilities for Leave

❖ Employees should inform their supervisor at the earliest practical time of their absence or anticipated absence(s), with dates and proper (medical) documentation.

❖ For illness and/or disability a doctor's certification may be needed to certify the period of absences.

❖ Failure to properly notify a supervisor can constitute job abandonment, which is justification for termination. Bona fide emergencies will be taken into consideration on a "without-prejudice" basis.

❖ The employee is responsible for completing the Application for Leave Form, providing supporting documentation, and following up on approvals.

❖ Departments are responsible for notifying Human Resources and Payroll regarding leaves. The department is responsible for processing the necessary documents (Staff Advice Form, Application for Leave Form, etc.) to process the requested leave in a timely manner.

4.3 DUTIES AND RESPONSIBILITIES OF HR MANAGER

The next part of the personnel plan must carry details about the duties and responsibilities of each member of the personnel management team vis-a-vis other line executives. Duties are the activities which an individual is required to perform because of the place he occupies in the organization. Responsibility may be defined as the obligation of an individual to perform the duties assigned to him by the superior. There is difference of opinion on the question of responsibility. According to one view, the responsibility or the obligation to fulfill a task cannot be delegated. But some people hold the view that responsibility is only another name for authority. Hence it can be delegated and it is the 'accountability' or the obligation of an individual to render an account of the fulfillment of his responsibilities to his superior which cannot be delegated. According to this view, an individual who has delegated some part of his authority and responsibility to his subordinates, nonetheless, continues to be accountable to his superior for the whole.

The last though not the least important part of a personnel plan is that which deals with personnel policies. These are general statements which guide thinking and action in decision-making. Being only guides to thinking and action in decision-making they have always room for discretion. Otherwise they would be rules.

Sound Human Resource policies are an essential base for sound personnel practice. They provide the base for management by principle as contrasted with management by expediency. In their absence decisions are taken on an ad hoc basis which results many times in improper emphasis being given to significant characteristics, criteria or circumstances of a problem.

Need. Formerly, problems of hiring and firing, training and development, compensation and discipline were handled by numerous supervisors throughout the organization as they saw them. Management became aware of the need for sound personnel policies only towards the beginning of this century. There were several reasons for this :

Manpower during World War I was scarce and expensive and there will great need for increased production and hence greater reliance came to be placet! on sound personnel policies.

Scientific management movement under the leadership of F.W. Taylor emphasized the need for sound personnel policies for scientific selection of workers.

Management performs the functions of planning, organizing, staffing, directing and controlling or the accomplishment of organizational goals. Any person who performs these functions is a manager. The first line manager or supervisor or foreman is also a manager because he performs these functions.

The difference between the functions of top, middle and lowest level management is that of degree. For instance, top management concentrates

more on long-range planning and organization, middle level management concentrates more on coordination and control and lowest level management concentrates more on direction function to get the things done from the workers. Every manager is concerned with ideas, things and people. Management is a creative process for integrating the use of resources to accomplish certain goals.

In this process, ideas, things and people are vital inputs which are to be transformed into output consistent with the goals. Management of ideas implies use of conceptual skills. It has three connotations.

First, it refers to the need for practical philosophy of management to regard management as a distinct and scientific process.

Second, management of ideas refers to the planning phase of management process.

Lastly, management of ideas refers to distinction and innovation. Creativity refers to generation of new ideas, and innovation refers to transforming ideas into viable relations and utilities. A manager must be imaginative to plan ahead and to create new Ideas. Management of things (non-human resources) deal with the design of production system, and acquisition, allocation and conversion of physical resources to achieve certain goals. Management of people is concerned with procurement, development, maintenance and integration of human resources.

4.4 QUALITIES OF HR MANAGER

In general the HR manager requires the following qualities

a) Physical Qualities (Good Health, Vigor, and Address)
b) Mental Qualities (Ability to understand and learn)
c) Moral Qualities (Energy, Willingness to accept responsibility)
d) General Education (General acquaintance   with matters not belonging)
e) Special Knowledge (particulars to the function)
f) Experience (Knowledge arising from the work place)

In a specific the HR manger requires the following qualities and its attributes.

1. Knowledge and Expertise In HR
A successful HR manager will have a firm educational foundation regarding the functions of human resources. In addition to having a bachelor's degree and master's degree, an HR manager must display a willingness to remain abreast of the latest trends, best practices, and ethics in their profession, which requires dedication and discipline.
It is with this expertise and knowledge that they will contend with the daily challenges that arise in any organization.

2. Engaging Presentation Skills
An excellent presenter is an individual who can capture their audience's attention, maintain their engagement, deliver the message in a positive and effective manner. Effective presenters are lively and engaging. Presentation

skills are particularly important to an HR manager because they must conduct training sessions for new employees and present a wide variety of information to management on all levels. Written presentation materials must be effectively written, have proper grammar and punctuation, and deliver a concise message – all while holding the reader's attention.

3. The Ability to Multitask

On an average workday, an HR manager must deal with one employee's personal complaint one minute, answer a maternity leave question the next, and then develop an effective recruiting strategy for a difficult to fill position after. In human resources, if it is not one problem, then it is another. Every employee has issues that are important to them. A business's needs and priorities are constantly shifting and evolving. Manager Bob who needs someone hired immediately doesn't really care if you're already helping Manager Sue with another problem. You need to be able to handle both problems – at the same time.

4. Be Able to Deal With "Gray"

As an HR manager, you will be surprised at the number of issues you deal with that fall into "the gray area". Is it harassment? Was it discrimination? How do you define "reasonable" accommodation? How much time are you willing to devote to securing intermittent leave for an employee? Human resource managers are often required to make decisions the "best available" (read: incomplete) information, and they must possess the wisdom to know when they should seek advice from lawyers, experts, or fellow HR professionals.

5. Strong Sense of Ethics

In a similar fashion, HR managers often serve as the conscious of an organization. When it comes to following company policies and maintaining confidential information, you must have a strong sense of ethics.In order to effectively do your job, you must earn the trust of both employees and managers. Discretion and honesty are two critical components of any successful HR manager.

6. Strong Communication Skills

A key skill that all HR managers must have is the ability to communicate with both employers and employees. Both your written and oral communication skills must be clear, concise, and effective to individuals on all levels of the organization. Effective communication will sometimes include negotiation. When conflicts arise between co-workers or management and employees, an HR manager must assist both sides in finding middle ground, so that a compromise can be reached.

7. Leadership Abilities

As an HR director, you are a leader – not a business partner. You must be at the forefront of all your company does; however, at the front, there is no instruction booklet, and there are no other benchmarks to measure yourself against.
If your organization is the first to be trying something new in your industry, it will be difficult, and there will be a certain amount of risk involved. However, these are chances you must be willing to take.

8. Ability to Motivate Others

The only effective workforce is a motivated one. You must understand what does and does not motivate your employees. Motivation is not about just offering incentives – it is about creating sustainable reasons to maintain a quality of work and to foster employees' belief in the organization's cause and their team.

In particular, you must be able to successfully motivate your managers, who in turn, will motivate the employees under them.

9. Strong Conflict Management Skills

Dealing with conflict is never pleasant. Conflicts within the workplace will generally do one of two things: a.) work themselves out, or b.) be blown out of proportion. As a human resources manager, it will be up to you to employ your critical thinking skills to appropriately manage the conflict.

You must gather all pertinent information, pinpoint the issue, devise possible solutions, and then negotiate a compromise. Although conflicts are natural, you must have the right skills and abilities to ensure that your office runs smoothly.

10. Courage

There will be times when your career calls for you to stand firmly in the face of fierce opposition – whether it be having to conduct layoffs or opposing poor ideas from management.

When faced with unpopular decisions or actions, you must be able to stand firm in your convictions and belief regarding what is best for your organization.

These ten qualities are crucial for the modern day, successful HR director. In the last ten years, a number of businesses have faced hard times, and while the recession has officially ended, the road to recovery will not be a smooth one.

This is going to take a toll on all of your employees. A human resources manager with the aforementioned attributes will have the skills needed to successfully guide, support, and help their employees, which will ultimately pave the way for your organization's success.

4.5 Challenges in the 21st Century

Because of continuous changing socio-economic, technological and political conditions, the human resource managers of the future shall have to face more problems in the management of labour. The human resource managers of today may find themselves obsolete in the future due to changes in environment if they do not update themselves some of the important challenges in the 21st century which might be faced by the managers in the management of people in business and industry are discussed below:

1. Increasing Size of Workforce: The size of organizations is increasing. A large number of multinational organisations have grown over the years. The number of people working in the organisation has also increased. The management of increased workforce might create new problems and challenges as the workers are becoming more conscious of their rights.

2. Increase in Education Level: The governments of various countries are taking steps to eradicate illiteracy and increase the education level of their citizens. Educated consumers and workers will create very tough task for the future managers.

3. Technological Advances: With the changes coming in the wake of advanced technology, new jobs are created and many old jobs become redundant. There is a general apprehension of immediate unemployment. In the competitive world of today, industry cannot hope to survive for long with old technology. The problem, of unemployment resulting from

modernisation will be solved by properly assessing manpower needs and training of redundant employees in alternate skills.

4. Changes in Political Environment: There may be greater Government's interference in business to safeguard the interests of workers, consumers and the public at large. Government's participation in trade, commerce and industry will also pose many challenges before management. The Government may restrict the scope of private sector in certain areas in public interest. It does not mean chances of co-operation between the Government and private sector are ruled out. In fact, there will be more and more joint sector enterprises.

5. Increasing Aspirations of Employees: Considerable changes have been noted in the worker of today in comparison to his counterpart of 1950s. The workers are becoming more aware of their higher level needs and this awareness would intensify further in the future workers.

6. Changing Psychosocial System: In future, organisations will be required to make use of advanced technology in accomplishing their goals while satisfying human needs. In the traditional bureaucratic model, the organisations were designed to achieve technical functions with a little consideration given to the psychosocial system. But future management would be required to ensure effective participation of lower levels in the management of the organisation system.

7. Computerised Information System: In the past, the automation of manufacturing processes had a major effect upon the systems of production, storage, handling and packaging, etc. More recently, there has been and in the future there will be the impact of revolutionary computerised information system on management. This revolutionary development would cover two primary areas of personnel management which are as follows : (a) The use of electronic computers for the collection and processing of data, and (b) The direct application of computers in the managerial decision making process.

8. Mobility of Professional Personnel: Organisations will expand the use of ―boundary agents‖ whose primary function will be achieving coordination with the environment. One interesting fact will be an increase in the mobility of various managerial and professional personnel between organisations. As individuals develop greater technical and professional expertise, their services will be in greater demand by other organisations in the environment.

9. Changes in Legal Environment: Many changes are taking place in the legal framework within which the industrial relations systems in the country are now functioning. It is the duty of the human resource or personnel executive to be aware of these changes and to bring about necessary adjustments within the organisations so that greater utilisation of human resources can be achieved. This, indeed, is and would remain a major challenge for the personnel executive.

10. Management of Human Relations: On the ‗industrial relations‘ front, things are not showing much improvement even after so many efforts by the government in this direction. Though a large number of factors are responsible for industrial unrest but a very significant cause is the growth of multi-unions in industrial complexes having different political

affiliations. Under the present conditions, it appears that inter-union rivalries would grow more in the coming years and might create more problems in the industry. Management of human relations in the future will be more complicated than it is today. Many of the new generation of employees will be more difficult to motivate than their predecessors. This will be in part the result of a change in value systems coupled with rising educational levels. Greater skepticism concerning large organisations and less reverence for authority figures will be more common. Unquestioning acceptance of rules and regulations will be less likely.

There are many human resource development consultants who accept the assignments of providing training and executive development in a modern scenario. The use of such consultants by the companies will rise in the next millennium because company becomes worry free once the job is assigned to them and it incurs less costs as the company does not have to pay them regularly a salary.

There are consultant institutions or firms which provide specialized services to the corporate bodies. They take up the assignment of searching required number and quality of people may be workers, employees and managers required by the companies thereby reducing the worries and the huge expenses recurred on advertisements, conduct of tests and interviews and above all the immense time which is more important for company executives and company itself in saved. There are several consultancy firms providing the valuable services to the corporations. These consultants are experts in their field. They are HRD experts. They can play diagnostic role. They identify the root causes of organizational ailment and provide solutions. They can too often advise the company to go ahead with the programmes of job enrichment, MBO, having quality circles, providing incentives etc. to cure the organisational ills.

The human resource expert can perform the job of a consultant in the company occupying a position or remaining outside the company and independently practice management. The knowledge acquired by him does not go waste. Practicing management consultant has a tremendous scope in the next millennium. He can ably work as a catalyst- facilitator. He can create an environment for discussion on management leadership, styles management ethics, work culture and climate. He can help the management to develop clear understanding on these inter-related organisational aspects. He is the resource persons in the areas of organisational development and organisational effectiveness and increasing the organisational efficiency. Human resource expert can make the human resources audit and can evaluate their efficiency and need in the organization. He can make the cost benefit analysis of human resources. He knows the perceptions of employees and the management views and he can then suggests the programmes and policies most suitable to the corporation. Hence human resource expert has a great role to play in the coming days and his importance will go on rise and his services will be required by more and more organisations of all kinds and types in the country.

Management Attitude

Most of the management follow theory V even today. The style of managerial leadership should change now. It should be more participative in nature and practice. A new awakening has come up among workers and employees now. Traditional ways of managing should go away and replaced by the new ways. Democratic style should now be adopted. Workers should be taken into confidence to run the organization. Management should be humane in nature. Employees and workers are valuable human resources and not the cogs in the machines. If they are ill-treated revolt is the immediate outcome that ran take any dimensions stalling the work and unnecessary increasing the expenses of the corporate bodies.

In India people from different parts of the country are coming to join the com par. '. They speak different languages, practicing different religions and cultures. These human resources should be treated with care and their feelings should be respected. They should feel secured their interests should be protected. If so it will increase organisational infectiveness. Gross roots should be mobilized to have organisational efficiency.

Participation should be voluntarily accepted. No one should be forced to accept it. Work groups should be allowed to take their time in participating. Management structure should be designed to allow participation. Management should be caring one. It should be tolerant in the times ahead. False ethos should be shed away giving rise to ne - concerts- It should be adaptable. Efficiency, sincerity should be rewarded.

With tine advent of globalization a new twist to the human resource management ar development is on card. There shall be a process of internationalization that will create i necessity for additional expertise in language and culture of different countries. Human resource expert should know the culture, tradition and behavior of the people of different countries. He has to work with different people of different countries and hence he requires additional knowledge. On global fronts the human resource expert requires more knowledge, more competence, and hard work to keep him fit with his counterparts in other countries of the world. Lagging behind will oust him from the global scene. Sensible and hard work is the key to keep him in the race. He should have open mind and listening ability and courage to defend his concepts and not to stick to the bygone ethos.

A global executive will emerge now. He will be responsible to work in any part of the world efficiently and fearlessly as if he is working in his own country. He has to work with different people under different environments. He should develop an inbuilt capacity to work anywhere on the globe without any hitch and with full interest and potential, capacity and drive. He should work for the company and achieve company's goal setting aside his self interest and must have a lion's heart to defend the company's convictions.

Global scenario differs from the domestic ones. The strategy that is successful in domestic country may be a failure in international arena. It is therefore necessary for a global executive to develop a global vision, adaptable mind and a clean foresight to see the prospects of the organization he is working for. He is very mobile on the globe ar d hence he should possess the additional knowledge of labour laws of different nations, their traditions, customs and language. Human resource expert should be in a position to make correct job descriptions for the jobs in different countries. He should update the knowledge from time to time keeping himself in tune with the other global executive- coming from other nations.

4.6 SUM UP

The Human Resource Policy provides the necessary information and set the stage ready for managing for manpower's potentials with the given guidelines and format which had been amicable accepted by the both parties of the management. If any breach of the rules laid down in the policy leads to imposing penalties against the parties who violated rules discussed in the policies. For availing any benefits as per any welfare schemes of the company requires the procedural frame work to observe the methods are called as Policy. It can be widely discussed in this unit for learner's better understanding. The HR policy is differed between the companies. Even it differs between different time frame too. The learner requires to pay special attention to study the HR policy statement, rules and procedures in respect of company, time factor, Zone, State, Country details. It might vary with above mentioned ground and fields.

4.7 UNIT- END EXERCISES

1. Draw suitable human resource policy for the employee recognition in a company.

2. Describe the duties and responsibilities of the good HR manager.

3. Being an HR professional how would you face the forth coming problems in 21st Century?

4. What are different qualities require for the HR manager?

5. How do you formulate the HR policy for your company?

4.8 ANSWER TO CHECK YOUR PROGRESS

1. Motivation is not about just offering incentives – it is about creating sustainable reasons to maintain a quality of work

2. Effective communication will sometimes include negotiation.

3. A manager must be imaginative to plan ahead and to create new Ideas.

4. A leave can avail for the death of the employee's spouse, a spouse's parents, children, brothers, sisters, grandparents, and grandchildren.

4.9 SUGGESTED READINGS

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BLOCK II: RECRUITMENT & SELECTION

UNIT - V HUMAN RESOURCE FUNCTIONS

Structure

5.1 INTRODUCTION

The core functions of Human resource Management is already came across in the Unit III of this course book which is based on the Management philosopher's context. But this Unit will be given an eye opening context in lie with practical aspects or field oriented description of *Human Resource functions*. In simple words, the functional role of HR department i.e.., lies between R2R meant as "Recruitment to Retirement". So the learners keenly study all the important role and functions of Human resources.

5.2 HUMAN RESOURCE FUNCTIONS

Before going to the Human Resource functions we need to understand the objective of Human Resource Management. Its objective is the maintenance of better human relations in the organization (by the development, application and evaluation of policies, procedures and programmes relating to human resources) to optimize their contribution towards the realization of organizational objectives. In other words, the objective of HRM is getting better results with the collaboration of people.

HRM helps in attaining maximum individual development, desirable working relationship between employees and employers, employees and employees, and effective modeling of human resources as contrasted with physical resources.

On the basis of the above HRM is said to have the following set of specific objectives:

1. To help the organization reach its goals.
2. To ensure effective utilization and maximum development of human resources.
3. To ensure respect for human beings. To identify and satisfy the needs of individuals.
4. To ensure reconciliation of individual goals with those of the organization.
5. To achieve and maintain high morale among employees.
6. To provide the organization with well-trained and well-motivated employees.
7. To increase to the fullest the employee's job satisfaction and self-actualization.
8. To develop and maintain a quality of work life.
9. To be ethically and socially responsive to the needs of society.
10. To develop overall personality of each employee in its multidimensional aspect.
11. To enhance employee's capabilities to perform the present job.
12. To equip the employees with precision and clarity in transaction of business.
13. To inculcate the sense of team spirit, team work and inter-team collaboration.

Human resources are knowledge, skills, creative abilities, talents, and attitudes obtained in the population in a national perspective and in individual perspective they represent the total of the inherent abilities, acquired knowledge and skills as exemplified in the talents and aptitudes of its employees.

Now, Let we discuss about the core human resources functions in a day-to-day basis. Any HR department is having a sole responsibility of the preparation of task and activities for their personnel throughout the year. Based on the task to be done in a year, the functions can be categorized as follows..,

    i) Human Resource Planning (HRP)
    ii) Recruitment
    iii) Selection
    iv) Induction and Placement
    v) Promotion
    vi) Transfer

Let we discuss the above mentioned functions in detail.

5.3 HUMAN RESOURCE PLANNING (HRP)

Organizations need people just as they need raw materials, equipment, and other materials in order to function successfully. In fact, it is not uncommon to hear managers acknowledge: "Our people are our most important asset."' Organizations undertake human resource planning to enable them to meet their future "people" needs in the same way in which they plan for their nonhuman resources.

The actual HRM process starts with the estimation of the number and the type of people needed. The HRM process never stops. It is an ongoing process that tries to keep the organization supplied with the right people in the right positions at the right time. Human resource planning is a sub-system of this process.

Definition of Human Resource Planning (HRP):
Leap and Crime: "HRP includes the estimation of how many qualified people are necessary to carry out the assigned activities. How many people will be available, and what, if anything, must be done to ensure that personnel supply equals personnel demand at the appropriate point in the future".

De Cenzo and Robbins:"HRP is the process by which an organization ensures that it has the right number and kinds of people, at the right place, capable of effectively and efficiently completing those tasks that will help the organization achieve its overall objectives."

Stoner and Freeman: HRP is planning for the future personnel needs of an organization, taking into account both internal activities and factors in the external environment."

Human resource planning can be defined as an information-decision-making process designed to ensure that enough competent people with appropriate skills are available to perform jobs where and when they will be needed As such, "it entails defining the organization's human needs for particular positions and assessing the available pool of people to determine the best fit."'

Goals and Objectives of Human Resource Planning:
1 Effective human resource planning can help managers meet organizational sub goals as well as wider objectives such as profitability and the needs of employees in the organization.' For example, effective planning may.
2 Serve to stabilize employment levels when demand for a firm's product is variable, thus reducing the firm's unemployment compensation liability costs due to layoffs, providing more job security to the firm's employees, and minimizing the costs of overtime during periods of peak demand.
3 Prevent young college recruits from leaving the firm after expensive training programs because they lack opportunities for promotion.
4 Reduce the problems of managerial succession by permitting plans for replacements to be drawn up in advance in case key executives resign or die.
5 Make it possible to allocate financial resources so that departments will have the necessary people to produce the firm's desired output.'

Process of HRP
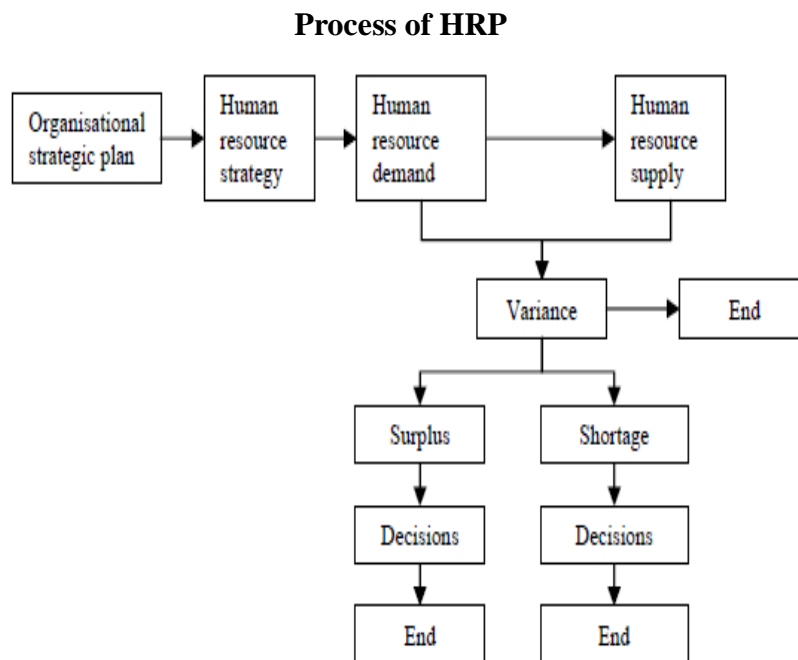
Source: adapted from Ivancevich (2004).

Sources of Human Resource Planning Data
What type of information is necessary for human resource planning and where do you get it? The data for human resource planning is obtained from different sources but mainly from the organisation and individuals. The data from the organisation includes, vision, mission, strategies, objectives, activities, resources and the time scale of the strategic plan. The individual employee data covers, the name, date of birth, permanent address, gender, marital status, academic qualifications, professional qualifications, training, job location and the history of their career development as well as current status. Other useful data will include reward packages, terms of service, and working environment. Baseline data on these areas will be useful not only in forecasting demand and supply but also in supporting specific decisions to be made and strategies to be adopted in the implementation of the human resource plan.

Human resource planning and budgeting
If human resource planning is to be effective, an extensive exchange of information will be needed between line management, personnel specialists, financial managers and sen and to encourage the cyclical exchange of information on which sound staffing decisions can be based. Underlying the process of information exchange is the need to ensure that decisions affecting human resources fully take into account the resources available in the organisation, as laid out in the budget. There is a presumption that human resource planning is only likely to be effective if budgetary guidelines and constraints are incorporated in the plans. To understand how this integration is

75

to be achieved, it is necessary to look at the human resource demand forecasts within the organisation.

Decentralized human resource demand forecasting

'The bottom up' approach to demand forecasting is fully aligned to decentralised decision making in the organisation, which is what management theorists say is so important in establishing commitment and motivation on the part of the managers (Robins 1992). The essence of the approach is that once organisational goals have been translated into unit objectives, the managers in charge of those units are left to determine those personnel requirements themselves. The strength of this approach is that managers are best placed to know the current working practices, technology used and performance levels that can be achieved, and therefore forecast demand. The next stage in the 'bottom up' approach in human resource planning is for the entire organisation to be involved in the whole process. There is a distinct possibility that the level of staff requirement, as determined by managers throughout the organisation, is to be aggregated into one set of data. However, there is a distinct possibility that when integration happens, given the absence of certain preconditions for the level of staff requirement, the organisation risks having an unaffordable excess of human resources. The following weaknesses on the part of managers contribute to this situation:

> - Human resource assessment based on personal preferences rather than job requirements.
> - Entrenchment of the existing work practices and procedures instead of looking for better ways of improving productivity.
> - Difficulties in assessing the performance of administrative staff.
> - The tendency to overstate staff requirements for contingency purposes.

Centralised human resource demand forecasting

Quite often organisations respond to the above tendencies by adopting a 'top down approach'. The advantage of this approach has been its ability to produce forecasts of staffing requirements using specialists reporting directly to senior management. These forecasts have inevitably been in line with what senior management has wanted in terms of resource availability, as seen at the start of the planning period. The weaknesses of the approach however, include the following:

> - Exaggeration of budgetary constraints.
> - Non-involvement of line managers in planning and hence failure to get their commitment.
> - Reactive staffing.

Addressing the differences

In order to prevent a conflict of interests as seen in the bottom up versus top down arguments, top management could allow a combination of both approaches in establishing a demand forecast. The approach could allow managers a degree of freedom in contributing their own views to the combined forecast, but in the end adjusting this forecast to meet the requirements of the top management. The other option is that some of the forecasts submitted by managers are disregarded. However, there are negative aspects to this approach, which include:

> - Destroying the confidence of managers.
> - Having insufficient consideration of priorities.

A more positive approach is for the managers to prepare and agree amongst all the key stakeholders on the criteria (participatory) that will be applied in the budgetary cycle to make the demand forecast affordable for the organisation. Such criteria should meet the needs of top management to maintain overall budgetary control while allowing line managers as much flexibility as possible in meeting the needs of their own management situations. The examples include:

> ➢ A criterion that administrative staff costs do not exceed 20% of the total staff costs.
> ➢ Staff costs do not exceed 60% of the total costs.
> ➢ Staff costs do not exceed 40% of the value added.
> ➢ Flexibility to diverge from the rule will only be reached through consensus.

The participatory approach is useful in many ways such as:

> ➢ Increased awareness by lower management of top management needs.
> ➢ Increased awareness of top management of lower management needs.
> ➢ Greater tendency for self-control.
> ➢ Mutual awareness of the limitations of imposed rules.
> ➢ Less reliance on imposed rules to control lower management.
> ➢ Cooperation in achieving a mutually acceptable outcome even though adjustments to submitted proposals may be necessary.

It appears that, at face value, organisations cannot do without human resource planning. However, some critics take the opinion that human resource planning has limited utility to the organisation.

HRP Procedures / Process of Human Resource Planning:

HRP Planning has future needs by deciding how many people, with what skills, the organization will need and hence it has four basic aspects:
(I) Planning for future balance by comparing the number of employees needed to the number of present employees who can be expected to stay with the organization.
(II) Planning for recruiting employees, if the required number exceeds the number of present employees.
(III) Planning for laying-off employees if the number needed is less than the number of present employees.
(IV) Planning for the development of employees, to be sure the organization has a steady supply of experienced and capable personnel.
From the above, it can be understood that Human Resource Planning is a multi-stage, multi-step process.

5.4 RECRUITMENT

Recruitment is a process of identifying, screening, shortlisting and hiring potential resource for filling up the vacant positions in an organization. It is a core function of Human Resource Management. Recruitment is the process of choosing the right person for the right position and at the right time.

Recruitment also refers to the process of attracting, selecting, and appointing potential candidates to meet the organization's resource requirements.

Meaning

Recruitment is a process of identifying, screening, shortlisting and hiring potential resource for filling up the vacant positions in an organization. It is a core function of Human Resource Management. Recruitment is the process of choosing the right person for the right position and at the right time. Recruitment also refers to the process of attracting, selecting, and appointing potential candidates to meet the organization's resource requirements.

The hiring of the candidates can be done internally i.e., within the organization, or from external sources. And the process should be performed within a time constraint and it should be cost effective.

Definition

According to Dale Yoder, "Recruitment is a process to discover the source of manpower to meet the requirements of staffing schedule and to employ effective measures for attracting that manpower in adequate numbers to facilitate effective selection of an efficient working force."

According to Bergmann and Taylor, "Recruitment is the process of locating, identifying, and attracting capable applicants."

Importance of Recruitment

Recruitment is one of the most fundamental activities of the HR team. If the recruitment process is efficient, then

a) The organization gets happier and more productive employees
b) Attrition rate reduces.
c) It builds a good workplace environment with good employee relationships
d) It results in overall growth of the organization.

Here is a list that shows the purpose and importance of Recruitment in an organization:

❖ It determines the current and future job requirement.
❖ It increases the pool of job at the minimal cost.
❖ It helps in increasing the success rate of selecting the right candidates.
❖ It helps in reducing the probability of short term employments.
❖ It meets the organization's social and legal obligations with regards to the work force.
❖ It helps in identifying the job applicants and selecting the appropriate resources.
❖ It helps in increasing organizational effectives for a short and long term.
❖ It helps in evaluating the effectiveness of the various recruitment techniques.
❖ It attracts and encourages the applicants to apply for the vacancies in an organization.
❖ It determines the present futures requirements of the organization and plan according.
❖ It links the potential employees with the employers.

❖ It helps in increasing the success ratio of the selection process of prospective candidates.
❖ It helps in creating a talent pool of prospective candidates, which enables in selecting the right candidates for the right job as per the organizational needs.

Sources of Recruitment

    I) Internal
    II) External to the organization.

I) Internal Sources

        The various internal sources are

            a) Present employees
            b) Employee referrals
            c) Former Employees
            d) Previous applicants

a) Present Employees

Promotions and transfers from among the present employees can be a good source of recruitment. Promotion implies upgrading of an employee to a higher position carrying higher status, pay and responsibilities.

b) Former Employees

Former employees are another source of applicants for vacancies to be filled up in the organization. Retired or retrenched employees may be interested to come back to the company to work on a part-time basis. Some former employees, who left the organization for any reason, may again be interested to come back to work.

c) Employee Referrals

The existing employees refer their family members, friends and relatives to the company as potential candidates for the vacancies to be filled up most effective methods of recruiting people in the organization because employees refer to those potential candidates who meet the company requirement by their previous experience.

d) Previous Applicants

Those who applied previously and whose applications though found good were not selected for one reason or other may be considered at this point of time. Unsolicited applications may also be considered.

Advantages of internal source are

- Familiarity with their own employees
- Better use of the talent
- Economical recruitment
- Morale booster
- Gives motivation.

II) External Recruitment

The company has filling up their vacancies by its external sources in particular the existing vacancies are filled from the outside environment are called as external recruitment.

External Sources

The different external sources are

a) Employment Exchanges
b) Advertisements
c) Employment Agencies or Consultancies
d) Professional Associations
e) Campus Recruitment
f) Deputation
g) Word-of-Mouth
h) Raiding.
i) Other Sources

a) *Employment Exchanges*

After India's independence, National Employment Service was established to bring employees and job seekers together. In response to it, the Compulsory Notification of Vacancies Act of 1959 (commonly called Employment Exchange Act) was enacted which became operative in 1960. Under S4 of the Act, it is obligatory for all industrial establishments having 25 workers or more, to notify the nearest employment exchange of vacancies in them, before they are filled. Employment exchanges are particularly useful in recruiting blue-collar, white collar and technical workers.

b) *Employment Agencies*

In addition to the government agencies, there are a number of private employment agencies who register candidates for employment and furnish a list of suitable candidates from their data bank as and when sought by prospective employers. The main function of these agencies is to invite applications and short list the suitable candidates for the organization. Of course, the final decision on selection is taken by the representatives of the organization. The representatives of the employment agencies may also sit on the panel for final selection of the candidates.

c) *Advertisement*

Advertisement is perhaps the most widely used method for generating many applications. This is because its reach is very high. This method of recruitment can be used for jobs like clerical, technical and managerial.

While preparing advertisement, a lot of care has to be taken to make it clear and to the point. It must ensure that some selection among applicants takes place and that only qualified applicants respond to the advertisement. Advertisement copy should be prepared very well to answer AIDA. That is, the advertisement should arrest attention, gain interest, arouse desire and result in action. The Following particulars are to be required for giving advertisements in any modes. Details of Vacancy, Number of Vacancies, Scale of pay, Minimum qualification, Minimum Experience, Desirable qualities, Reservation of vacancies

d) *Professional Associations or Bodies*

Very often recruitment for certain professional and technical positions is made through professional associations. All India Management Association, National Institute of Personnel Management (NIPM), Indian Society for Training and Development (ISTD), Madras Management Association (MMA), National HRD Network (NHRDN), Institute of Engineers, Indian Medical Association, etc., provide placement services for their members. For this, the professional associations prepare either list of job seekers or publish or sponsor journals or magazines containing advertisements for their members.

e) Campus Recruitment

This is another source of recruitment. This is gaining popularity in India. The advantages are:

    i. Most of the eligible candidates are available at one place.

    ii. The interviews are arranged in a short notice.

    iii. The teaching faculty can also be consulted.

    iv. Gives opportunity to sell the organization to a large students' body who would be graduating subsequently.

f) Deputation or Project representations

Yet another source of recruitment is deputation i.e., sending an employee to another organization for a short duration of two or three years. This method of recruitment is in vogue in Government Departments and public sector organizations. This method provides ready expertise and the organization does not have to incur the initial cost of induction and training.

g) Word-of-Mouth

Some organizations in India practice 'the word-of-mouth' method of recruitment. In this method, the word is passed around about the possible vacancies or openings in the organization. Another form of word-of-mouth recruitment is "employee-pinching" ie., the employees working in another organization are offered an attractive offer by the rival organizations. This method is economic, both in terms of time and money.

h) Raiding or Poaching

Raiding or poaching is another method of recruitment whereby the rival firms by offering better terms and conditions, try to attract qualified employees to join them. This raiding is a common feature in the Indian organizations.

i) Other Sources are

1. Trade Unions.
2. Recommendations of Existing Employees.
3. Solicited Application.
4. Unsolicited Application

Merits of External Source of Recruitment

a. Larger availability of talented candidates.
b. Opportunity to select best candidates.
c. Provides healthy competition among job seekers.

Demerits of External Source of Recruitment

a. Expensive and time consuming
b. Unfamiliarity with the organization
c. Discourages the existing employees and they may feel belittled.

Recruitment Process

The recruitment process consists of the following:

    i   Recruitment Planning
    ii   Strategy development
    iii Searching
    iv Screening
    v   Evaluation and control

Planning involves drafting a comprehensive job specification for the vacant positions outlining their major and minor responsibilities; the skills,

experience and qualifications needed ; grade and level of pay ; starting data ; whether temporary or permanent; and mention of special conditions, if any, to the jobs to be filled.

The next step involved is to devise a suitable strategy for recruiting the candidates in the organization. The strategic consideration would include the type of recruitment method, the geographical area to be considered for the search, source of recruitment and sequence of activities for recruitment.

Searching involves deciding internal or external sources. Sometimes both internal and external may be decided.

Screening is the next step. Job specification is invaluable in this regard. Screening is done on the basis of qualification, knowledge, skills, abilities, interest and experience mentioned in job specification.

Evaluation and control in recruitment is needed as considerable cost is involved in the process. This includes

       a. Salary of the recruiters
       b. Cost of time spent for preparing job analysis, advertisement etc.,
       c. Administrative expenses
       d. Cost of outsourcing or overtime while vacancies remain unfilled and
       e. Cost incurred in recruiting unsuitable candidates.

Need for External Recruitment
- Lack of adequately qualified and experienced persons within the organization.
- Inducting persons of specialized knowledge.
- Inducting persons well exposed in successful units.

Factors Affecting Recruitment

There are various factors that influence recruitment. They are as follows:

➢ Internal factors
➢ External factors

Internal factors
1. **Size:** The organizational size is an influencing factor. Larger organizations find recruitment less problematic than smaller size units.
2. **Policy:** The policy of recruitment by the organization, whether recruitment is from internal source (from own employees) or from external sources also affect the recruitment process. Generally, recruiting through internal sourcing is preferred in view of cost consideration, familiarity and in easily finding the most suitable one.
3. **Image:** Image of the organization is another internal factor influencing recruitment. Managerial actions like good public relations, rendering public services like building roads, public parks, hospitals and schools help to earn a good image or goodwill for the organization.
4. **Image of jobs:** Better remuneration and working conditions are considered as the characteristics of good image of a job. Besides, promotion and career development programmes of the organization also attract potential candidates.

External factors

1. Demographic factors: Demographic factors such as sex, age, literacy, economic status etc, have influence on recruitment process.

2. Labour markets: Labour market conditions, that is, supply labour is of particular importance in affecting recruitment process. If the demand for a specific skill requirements is high relative to its supply, recruiting employees will involve more efforts. On the contrary, if supply is more than demand for particular skill, recruitment will be relatively easier.

3. Unemployment situation: The rate of unemployment is yet another external factor having its influence on the recruitment process. When the unemployment rate in a given area is high, the recruitment process tends to be simpler.

4. Labour laws: There are several labour laws and regulations passed by the central and state Governments that govern different types of employment. These cover, working conditions, compensation, retirement benefits and safety and health of employees in industrial undertakings. Child Labour (Prohibition and Regulation) Act, 1986, for example prohibits employment of children in certain employments. So also, several other acts such as Employment Exchange (Compulsory Notification of Vacancies) Act, 1959, the Apprentice Act 1961; the Factories Act, 1948 and the Mines Act 1952 have bearing on recruitments.

5.5 SELECTION

Selection starts where recruitment ends. Selection is hiring the best candidates from the pool of applications. It refers to the process of offering jobs to one or more applicants from the applications received through recruitment. Selection is the process of picking the suitable candidates from the pool of job applications to fill various jobs in the organization.

According to Dale Yodder, "Selection is the process by which candidates for employment are divided into class - those who will be offered employment and those who will not."

According to Stone, "Selection is the process of differentiating between applicants in order to identify (and hire) those with a greater likelihood of success in a job."

SCIENTIFIC SELECTION

It is a fact, that the people working in the organization make all the difference. Choosing the right person for the job is critical to the organization's success. Faulty selection or choice can have a far-reaching impact on the organizational functioning and performance. Wrong or inappropriate selection is a costly mistake to the organization. It would demoralize the employees and also de-motivate the rest of the work force. Though perfect match between the employee and the jobs is not always possible, scientific methods of selection for establishing better fit between the two are of immense importance.

SELECTION PROCESS

Following are the steps involved in a standard selection process:

1. Preliminary Interview
2. Application Blank
3. Selection Tests
4. Selection Interview
5. Reference checks
6. Physical Examination
7. Final selection

1. Preliminary Interview

After screening the applications, preliminary interview will be conducted. The purpose of preliminary interview is to eliminate unsuitable or unqualified candidates from the selection process. In screening unqualified candidates are eliminated on the basis of information given in the application form, whereas preliminary interview rejects misfits for reasons, which did not appear in the application forms.

2. Application Blanks

This is a method for getting information from a prospective candidate. This serves as a personal record of the candidate bearing personal history profile, detailed personal activities, skills and accomplishments. Almost all organizations require job seekers to fill up the application. Usual contents are as follows:

a) Biographical information – Age, father's name, sex, nationality, height, marital status.
b) Educational information - Name of the institutions where the candidate studied – marks Divisions – Distinctions.
c) Work Experience – previous experience – nature of job – salary – duration – reason for quitting.
d) Salary – last drawn salary – minimum salary acceptable.
e) Extra-curricular information – NSS – NCC – hobbies etc.
f) References – Name and address.

3. Selection Tests

Individuals differ in many respects including job related abilities and skills. In order to select a right person for the job, individual differences in abilities and skills are to be adequately and accurately measured for comparison.

According to Lee J. Groobach, "A test is a systematic procedure for comparing the behaviour of two or more persons."

Milton M. Blum defines test as "a sample of an aspect of individual's behaviour, performance and attitude."

In simple words, test is a systematic procedure for sampling human behaviour.

Tests may be for psychological testing and for testing specific abilities and skills. Psychological tests may be conducted for various purposes:

1. Guiding and counseling
2. Career guidance
3. Research on human behaviour and personality
4. Employment selection for placement
5. For appraising employees promotional potentials

6. For counseling to perform better in their jobs.

Types of Tests

Broadly there are two types of tests viz.,

I) Ability Tests
   a) Aptitude Test
   b) Achievement Tests
   c) Intelligence Tests
   d) Judgment Tests

II) Personality Tests
   a) Interest Tests
   b) Personality Inventory Tests
   c) Projective Tests
   d) Attitude Tests

Let's see in detail

I)   Ability Tests
   a) Aptitude Tests

Aptitude tests measure ability and skills of the candidate. These tests measure and indicate how well a person would be able to perform after training. Thus aptitude tests are used to predict the future ability. There are two objectives of the aptitude tests. One is to advice youth or job seekers regarding the field where they are likely to succeed. This is called 'vocational guidance.' The second is to select best persons for jobs where they may succeed. This is called 'vocational selection.' There are specific aptitude tests for mechanical aptitude test, clerical aptitude test, management aptitude test etc.,

   b) Achievement Tests

Achievement test measures the person's potential in a given area or job. In other words, these tests measure what a person can do based on skill or knowledge already acquired.

   c) Intelligence tests

Intelligence tests measure general ability for intellectual performance. The core concept underlying the intelligence test is mental age. It is presumed that with physical age, intelligence also grows. There may be exceptions to this rule. If a five year old child does the test for six years or above, his or her mental age would be determined accordingly. Mental age is generally indexed in terms of Intelligence Quotient (IQ) and is calculated using the following formula:

$$IQ = \frac{Mental\ Age}{Actual\ age} \times 100$$

It means that IQ is a ratio of mental age to actual age multiplied by 100.

IQ levels may vary because of culture and exposure. Intelligence testing in industry is based on the assumption that if organization can get bright, alert employees quick at learning, it can train them faster than those who are less endowed.

   d) Judgment Test

These tests are designed to know the ability to apply knowledge in solving a problem.

II) Personality Tests

    a) Interest Tests

These tests discover a person's area of interest and find the kind of work that would satisfy him. The most widely used interest test is Kuder Reference Record. It consists of three forms. The first form measures vocational interest such as mechanical, computational, artistic, literary, music and clerical interest. The second form measures vocational interest such as group activities, avoiding conflicts etc. The third form of interest measures preference to particular occupations such as accountants, salesman, managerial position etc.

    b) Personality tests

These tests are also known as 'personality inventories.' These tests are designed to measure the dimensions of personality ie., personality traits such as interpersonal competence, dominance, submission, extroversions – introversions, self-confidence, ability to lead and ambition.

    c) Projective tests

These tests are based on pictures or incomplete items. The candidate is asked to narrate or project his own interpretation on these. The way in which the candidate responds, reflects his or her own values, motives, attitude, apprehensions, personality etc. These tests are called projective because they induce the candidate to put him or herself into the situation to project the test situation.

    d) Attitude Tests

These tests are designed to know the candidate's tendencies towards favouring or otherwise to people, situations, actions and a host of such other things. Test of social responsibility, authoritarianism, study of values, employee morale are the well-known examples of attitude tests.

Advantages of Testing

The merits of testing for selection are many.

1. Such tests predict future performance of personnel and for transfer, promotion etc.
2. It is a method of diagnoses of the situation and behaviour.
3. Cost effective - as test administered to a group saves time and cost.
4. Uncovers qualifications and talents, which cannot be detected from application blanks and interviews.
5. Tests serve as unbiased tools of selection process.
6. Tests being quantifiable yield themselves to scientific and statistical analysis.

Selection Interview

The next step in the selection process is 'employment interview.' Interview is the widely used selection method. It is a face-to-face interaction between interviewer and the interviewee. If handled properly, it can be a powerful technique in having accurate information of the interview otherwise not available.

Objectives of Interview
1. Verifies the information obtained through application form and tests.
2. Helps to obtain additional information from the applicant otherwise not available.
3. Gives the candidate necessary facts and information about the job and the organization.
4. Helps to establish mutual understanding between the company and the candidate and build the company's image.

Types of Interview

Four types of interview for selection have been identified. They are:
   a) Preliminary Interview
This process would be initiated to screen the applicants to decide whether a further detailed interview will be required. The candidate is given freedom by giving job details during the interview to decide whether the job will suit him. This method saves time and money for the company.
   b) Patterned Interview
In this type of interview, the pattern of the interview is decided in advance. What kind of information is to be sought or given, how the interview is to be conducted and how much time is to be allotted, all these are worked in advance. In case the interviewer drifts he or she is swiftly guided back to structural questions. Such interviews are also called as standardized interviews.
   c) Depth Interview
Under this method, the interviewer tries to portray the interviewee in depth and detail. Accordingly the life history of the applicant along with his or her work experience, academic qualifications, health, attitude, interest and hobbies are also analysed.
   d) Stress Interview
Such interviews are conducted for the jobs which are to be performed under stressful conditions. The objective of stress interview is to make deliberate attempts to create stressful or strained conditions for the interviewee to observe how the applicant behaves under stressful conditions. The common methods used to induce stress include frequency interruptions, keeping silent for an extended period of time, asking too many questions at a time, making derogatory remarks about the candidate, accusing him that he is lying and so on. The purpose is to observe how the candidate behaves under the successful conditions – whether he looses his temper, gets confused or frightened.

How to Make Interview Successful?

   e) The interview should have a definite time schedule. This should be let known both to the interviewer and interviewee.
   f) Interview should be conducted by the competent, trained and experienced interviewers.
   g) The interviewers should be supplied with specific set of guidelines for conducting interview.
   h) A resume for all the candidates to be interviewed should be prepared and the same be made available to the interviewers before the interview starts.

i) The interview should not end abruptly but it should come to close tactfully providing satisfaction to the interviewer.
j) The interviewers should show their sensitivity to the interviewees sentiments and also should be sympathetic towards him or her.
k) The interviewers should also evince emotional maturity and a stable personality during the interview session.

Reference Checks

In the selection process, the next step is verifying information or obtaining additional information through reference. The applicant is asked to give the names of one or two referees who know him personally. Previous employers, University Professors, neighbours and friends are usually referees. However, references are treated as a mere formality and are hardly used to influence the selection decisions.

Physical Examination

The last tool used in the selection process is physical examination. The main purpose of conducting physical or medical examination is to have proper matching of job requirement with the physical ability of the candidate. Among various objectives of physical test, the major ones are, to detect if the individual is carrying any infectious diseases, to identify health defects of an individual undertaking certain works determined to his or her health and to protect companies from employees filing compensation claim for injuries and accidents caused by pre-existing ailments.

Final Selection

Final selection follows the above procedures outlined. Selected candidates would be sent with appointment orders. Additional names than required vacancies may be kept in the waiting list.

5.6 PLACEMENT AND INDUCTION

Placement

Placement involves assigning a specific job to each one of the selected candidates. However, placement is not simple as it looks. It involves striking a balance between the requirements of a job and the qualifications of a candidate. Pigors and Myers has defined placement as, "the determination of the job to which an accepted candidate is to be assigned, and his assignment to that job. It is a matching of what the supervisor has reason to think he can do with the job demands and what he offers in the form of pay rolls, companionship" with others, promotional possibilities etc. The importance of placement is that it reduces employee turnover, absenteeism, accidents and dissatisfactions.

Induction

Induction is introducing the new employee to work surrounding and people already working there. In other words, induction is the process of receiving and welcoming an employee when he first joins a company, and giving him basic information he needs to settle down quickly and happily and start work. According to R.P. Billimoria, "induction is a technique by which a new employee is rehabilitated into the changed surroundings and introduced to the practices, policies and purposes of the organizations."

Objectives of Induction
  ➢ To reduce the initial anxiety which all new entrants feel, when they join a new job in a new organization.
  ➢ To familiarize the new employees with the job, people, work-place, work environment and the organization.
  ➢ To facilitate outsider – insider transition in an integrated manner.
  ➢ To reduce the cultural shock faced in the new organization and
  ➢ To reduce exploitation by the unscrupulous co-workers.

Formal Induction
Formal induction is a planned programme carried out to integrate the new entrant into the organization. The following are the contents in a formal induction programme:
  a) Brief history of the organization.
  b) Organizational mission, vision, objectives and philosophies.
  c) Policies and procedures of the organization.
  d) Rules and regulations of the organization.
  e) Organization structure and authority relationship.
  f) Terms and conditions of the job including remuneration, working hours, holidays, promotional avenues etc.
  g) Welfare measures like subsidized canteen, transport and recreation facilities.
  h) Safety measures.
  i) Grievance procedure and discipline handling
  j) Suggestion schemes and job stabilization.

Information Induction
In this system, the immediate job supervisor conducts the induction programme for the new entrant. He briefs the new entrant about the job, the department, routine and introduces to the colleagues, and various sections.
Making induction programme successful

First impression is the best impression. The new employee should feel happy and proud about his company. This will create a lasting association and commitment.
The Effective induction needs-
  ➢ Good reception when receiving the new employee.
  ➢ Finding the needs and doubts of new employee
  ➢ Proper and good presentation about the company and work culture.
  ➢ Induction training by the right instructor.
  ➢ Proper evaluation and follow-up measures.

5.7 PROMOTION
Promotion denotes that an individual has the competencies, i.e. the skills, abilities, knowledge and attitudes, required to perform effectively at the next higher rank. The competencies reflect the knowledge and skills exhibited in observable behaviour in the relevant areas of work. Promotion provides motivation to perform well and is an important part of performance management.

Promotion may be based on seniority or merit. Using merit as the sole basis for promotion is subject to criticism because determining merit criteria often lacks reliability and objectivity. Most organizations try to combine seniority and merit in a formula called seniority-cum-merit. Under this formula, a certain number of years of service is taken as the cut-off level initially. Then, if there are more persons than required for promotion in that level, merit is given consideration. Some organizations are engaged in promotion forecasts that allow them to identify people with high advancement potential. The high-potential employees are then given special kinds of developmental experiences.

The principle of merit, or the best person for the job is key to promotion. Ability, potential and experience are taken into account in the assessment. The process of assessment should be fair and transparent. It is kept separate from the day to day management of performance and from the annual performance appraisal. The former should be a continuous process, while the latter can be used to assist in determining suitability for promotion.

A factor in promotions can also be the *mentor-mentee* relationship. Most individuals in organizations will have an informal mentor who helps them "through the ranks." Traditionally, this informal mentor relationship results in someone "pairing up" with another who has similar physical characteristics, is the same gender, or has a similar mind-set. As a result, if the organization has, for example, mostly men, it is likely the female will not be informally mentored, which can result in lack of promotion. Likewise, if the workforce consists of mostly Caucasian females, it is likely the African American male may not develop an informal mentor relationship with his female counterparts. Development of a formal mentorship program to ensure that everyone has a mentor is one way to alleviate this situation. Mentorship programs are discussed in "Training and Development".

Awarding promotions are the most significant forms of recognizing superior performance. Therefore, it is extremely important that promotions be fair and based on merit and untainted by favouritism. Though many people accept the obligation to avoid racial, sexual, age and religious discrimination in recruitment, very little attention is paid to discrimination against the disadvantaged groups during promotion

Promotional opportunities affect job satisfaction considerably. The desire for promotion is generally strong among employees as it involves change in job content, pay, responsibility, independence, status and the like. An average employee in a typical government organization can hope to get two or three promotions in his entire service, though chances of promotion are better in the private sector. It is no surprise that the employee takes promotion as the ultimate achievement in his career and when it is realized, he feels extremely satisfied.

Employees acquire skills and efficiency during training. They become more eligible for promotion. They become an asset for the organization

The merits of promotion are encouragement of efficiency, retention of competent people with an ambition for vertical growth upwards and increase in productivity. The disadvantages of promotion from internal sources could be discontentment among other contenders for the same position and scope for lobbying, bickering, frustration, unhealthy competition and alienation from erstwhile peers and the possibility of favoritism. Neglect of length of service and loyalty could be the result of promotions not based upon seniority and they could attract resistance from employee associations and trade unions. Promotion policy should make it clear whether to promote employees against existing vacancies alone or it is permissible to promote a person even if there is no real vacancy just for the sake of rewarding a person's performance.

5.8 TRANSFER

Transfer is reshuffling of human resources from one unit of work place to another. It involves lateral mobility of employees from one post to another within an organization. Through transfers, people are shifted to a job that is comparatively equivalent in pay, responsibility and organizational level. Transfers may be voluntarily sought by employees or may be used as the sole prerogative of the managements. They could be occurring on a mutual basis between two employees or as a sequence of transfers. Transfers may occur within or outside functions, departments, units or divisions.

Transfers serve a number of purposes. They may be carried out to enhance efficiency in the utilization of human resources through the redistribution of work force's size and strength according to changing needs. A transfer is said to be a replacement transfer if it is caused due to the displacement of an existing incumbent in a job. It is called remedial transfer if it is initiated to correct a previous incorrect placement. Transfers might also be ordered to satisfy the requirements of employee to work under a better superior or to move into a job with brighter career prospects or be in a more convenient location.

Transfers are also at times used to keep promotion ladders open to keep individuals not having growth opportunities in their own department, continued to be interested in their work. Some times, transfers are also effected to stall layoff. Since transfers expose employees to others' jobs, work can continue even during periods of emergency such as accidents or strike, when some employees are unavailable to work. An employee may be transferred because management feels that crucial forms of competence could be put to use in another deserving place. Thus it becomes an employee assistance measure. Transfer may be a developmental device to provide more exposure to the employees and make them more versatile. Transfers may at times be necessary to diminish conflicts between colleagues. Transfers may be used as a disciplinary measure to punish employees indulging

Transfer help reducing monotony and boredom felt by employees and thereby enhance their satisfaction on job and the morale of their groups. They can also prepare an employee for challenging assignments in the future. The intervening authorities from above could shift over-dominating employees.

Better employer-employee relations and stabilization of changing work requirements in different departments or locations are the other beneficial outcomes of transfers. On the negative side, transfers might be viewed as an inconvenience to those who are reluctant to move. Managers might feel that they are unfairly made to move away from their pet projects and supportive superiors. Some employees may feel it uncomfortable when they have to separate from their affiliates at work and might have to adapt to a more demanding work schedule. Shifting of experienced hands and minds may affect productivity in the department from which a person is transferred. Dual career couples might have objections when only one of them is transferred. Arbitrary and discriminatory transfers can affect the employees' morale.

In order to make transfers more pleasant and less troublesome, employees must be explained the circumstances under which the transfer was initiated and the reason for choosing this particular employee for the transfer. It is also important on the part of the organization to provide appropriate support in the form of facilities like orientation regarding the new place, days of leave, adequate manpower, allowances and material assistance to the transferee for packaging luggage, transportation, re-registrations and shifting of families and taking care of avoiding disruptions in the lives and careers of employees' spouses. Transfers should be spaced out by years of gap and should have employee development-orientation.

Transfer opportunities could also be used adeptly to get vital clues into organizational problems. This could be illustrated with the help of a case described by Akio Morita of Sony Corporation in Japan when he introduced a scheme by which employees could apply for transfers outside their departments, when there is an internal job posting. The scheme proved to bring in multiple benefits. People who wanted to move out of Sony could be retained within the company by this scheme. The scheme had yet another benefit of identifying the departments from which request for transfer appears in large numbers. Large numbers of these applicants were actually sending signals of some underlying anomaly like an autocratic or nagging boss. The top management could sense this problem and sort it out with the heads of these departments and avert large-scale turnover of skilled human power. The organization also got valuable insights into the needs and aspirations of its employees, and thereafter began its plan for further human resource planning.

Vacancies arise due to a variety of reasons like growth, diversification, turnover of employees and organizational restructuring. While training interspersed with transfers and promotions could occur as intermittent or discontinuous events that serve to provide a plethora of opportunities to experiment, learn and perform in new ways, they are still not likely to be adequate to maximize employee development. In this regard, there should also be ongoing efforts from the organizations to enable an employee to become involved actively, contribute his mettle and help taking the whole firm or even an entire industry to new heights. These continuous efforts may take forms called as Empowerment and Delegation.

5.9 SUM UP

The Human Resource functions necessarily fulfill the requirement of the each and every element of the organization in a splendid manner. Subsequently the HR managers can equip themselves on exercising their routine work what they are assigned to. In some cases the HR manager not able to do their task because of lot of limitations faced by them. In such cases they need to concentrate in effective manner of such problematic human elements which will be demoted or transfer from the existing places to far off places. Effective handling of human resources is biggest task to HR professionals. So the learner has to concentrate in this unit widely to understand   the efficacy of handling human resources.

5.10 UNIT- END EXERCISES

1. Portray the different sources of recruitment with present scenario.

2. Illustrate the various types of selection process in India.

3. What is Promotion and mention how it is differed from demotion?

4. Write Short note on Human Resource Planning.

5. How do you induct the newly recruited employee in your company?

5.11 ANSWER TO CHECK YOUR PROGRESS

1. factor in promotions can also be the *mentor-mentee* relationship
2. Transfers should be spaced out by years of gap and should have employee development-orientation.
3. The time to decide the orienting the newly recruited employee.
4. Hiring and firing policy on HRP decides the value fo the company.

5.12 SUGGESTED READINGS

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UNIT - VI JOB ANALYSIS, TRAINING AND PERFORMANCE APPRAISAL

Structure

6.1 Introduction
6.2 Job Analysis
    6.2.1 Meaning
    6.2.2 Definitions
    6.2.3 Purposes and Uses
    6.2.4 Contents of Job Analysis
    6.2.5 Steps in Job Analysis
    6.2.6 Methods of Collecting Job Analysis Data
    6.2.7 Techniques of Job Analysis
    6.2.8 Products of Job Analysis
       - Job Descriptions
       - Job Specifications
6.3 Training
    6.3.1 Meaning
    6.3.2 Definition
    6.3.3 Need for Training
    6.3.4 Importance of Training
    6.3.5 Types of Training
       - On the Job Training
       - Off the Job Training
6.4 Performance Appraisal
6.5 Discipline and Discipline Procedure
6.6 Personnel Records
6.7 Personnel Research
6.8 HR Audit
6.9 Sum up
6.10 Unit- End Exercises
6.11 Answers to check your progress
6.12 Suggested Readings

6.1 INTRODUCTION

Finding the right person for the position is the big task of the company, after doing so it's much difficult to train them to post in that particular positions for maximizing the productivity of the individual is another big task to the department. For make easier of such process, the company should have regular and periodic job analysis process has to be initiated in the company in a right time. That's the sole responsibility of the HR manager of the concern. For determining the quality of the personnel the company requires to prepare Job Analysis in a periodic term. Manpower planning is concerned with determination of quantitative and qualitative requirements of manpower for the organization. Determination of manpower requirements is one of the most important problems in manpower planning. Job analysis and job design, provide this knowledge. Before going through the mechanism of job analysis

and job design, it is relevant to understand the terms which are used in job analysis and job design.

A job may be defined as a "collection or aggregation of tasks, duties and responsibilities which as a whole, are regarded as a regular assignment to individual employees," and which is different from other assignments, In other words, when the total work to be done is divided and grouped into packages, we call it a "job." Each job has a definite title based upon standardized trade specifications within a job; two or more grades may be identified, where the work assignment may be graded according to skill, the difficulty of doing them, or the quality of workmanship. Thus, it may be noted that a position is a "collection o tasks and responsibilities regularly assigned to one person;" while a job is a "group of position, which involve essentially the same duties, responsibilities, skill and knowledge." A position consists of a particular set of duties assigned to an individual.

6.2 JOB ANALYSIS

Job analysis reveals information about tasks, duties, responsibilities and standards with proposed job is to be performed by the employees. It also guides in terms of job specification i.e. skills, ability. Qualification and experiences needed to perform the job with requisite performance standards.

6.2.1 Meaning

Job analysis gives enough information about the job and the profile of the performer in order to perform that job. Another important exercise that an organization needs to carry out is 'Job Evaluation'. It is nothing but finding out relative worth of a job, in terms its contribution and significance to the overall organizational objectives. Workers job design and job analysis laid the foundation for staffing by identifying what diverse people do in their jobs and how they are affected by them.

Job analysis is the process of describing the nature of a job and specifying the human requirements such as knowledge, skills, and experience needed to perform the job. The end result of job analysis is job description. Job description spells out work duties and activities of employees.

6.2.2 Definitions

Developing an organizational structure, results in jobs which have to be staffed. Job analysis is the procedure through which you determine the duties and nature of the jobs and the kinds of people (in terms of skills and experience) who should be hired for them.' It provides you with data on job requirements, which are then used for developing job descriptions (what the job entails) and job specifications (what kind of people to hire for the job). Some of the definitions of job analysis ate given as follows, to understand the meaning of the term more clearly:

According to *Michael L. Jucius*, "Job analysis refers to the process of studying the operations, duties and organizational aspects of jobs in order to derive specifications or as they called by some, job descriptions."

According to *DeCenzo and P. Robbins*, "A job analysis is a systematic exploration of the activities within a job. It is a basic technical procedure, one that is used to define the duties, responsibilities, and accountabilities of a job."

employee to contribute to the production of some product or service provided by the organization. Each job has certain ability requirements (as well as certain rewards) associated with it. Job analysis process used to identify these requirements."

Edwin Flippo has offered a more comprehensive definition of job analysis as, "Job analysis is the process of studying and collecting information relating to the operations and responsibilities of a specific job. The immediate products of the analysis are job descriptions and job specifications" Thus, job analysis involves the process of identifying the nature of a job (job description) and the qualities of the likely job holder (job specification).

According to *Watkins and Dodd & others* in their book, "Management of personnel and Industrial Relations" (McGraw Hill Book Co., N.Y., 1950 pp. 191.) Stated that "Job analysis is the process of determining the component elements of a job, the tools, the equipment, and materials used; the special training, skills aptitudes, judgments and decisions required; the speeds and hazards involved; and the conditions under which the work is performed."

6.2.3 Purposes and uses of Job Analysis
The various different information about the job, as specified above, are specially used to forecast future human requirements, job modifications, job evaluation, determination of proper compensation, and the writing of Job descriptions.

a) Achievement of Goals: Weather and Davis have stated, "Jobs are at the core of every organization's productivity, if they are designed well and done right, the organization makes progress towards its objectives. Otherwise, productivity suffers, profits fall, and the organization is less able to meet the demands of society, customer, employees, and other with a stake in its success."

b) Organizational Design: Job analysis will be useful in classifying the jobs and the interrelationships among the jobs. On the basis of information obtained through job analysis, sound decisions regarding hierarchical positions and functional differentiation can be taken and this will improve operational efficiency.

c) Organization and Manpower Planning: It is helpful in organization planning, for it defines labour in concrete terms and co-ordinates the activities of the work force, and clearly divides duties and responsibilities. Recruitment and Selection: Job analysis provides you with information on what the job entails and what human requirements are required to carry out these activities. This information is the basis on which you decide what sort of people to recruit and hire.

d) Placement and Orientation: Job analysis helps in matching the job requirements with the abilities, interests and aptitudes of people. Jobs will be assigned to persons on the basis of suitability for the job. The orientation programme will help the employee in learning the activities and understanding duties that are required to perform a given job more effectively.

e) Employee Training and Management Development: Job analysis provides the necessary information to the management of training and development programmes. It helps in to determine the content and subject matter of in training courses. It also helps in checking application information, interviewing test results and in checking references.

f) Job Evaluation and Compensation: Job evaluation is the process of determining the relative worth of different jobs in an organization with a view to link compensation, both basic and supplementary, with the worth of the jobs. The worth of a job is determined on the basis of job characteristics and job holder characteristics. Job analysis provides both in the forms of job description and job specification.

g) Performance Appraisal: Performance appraisal involves comparing each employee's actual performance with his or her desired performance. Through job analysis industrial engineers and other experts determine standards to be achieved and specific activities to be performed.

h) Health and Safety: It provides an opportunity for identifying hazardous conditions and unhealthy environmental factors so that corrective measures may be taken to minimize and avoid the possibility of accidents.

i) Employee Counseling: Job analysis provides information about career choices and personal limitation. Such information is helpful in vocational guidance and rehabilitation counseling. Employees who are unable to cope with the hazards and demands of given jobs may be advised to opt for subsidiary jobs or to seek premature retirement.

6.2.4 contents of Job Analysis

A job analysis provides the following information

1. Job identification.
   - Job title.
2. Significant characteristics of a Job.
   - Its location, physical setting, supervision, union jurisdiction, hazards, discomforts.
3. What the typical worker does.
4. Which materials and equipment a worker uses.
5. How does a job is performed?
   - Lifting, handling, cleaning, washing, feeding, removing, drilling, driving, setting up etc.,
6. Required personnel attributes.
   - Experience, training, apprenticeship, physical strength, co-ordination or dexterity, physical demands, mental capabilities, social skills etc.,

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6.2.5 Steps in Job Analysis

The six steps of job analysis are shown in
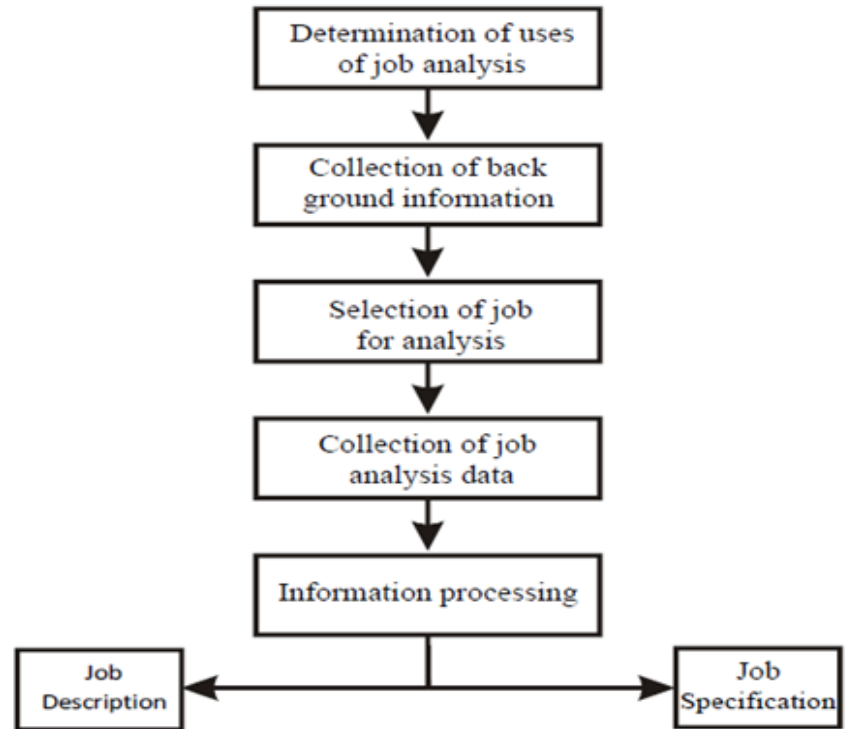
Picture of Job Analysis Process

1   Determine the Use of the Job Analysis Information: Start by identifying the use to which the information will be put, since this will determine the type of data you collect and the technique you use to collect them.

2   Collection of Background Information: According to Terry, "The make-up of a job, its relation to other jobs, and its requirements for competent performance are essential information needed for a job evaluation. This information can be had by reviewing available background information such as organization charts (which show how the job in question relates to other jobs and where they fit into the overall organization); class specifications (which describe the general requirements of the class of job to which the job under analysis belongs); and the existing job descriptions which provide a starting point from which to build the revised job description".

3   Selection of Jobs for Analysis: To do job analysis is a costly and time consuming process. It is hence, necessary to select a representative sample of jobs for purposes of analysis. Priorities of various jobs can also be determined. A job may be selected because it has undergone undocumented changes in job content. The request for analysis of a job may originate with the employee, supervisor, or a manager. When the employee requests an analysis it is usually because new job demands have not been reflected in changes in wages. Employee's salaries are, in part, based upon the nature of the work that they perform. Some

organizations establish a time cycle for the analysis of each job. For example: A job analysis may be required for all jobs every three years. New jobs must also be subjected to analysis.

4 Collection of Job Analysis Data: Job data on features of the job, requited employee qualification and requirements, should be collected either form the employees who actually perform a job; or from other employees (such as foremen or supervisors) who watch the workers doing a job and there by acquire knowledge about it; or from the outside persons, known as the trade job analysis who are appointed to watch employees performing a job. The duties of such a trade job analyst are (i) to outline the complete scope of a job and to consider all the physical and mental activities involved in determining what the worker does.; (ii) find out why a worker does a job; and for this purpose he studies why each task is essential for the overall result; and (iii) the skill factor which may be needed in the worker to differentiate between jobs and establish the extent of the difficulty of any job.

5 Processing the Information: Once job analysis information has been collected, the next step is to place it in a form that will make it useful to those charged with the various personnel functions. Several issues arise with respect to this. First, how much detail is needed? Second, can the job analysis information be expressed in quantitative terms? These must be considered properly.

6 Preparing Job Descriptions and Job Classifications: Job information which has been collected must be processed to prepare the job description form. It is a statement showing full details of the activities of the job. Separate job description forms may be used for various activities in the job and may be compiled later on. The job analysis is made with the help of these description forms. These forms may be used as reference for the future.

7 Developing Job Specifications: Job specifications are also prepared on the basis of information collected. It is a statement of minimum acceptable qualities of the person to be placed on the job. It specifies the standard by which the qualities of the person are measured. Job analyst prepares such statement taking into consideration the skills required in performing the job properly. Such statement is used in selecting a person matching with the job.

6.2.6 Methods for Collecting Job Analysis Data

As discussed earlier, information is to be collected for job analysis. Such information may be collected by the trained job analysis, superiors concerned and job holders themselves. Job information is collected through the following methods:

1 Participant Diary/Logs: Workers can be to keep participant diary/long or lists of things they do during the day. For every activity he or she engages in, the employee records the activity (along with the time) in a log. This can provide you with a very comprehensive picture of the job, especially when it's supplemented with subsequent interviews with the worker and his or her supervisor. This method provides more accurate information if done faithfully. However, it is quite time consuming. Further, each job

holder may maintain records according to his own way which presents problems in analysis at later stage. Therefore, it has limited application.

2 Interview: There are three types of interviews you can use to collect job analysis data: individual interviews with each employee; group interviews with groups of employees having the same job; and supervisor interviews with one or more supervisors who are thoroughly knowledgeable about the job being analyzed. The group interview is used when a large number of employees are performing similar or identical work, since this can be a quick and inexpensive way of learning about the job. As a rule, the worker's immediate supervisor would attend the group session; if not, you should interview the supervisor separately to get that person's perspective on the duties and responsibilities of the job.

3 Critical Incidents: In this method, job holders are asked to describe incidents concerning the job on the basis of their past experience. The incidents so collected are analyzed and classified according to the job areas they describe, A fairly picture of actual job requirements can be obtained by distinguishing between effective and ineffective behaviors of workers on the job. However, this method is time consuming. The analyst requires a high degree of skill to analyze the contents of descriptions given by workers.

4 Technical Conference Method: This method utilizes supervisors with extensive knowledge of the job. Here, specific characteristics of a job are obtained from the "experts." Although it is a good data gathering method, it often overlooks the incumbent worker's perception about what they do on their job.

5 Job Performance: Under this method, the job analyst actually performs the job under study to get first-hand experience of the actual tasks, and physical and social demands of the job. This method can be used only for jobs where skill requirements are low and can be learnt quickly and easily. This is a time consuming method and is not appropriate for jobs requiring extensive training.

6 Functional Job Analysis: Functional job analysis (FJA) is employee-oriented analytical approach of job analysis. This approach attempts to describe the whole person on the job. The main features of FJA include the following:
   ➢ The extent to which specific instruction are necessary to perform the task
   ➢ The extent to which reasoning and judgment are required to perform the task
   ➢ The mathematical ability required to perform the task and
   ➢ The verbal and language facilities required to perform the task.

7 Observation Method: Using this method, a job analyst watches employees directly on the job. Observations are made on various tasks, activities, the pace at which tasks are carried out, and the way different activities are performed. This method is suitable for jobs that involve manual, standardized, and short job cycle activities. This method also requires that the entire range of activities be observable; possible with some jobs.

8 Questionnaires: The method is usually employed by engineering consultants. Properly drafted questionnaires are sent out to job-holders for

completion and are returned to supervisors. However, the information received is often unorganized and incoherent. The idea in issuing questionnaire is to elicit the necessary information from job –holders so that any error may first be discussed with the employee and, after corrections, may be submitted to the job analyst.

6.2.7 Techniques of Job Analysis

The following techniques are required for preparing Job Analysis.

➢ Personal observation.

➢ Sending out questionnaires.

➢ Maintenance of Log records

➢ Written narratives.

➢ Conducting personal interviews

6.2.7. Products of Job Analysis

The immediate products of Job analysis which are useful in determining the quality of personnel are:

    I. Job Description, and
    II. Job Specification.

I. Job Descriptions

Job description is the immediate product of job analysis process; the data collected through job analysis provides a basis for job description and job specification. Job Description: is a written record of the duties, responsibilities and requirements of a particular job. It is concerned with the job itself and not with the job holders. It is a statement describing the job in such terms as its title, location, duties, working conditions and hazards.

Flippo has Defined Job Description as, "A job description is an organized, factual statement of duties and responsibilities of a specific job. In brief, it should tell what is to be done. How it is done why. It is a standard of function, in that defines the appropriate and authorized content of a job.

According to Pigors and Myres, "Job description is a pertinent picture (in writing) of the organizational relationships, responsibilities and specific duties that constitutes a given job or position. It defines a scope of responsibility and continuing work assignments that are sufficiently different form that of other jobs to warrant a specific title."

According to Zerga, who analyzed 401 articles on job description about 30 years ago. A job description helps us in:

a) Job grading and classification
b) Transfers and promotions.
c) Adjustments of grievances;
d) Defining and outlining promotional steps:
e) Establishing a common understanding of a job between employers and employees;
f) Investigation accidents ; Indicating faulty work procedures or duplication of papers;
g) Maintaining, operating and adjusting machinery;

h) Time and motion studies;
i) Defining the limits of authority;
j) Indicating case of personal merit;
k) Studies of health and fatigue;
l) Scientific guidance;
m) Determining jobs suitable for occupational therapy;
n) Providing hiring specifications; and
o) Providing performance indicators.

Job description is different from "performance assessment." The former concerns such functions as planning, co-ordination, and assigning responsibility; while the latter concerns the quality of performance itself. Though job description is not assessment, it provides an important basis establishing assessment standards and objectives.

So, Job description means
- It is the statement of job analysis
- Job description is an important document, which is basically descriptive in nature and constitutes a record of existing and pertinent job facts.

Thereby, it provides both organizational information (location in structure, authority etc.,) about the job; and functional information about the job (What the worker does?).

II.   Job Specifications

The job specification states the minimum acceptable qualifications that the incumbent must possess to perform the job successfully. Based on the information acquired through job analysis, the job specification identifies the knowledge, skills, and abilities needed to do the job effectively. Individuals possessing the personal characteristics identified in the job specification should perform the job more effectively than individuals lacking these personal characteristics. The job specification, therefore, is a important tool in the selection process, for it keeps the selector's attention on the list of qualifications necessary for an incumbent to perform the job and assists in determining whether candidates are qualified.

According to Dale Yoder, "The job specification, as such a summary properly described is thus a specialized job description, emphasizing personnel requirement and designed especially to facilitate selection and placement."

Flippo has defined job specification as, "Job specification is a statement of the minimum acceptable human qualities necessary to perform a job properly ………….. It is a standard of personnel and designates the qualities required for acceptable performance."In is clear from the above definitions that job specification is a statement of summary of personnel requirements for a job. It may also be called "standard of personal for the selection"

A Job Specification should include:
1. Physical characteristics, which include health, strength, endurance, age, height, weight, vision, voice, eye, hand and foot co-ordination, motor co-ordination, and colour discrimination.

2. Psychological and social characteristics such as emotional stability, flexibility, decision making ability, analytical view, mental ability, pleasing manners, initiative, conversational ability etc.
3. Mental Characteristics such as general intelligence, memory, judgment, ability to concentrate, foresight etc.
4. Personal Characteristics such as sex, education, family background, job experience, hobbies, extracurricular activities etc.

All these characteristics must be classified into three categories:

a) Essential attributes which a person must possess.
b) Desirable attributes which a person ought to posses.
c) Contra indicators which will become a handicap to successful job performance.

6.3 TRAINING

Training is a process of learning a sequence of programmed behavior. It is the application of knowledge & gives people an awareness of rules & procedures to guide their behavior. It helps in bringing about positive change in the knowledge, skills & attitudes of employees. Thus, training is a process that tries to improve skills or add to the existing level of knowledge so that the employee is better equipped to do his present job or to mould him to be fit for a higher job involving higher responsibilities. It bridges the gap between what the employee has & what the job demands.

6.3.1 Meaning -Training

Training refers to a planned effort by a company to facilitate employees' learning of job related competencies. These competencies include knowledge, skills, or behaviors that are critical for successful job performance. The goal of training is for employees to master the knowledge, skill, and behaviors emphasized in training programs and to apply them to their day to day activities. Training is seen as one of several possible solutions to improve performance. Other solutions can include such actions as changing the job or increasing employee motivation through pay and incentives.

6.3.2 Definition - Training

Training is a process, whereby people acquire capabilities to perform jobs. Poorly trained employees may perform poorly and make costly mistakes. Training provides employees with specific, identifiable knowledge and skills for use in their present jobs. Sometimes a distinction is drawn between training and development, with development being broader in scope and focusing on individuals gaining new capabilities useful for both present and future jobs.

"Training means to prepare an individual to do job for which he has been hired. This covers both orientation and specific instruction."

According to Flippo, "Training is the act of increasing the knowledge and skills of an employee for doing a particular job." Training involves the specific job. Its purpose is to achieve a change in the behaviour of those trained and to enable them to do their jobs better. Training makes newly appointed workers fully productive in the minimum of time. Training is equally necessary for the old employees whenever new machines and equipment are introduced and/or

there is change in the techniques of doing the things. In fact, training is a continuous process. It does not stop anywhere. The managers are continuously engaged in training their subordinates.

Training may include hard skills such as teaching a programmer-how to use c++ computer language, an accountant-how to make an income statement, or a mechanist apprentice-how to set up a drill press. Soft skills are critical in many instances and can be taught as well. They include communicating, mentoring, managing a meeting and working as part of a team. Training involves organizational competitiveness, knowledge management and integration of performance.

Training represents a significant expenditure in most organizations. But it is too often viewed tactically rather than strategically, as upper management is often not clear, what it wants from training and therefore fails to connect training with the strategy and goals of the organization. Training activities helps to:

> ➤ Develop new employee skills.
> ➤ Encourage change.
> ➤ Promote continuous learning.
> ➤ Create and share new knowledge. Facilitate communication and
> ➤ Improves retention of the employees.

6.3.3 Need for Training

Training of employees takes place after orientation takes place. Training is the process of enhancing the skills, capabilities and knowledge of employees for doing a particular job. Training process moulds the thinking of employees and leads to quality performance of employees. It is continuous and never ending in nature.

Training is given on four basic grounds:

New candidates who join an organization are given training. This training familiarizes them with the organizational mission, vision, rules and regulations and the working conditions.

The existing employees are trained to refresh and enhance their knowledge. If any updations and amendments take place in technology, training is given to cope up with those changes. For instance, purchasing new equipment, changes in technique of production, computer impartment.

The employees are trained about use of new equipments and work methods. When promotion and career growth becomes important. Training is given so that employees are prepared to share the responsibilities of the higher level job. Training needs can be assessed by analyzing three major human resource areas: the organization as a whole, the job characteristics and the needs of the individuals. This analysis will provide answers to the following questions:

> ➤ Where is training needed?
> ➤ What specifically must an employee learn in order to be more productive?
> ➤ Who needs to be trained?

Begin by assessing the current status of the company how it does what it does best and the abilities of your employees to do these tasks. This analysis will provide some benchmarks against which the effectiveness of a training program can be evaluated. Your firm should know where it wants to be in five years from its long-range strategic plan. What you need is a training program

to take your firm from here to there. Second, consider whether the organization is financially committed to supporting the training efforts. If not, any attempt to develop a solid training program will fail.

6.3.4 Importance of Training

Training is crucial for organizational development and success. It is fruitful to both employers and employees of an organization. An employee will become more efficient and productive if he is trained well. The benefits of training can be summed up as:

1. Improves Morale of Employees- Training helps the employee to get job security and job satisfaction. The more satisfied the employee is and the greater is his morale, the more he will contribute to organizational success and the lesser will be employee absenteeism and turnover.

2. Less Supervision- A well trained employee will be well acquainted with the job and will need less of supervision. Thus, there will be less wastage of time and efforts.

3. Fewer Accidents- Errors are likely to occur if the employees lack knowledge and skills required for doing a particular job. The more trained an employee is, the less are the chances of committing accidents in job and the more proficient the employee becomes.

4. Chances of Promotion- Employees acquire skills and efficiency during training. They become more eligible for promotion. They become an asset for the organization.

5. Increased Productivity- Training improves efficiency and productivity of employees. Well trained employees show both quantity and quality performance. There is less wastage of time, money and resources if employees are properly trained.

6.3.5 Types of Training

Various types of training programmes are not mutually exclusive, but invariably overlap and employ many of the same techniques. Some of the more common types of training programmes are examined below:

- On the Job Training (On-Board Training)
- Off the Job Training (Off-Board Training)

In Detaiil

On-the-job training takes place in a normal working situation, using the actual tools, equipment, documents or materials that trainees will use when fully trained. On-the-job training has a general reputation as most effective for vocational work.

Off-the-job training takes place away from normal work situations implying that the employee does not count as a directly productive worker while such training takes place. Off-the-job training has the advantage that it allows people to get away from work and concentrate more thoroughly on the training itself. This type of training has proven more effective in inculcating concepts and ideas.

The most frequently used method in smaller organizations that is on the job training. This method of training uses more knowledgeable, experienced and skilled employees, such as mangers, supervisors to give training to less knowledgeable, skilled, and experienced employees. OJT can be delivered in

classrooms as well. This type of training often takes place at the work place in informal manner.

On the Job Training is characterized by following points

➢ It is done on ad-hoc manner with no formal procedure, or content
➢ At the start of training, or during the training, no specific goals or objectives are developed
➢ Trainers usually have no formal qualification or training experience for training.
➢ Training is not carefully planned or prepared
➢ The trainer are selected on the basis of technical expertise or area knowledge

It is delivered to employees while they perform their regular jobs. In this way, they do not lose time while they are learning. After a plan is developed for what should be taught, employees should be informed of the details. A time-table should be established with periodic evaluations to inform employees about their progress.

On-the-job techniques include orientations, job instruction training, apprenticeships, internships and assistantships, job rotation and coaching. It consists of: -

a) Coaching: Coaching is a one-to-one relationship between trainees and supervisors which offers workers continued guidance and feedback on how well they are handling their tasks. The coach assigns the task, monitors the trainee behavior, and provides reinforcement and feedback. Coaching is commonly used for all kinds of trainees, from unskilled to managerial position. This method is critically depends on the quality of the coach.

b) Under Study: An understudy may be assistant to someone or special assistant to some supervisory or executive positions. He learns by experience, observation, guidance and coaching.

c) Position Rotation: This involves the movement of the trainee from one job to another. This helps him to have a general understanding of how the organization functions. Apart from releasing boredom, Job rotation allows workers to build rapport with a wide range of individuals within the organization, facilitating future cooperation among various departments. Such cross-trained personnel offer a great deal of flexibility for organizations when transfers, promotions or replacement become inevitable.

d) Job Instruction Technique (JIT) uses a strategy with focus on knowledge (factual and procedural), skills and attitudes development of the work force of the company.

   JIT Consists of Four Steps:

   i) Plan: This step includes a written breakdown of the work to be done because the trainer and the trainee must understand that documentation is must and important for the familiarity of work. A trainer who is aware of the work well is likely to do many things and in the process might miss few things. Therefore, a structured analysis and proper

documentation ensures that all the points are covered in the training program. The second step is to find out what the trainee knows and what training should focus on. Then, the next step is to create a comfortable atmosphere for the trainees' i.e. proper orientation program, availing the resources, familiarizing trainee with the training program, etc.

ii) Present: In this step, trainer provides the synopsis of the job while presenting the participants the different aspects of the work. When the trainer finished, the trainee demonstrates how to do the job and why is that done in that specific manner. Trainee actually demonstrates the procedure while emphasizing the key points and safety instructions.

iii) Trial: This step actually a kind of rehearsal step, in which trainee tries to perform the work and the trainer is able to provide instant feedback. In this step, the focus is on improving the method of instruction because a trainer considers that any error if occurring may be a function of training not the trainee. This step allows the trainee to see the after effects of using an incorrect method. The trainer then helps the trainee by questioning and guiding to identify the correct procedure.

iv) Follow-up: In this step, the trainer checks the trainee's job frequently after the training program is over to prevent bad work habits from developing. There are various methods of training, which can be divided in to cognitive and behavioral methods. Trainers need to understand the pros and cons of each method, also its impact on trainees keeping their background and skills in mind before giving training.

e) Multiple Management: It provides knowledge about the organization to the junior and middle managerial personnel. Here the members are exposed to all types of the decision taken at higher level.

Off-the-Job Technique: It consists of: Lectures, Case Studies, Group Discussions, Role Playing, Management games, Sensitivity Training, Simulations and Transactional Analysis

a) Lectures: It is a traditional and direct method of instruction. The instructor organizes the material and gives it to a group of trainees in the form of a talk. To be effective, the lecture must motivate and create interest among the trainees. An advantage of this method is that it is direct and can be used for a large group of trainees. The major limitation of this method is that it does not provide for the transfer of training effectively.

Straight Lecture: Straight lecture method consists of presenting information, which the trainee attempts to absorb. In this method, the trainer speaks to a group about a topic. However, it does not involve any kind of interaction between the trainer and the trainees. A lecture may also take the form of printed text, such as books, notes, etc. The difference between the straight lecture and the printed material is the trainer's intonation, control of speed, body language, and visual image of the trainer. The trainer in case of straight lecture can decide to vary from the training script, based on the signals from the trainees, whereas same material in print is restricted to what is printed. A good lecture consists of

introduction of the topic, purpose of the lecture, and priorities and preferences of the order in which the topic will be covered.

b) Case Studies: It presents the trainees with a written description of a business or organizational problem. The object of the case method is to teach the trainees how to analyze information, generate alternative decisions, and evaluate the alternatives. Cases can be analyzed by individuals or small groups. Feedback and reinforcement are provided through oral discussion or written comments from the instructor.

c) Group Discussions: This method is a direct discussion on a specific topic conducted with a relatively small group of trainees. This method is useful for teaching and exploring difficult conceptual materials, and for changing attitudes and opinions. It provides opportunity for feedback, reinforcement practice, motivation, and transfer, largely due to the active interchange of ideas between the participants.

d) Role Playing: In most of role-playing assignments, each of the students takes the role of a person affected by an issues on human life and effect the human activities all around us from the perspective of that person.

e) Management Games: Verities of business and management games have been devised and are being used with the varying degree of success in the developing programmes. A management game is classroom exercise.

f) Sensitivity Training: It has been successfully employed by behavioral scientists over the past thirty years. Sensitivity to the circumstances and feeling of others is the cornerstone of human relationships. It is important to note that sensitivity is not just an emotion; it must express itself in actions as well, especially when people we know are experiencing pain and difficulties.

g) Simulations are structured and sometimes unstructured, that are usually played for Enjoyments sometimes are used for training purposes as an educational tool. Training games and simulations are different from work as they are designed to reproduce or simulate events, circumstances, processes that take place in trainees' job. A Training Game is defined as spirited activity or exercise in which trainees compete with each other according to the defined set of rules. Simulation is creating computer versions of real-life games. Simulation is about imitating or making judgment or opining how events might occur in a real situation.

It can entail intricate numerical modeling, role playing without the support of technology, or combinations. Training games and simulations are now seen as an effective tool for training because its key components are:

➢ Challenge
➢ Rules
➢ Interactivity

These three components are quite essential when it comes to learning. Trainees can therefore experience these events, processes, games in a controlled setting where they can develop knowledge, skills, and attitudes or can find out concepts that will improve their performance. The various methods that come under Games and Simulations are:

➢ Behavior-Modeling

- ➢ Business Games
- ➢ Case Studies
- ➢ Equipment Stimulators
- ➢ In-Basket Technique
- ➢ Role Plays

h) Transactional Analysis provides trainees with a realistic and useful method for analyzing and understanding the behavior of others. In every social interaction, there is a motivation provided by one person and a reaction to that motivation given by another person. This motivation reaction relationship between two persons is a transaction. Transactional analysis can be done by the ego states of an individual. An ego state is a system of feelings accompanied by a related set of behaviors. There are basically three ego states: Child, Parent, and Adult

6.4 PERFORMANCE APPRAISAL

In a casual sense, performance appraisal is as old as mankind itself. In an official sense, performance appraisal of an individual began in the Wei dynasty (AD. 261-265) in China, where an Imperial Rater analyzed the performance of the official family'. In 1883, the New York City Civil Service in USA introduced a official appraisal programme shortly before World War . However, official appraisal of employees' performance is thought to have been started for the first time during the First World War, when at the instance of Walter Dill Scott, the US Army: adopted the "Man-to-man' rating system for evaluating personnel.

6.4.1 MEANING

For being fair and unbiased, in judging the employee it is necessary to review the performance of the person in the organization. This is now done in a systematic way in most countries of the world. The evaluation of an individual's performance in the organization is called Performance Appraisal. The, system of performance appraisal compels the management to have a promotion policy within the organization. It also gives motivation to those employees who are efficient and are capable of working in a best way. An organization's goals can be achieved only when people within the organization give their best efforts. How to know whether an employee has shown his or her best performance on a given job? The answer is performance appraisal.

6.4.2 DEFINITION

According to Flippo, a prominent personality in the field of Human resources, "performance appraisal is the systematic, periodic and an impartial rating of an employee's excellence in the matters pertaining to his present job and his potential for a better job."

In the words of Yoder, "Performance appraisal refers to all formal procedures used in working organizations to evaluate personalities and contributions and potential of group members." Thus performance appraisal is a formal programme in an organization which is concerned with not only the contributions of the members who form part of the organization, but also aims at spotting the potential of the people."

It is a systematic way of judging the relative worth of an employee while carrying out his work in an organization. It also helps recognize those

employees who are performing their tasks well and also- who are not performing their tasks properly and the reasons for such (poor) performance.

According to International Labor Organization, "A regular and continuous evaluation of the quality, quantity and style of the performance along with the assessment of the factors influencing the performance and behavior of an individual is called as performance appraisal."

6.4.3 NEED AND IMPORTANCE OF THE PERFORMANCE APPRAISAL

Performance is always measured in terms of outcome and not efforts. Performance Appraisal is needed in most of the organizations in order:

1 To give information about the performance of employees on the job and give ranks on the basis of which decisions regarding salary fixation, demotion, promotion, transfer and confirmation are taken.
2 To provide information about amount of achievement and behavior of subordinate in their job. This kind of information helps to evaluate the performance of the subordinate, by correcting loopholes in performances and to set new standards of work, if required.
3 To provide information about an employee's job-relevant strengths and & weaknesses.
4 To provide information so as to identify shortage in employee regarding ability, awareness and find out training and developmental needs.
5 To avoid grievances and in disciplinary activities in the organization.
6 It is an ongoing process in every large scale organization.

Performance appraisals in an organization provide employees and managers with an opportunity to converse in the areas in which employees do extremely well and those in which employees need improvement. Performance appraisals should be conducted on a frequent basis, and they need not be directly attached to promotion opportunities only. It is important because of several reason s such as:

1 Personal Attention: Performance appraisal evaluation, gives employee to draw personal concern from supervisor and talk about their own strengths and weaknesses.
2 Feedback: Employees on a regular basis get feedback of their performances and issues in which they lack, which needs to be resolved on a regular basis.
3 Career Path: It allows employees and supervisors to converse goals that must be met to grow within the company. This may encompass recognizing skills that must be acquired, areas in which improvement is required, and additional qualification that must be acquired.
4 Employee Accountability: Employees are acquainted that their evaluation will take place on a regular basis and therefore they are accountable for their job performance.
5 Communicate Divisional and Company Goals: It not only communicates employees' individual goals but provides an opportunity for managers to explain organizational goals and in the

manner in which employees can contribute in the achievement of those goals.

6.4.4 OBJECTIVES OF PERFORMANCE APPRAISAL

Performance appraisal in any organization is undertaken to meet certain objectives which may be in the form of salary increase, promotion, recognizing training and development needs, providing feedback to employees and putting stress on employees for better performance.

✓ Salary Increase: Performance appraisal plays an important role in making decision about increase in salary. Increase in salary of an employee depends on how he is performing his job. Evaluation of an employee takes place on a continuous basis which may be formally or informally. In a large as well as in small organizations performance appraisal takes place but it may be in a formal or informal way. It shows how well an employee is performing and to what extent a hike in salary would take place in comparison to his performance.

✓ Promotion: Performance appraisal gives an idea about how an employee is working in his present job and what his strong and weak points are. In comparison to his strength and weaknesses it is decided whether he can be promoted to the next higher position or not. If necessary what additional training is required. Similarly it could be used for demotion, discharge of an employee and transfer.

✓ Training and Development: Performance appraisal gives an idea about strengths and weaknesses of an employee on his present job. It gives an idea about the training required by an employee for overcoming the limitations that an employee is having for better performance in future.

✓ Feedback: Performance appraisal gives an idea to each employee where they are, how they are working, and how are they contributing towards achievement of organizational objectives. Feed works in two ways. First, the person gets view about his performance and he may try to conquer his weaknesses which may lead to better performance. Second, the person gets satisfied after he relates his work with organizational objectives. It gives him an idea that he is doing a meaning full work and can also contribute in a better way.

✓ Pressure on Employees: Performance appraisal puts a sort of stress on employees for better performance. If the employees are aware that they are been appraised in comparison to their performance and they will have positive and acceptable behaviour in this respect.

6.4.5 METHODS OF PERFORMANCE APPRAISAL

Performance appraisal methods are categorized in two ways traditional and modern methods. Each organization adopts a different method of performance appraisal according to the need of organization. In small organization, it may be on an informal basis where personal opinion of a superior about his subordinates may consider for appraisal.

TRADITIONAL METHODS

Ranking Method: It is the oldest and simplest method of performance appraisal in which employees' are ranked on certain criteria such as trait or characteristic. The employee is ranked from highest to lowest or from worst to

best in an organization. Thus if there are seven employees to be ranked then there will be seven ranks from 1 to 7. Rating scales offer the advantages of flexibility comparatively easy use and low cost. Nearly every type of job can be evaluated with the rating scale, the only condition being that the Job-performance criteria should he changed' .In such a way, a large number of employees can be evaluated in a shorter time period. Thus, the greatest limitation of this method is that differences in ranks do not indicate how much an employee of rank 1 is better than the employee whose rank is last.

Paired Comparison: In method is comparatively simpler as compared to ranking method. In this method, the evaluator ranks employees by comparing one employee with all other employees in the group. The rater is given slips where, each slip has a pair of names, the rater puts a tick mark next those employee whom he considers to be the better of the two. This employee is compared number of times so as to determine the final ranking. This method provides comparison of persons in a better way. However, this increases the work as the large number of comparisons has to be made. For example, to rank 50 persons through paired comparison, there will be 1,225 comparisons. Paired comparison method could be employed easily where the numbers of employees to be compared are less.

Grading Method: In this method, certain categories are defined well in advance and employees are put in particular category depending on their traits and characteristics. Such categories may be defined as outstanding, good, average, poor, very poor, or may be in terms of alphabet like A, B, C, D, etc. where A may indicate the best and D indicating the worst. This type of grading method is applied during Semester pattern of examinations. One of the major limitations of this method is that the rater may rate many employees on the better side of their performance.

Forced Distribution Method: This method was evolved to abolish the trend of rating most of the employees at a higher end of the scale. The fundamental assumption in this method is that employees' performance level conforms to a normal statistical distribution. For example, 10 per cent employees may be rated as excellent, 40 per cent as above average, 20 per cent as average, 10 per cent below average, and 20 per cent as poor. It eliminates or minimizes the favoritism of rating many employees on a higher side. It is simple and easy method to appraise employees. It becomes difficult when the rater has to explain why an employee is placed in a particular grouping as compared to others.

Forced-choice Method: The forced-choice rating method contains a sequence of question in a statement form with which the rater checks how effectively the statement describes each individual being evaluated in the organization. There may be some variations in the methods and statements used, but the most common method of forced choice contains two statements both of which may be positive or negative. It may be both the statement describes the characteristics of an employee, but the rater is forced to tick only one i.e the most appropriate statement which may be more descriptive of the employee. For example, a rater may be given the following two statements:

➢ The employee is hard working.
➢ The employee gives clear instructions to his subordinates.

Though both of them describe the characteristics of an employee, the rater is forced to tick only one which appears to be more descriptive of the employee. Out of these two statements, only one statement is considered for final analysis of rating. For example, a rater may be given the following two statements:

➢ The employee is very sincere.
➢ Employee gives clear and fast instructions to his subordinates.

Both of the above statements are positive but the rater is supposed to rate only one which is more appropriate of subordinate's behavior. For ranking only one statement is considered .As the rater is not aware about the statement to be considered the result would be free from bias. This method may be more objective but it involves lot of problems in framing of such sets of statements.

Check-list Method: The main reason for using this method is to reduce the burden of evaluator. In this method of evaluation the evaluator is provided with the appraisal report which consist of series of questions which is related to the appraise. Such questions are prepared in a manner that reflects the behavior of the concerned appraise. Every question has two alternatives, yes or no, as given below:

➢ Is he/she respected by his/her subordinates? Yes/No
➢ Is he/she ready to help other employees? Yes/No
➢ Does her behavior remain same for everyone in the organization? Yes/No

The concerned rater/evaluator has to tick appropriate answers relevant to the appraises. When the check-list is finished, it is sent to the personnel department to prepare the final scores for all appraises based on all questions based on yes or no. While preparing question effort is made to establish the level of consistency of the rater by asking the same question twice but in a different manner. This method is considered to be easy if questions are framed properly for different categories of employees. However, one of the disadvantages of the check-list method is that it is very difficult to accumulate, analyze and evaluate a number of statements about employee characteristics and contributions. It is even costly method with lot of time and efforts required by the organization.

Critical Incidents Method: This method is very useful for finding out those employees who have the highest potential to work in a critical situation. Such an incidence is very important for organization as they get a sense, how a supervisor has handled a situation in the case of sudden trouble in an organization, which gives an idea about his leadership qualities and handling of situation. It is also said to be a continuous appraisal method where employees are appraised continuously by keeping in mind the critical situation. In this method, only the case of sudden trouble and behavior associated with these incidents or trouble are taken for evaluation. This method is categorized in three steps. First, a list of notable (good or bad) on-the-job behavior of specific incidents or sudden trouble is prepared. Second, selected experts would then assign weightage or score to these incidents according to how serious a particular incident is and their degree of willingness to perform a job. Third, finally a check-list indicating incidents that illustrate workers as good or "bad" is formed. Then, the checklist is given to the rater for evaluating the workers. The strong point of critical incident

113

method is that it focuses on behaviors and, thus, judge's performance rather than personalities. Its drawbacks are that too frequently they need to write down the critical incidents which is very time consuming and burdensome for evaluators, i.e., managers. Generally, negative incidents are more noticeable than positives.

Graphic Scale Method: It is one of the simplest and most popular techniques for appraising performances of employee. It is also known as linear rating scale. In graphic rating scale the printed appraisal form is used to appraise each employee. Such forms contain a number of objectives, and trait qualities and characters to be rated like quality of work and amount of work, job knowhow dependability, initiative, attitude, leadership quality and emotional stability. The rater gives an estimate the extent to which subordinates possess each quality. The extent to which quality is possessed is measured on a scale which can vary from three points to several points. In general practice five-point scales is used. Some organizations use numbers in order to avoid the propensity of the rater to tick mark central points. It may be numbered or defined. Thus numbers like 5, 4, 3, 2 and 1 may denote points for various degrees of excellent-poor, high-low, or good-bad, and so on. Such numbers may be expressed in terms like excellent, very good, average, poor and very poor; or very high, high, average, low and very low.

Graphic scale method is good for measuring various job behaviors of an employee. But, it is bound to limitations of rater's bias while rating employee's behavior at job.

Essay Method: In this method, the rater writes a detailed description on an employee's characteristics and behavior, Knowledge about organizational policies, procedures and rules, Knowledge about the job, Training and development needs of the employee, strengths, weakness, past performance, potential and suggestions for improvement. It is said to be the encouraging and simple method to use. It does not need difficult formats and specific training to complete it.

Field Review Method: In this method of appraisal direct superior is not going to appraise an employee but appraised by another person, usually, from personnel department .The rater, in such a case, appraises the employee on the basis of his past records of productivity and other information such as absenteeism, late corning, etc. It is more suitable in a situation where an organization wants to provide promotion to an employee. It also gives information for comparing employees from different locations and units. It reduces partiality to some extent as personnel department person is supposed to be trained in appraisal mechanism. This method suffers from two limitations:

➢ As employees are not rated by immediate boss, the rater from other department may not be familiar with the conditions in an employee's work environment which may hamper his ability and work motivation to perform.
➢ The rater from other department do not get a chance to scrutinize the employee's behavior or performance with different time interval and in a variety of situations, but only in an unnaturally structured interview situation which is for a very short period of time.

MODERN METHODS

a) Management by Objectives (MB0): The concept of 'Management by Objectives' (MBO) was coined by Peter Drucker in 1954. It is a process where the employees and the superiors come together to identify some goals which are common to them, the employees set their own goals to be achieved, the benchmark is taken as the criteria for measuring their performances and their involvement is there in deciding the course of action to be followed. The basic nature of MBO is participative, setting their goals, selecting a course of actions to achieve goals and then taking decision. The most important aspect of MBO is measuring the actual performances of the employee with the standards set by them. It is also said to be a process that integrates organizational objectives into individual objectives. Entire program me of MBO is divided in four major steps i.e setting up of goal, action planning, comparison and timely review. Setting up of goal-In goal setting superior and subordinate together set certain goals, i.e the expected outcome that each employee is supposed to achieve. In action planning, the manner in which goals could be achieved is determined i.e. identifying he activities which are necessary to perform; to achieve pr determined goals or standards. When the employees start with their activities, they come to know what is to be done, what has been done, and what remains to be done and it also gives an idea about the resources to be achieved. In the third step, the goals set by the individual employee are compared with the actual goals achieved. It gives an idea to the evaluator as why there is a variation in desired outcome and actual outcome .Such a comparison helps create need for training so as to enhance employees' performance. Finally, in the timely review step, corrective actions are taken so that actual performances do not deviates from standards established in beginning. The main reason for conducting reviews is not to humiliate the performer but to assist him in better performances in future. Few advantages of MBO are a) it is outcome – oriented. It co-ordinates the planning and control functions and provides motivation) Employees are clear about the task that they are expected to perform and also how they may be evaluated.MBO do have certain limitations such as it is time consuming, employees and the superiors jointly setting the goals may lead to conflict as employee would always like to set lower goal and the superior would like to set it on the higher side, lack of confidence in employee by management.

b) Behaviorally Anchored Rating Scales: This method is a combination of traditional rating scales and critical incidents methods. It consists of preset critical areas of job performance or sets of behavioral statements which describes the important job performance qualities as good or bad (for e.g. the qualities like inter personal relationships, flexibility and consistency, job knowledge etc). These statements are developed from critical incidents. These behavioral examples are then again translated into appropriate performance dimensions. Those that are selected into the dimension are retained. The final groups of behavior incidents are then scaled numerically to a level of performance that is perceived to represent. A rater must indicate which behavior on each scale best describes an employee's performance. The results of the above processes are behavioral

descriptions, such as anticipate, plan, executes, solves immediate problems, carries out orders, and handles urgent situation situations. This method has following advantages: a) It reduces rating errors) Behavior is assessed over traits. c) It gives an idea about the behavior to the employee and the rater about which behaviors bring good Performance and which bring bad performance.

c) Assessment Centres: It is a method which was first implemented in German Army in 1930. With the passage of time industrial houses and business started using this method. This is a system of assessment where individual employee is assessed by many experts by using different technique of performance appraisal. The techniques which may be used are role playing, case studies, simulation exercises, transactional analysis etc. In this method employees from different departments are brought together for an assignment which theyare supposed to perform in a group, as if they are working for a higher post or promoted. Each employee is ranked by the observer on the basis of merit .The basic purpose behind assessment is to recognize whether a particular employee can be promoted, or is there any need for training or development. This method has certain advantages such as it helps the observer in making correct decision in terms of which employee has the capability of getting promoted, but it has certain disadvantages also it is costly and time consuming, discourages the poor performers etc.

d) 360 Degree Performance Appraisals: This method is also known as 'multi-rater feedback', it is the appraisal in a wider perspective where the comment about the employees' performance comes from all the possible sources that are directly or indirectly related with the employee on his job. In 360 degree performance appraisal an employee can be appraised by his peers, managers (i.e. superior), subordinates, team members, customers, suppliers/ vendors - anyone who comes into direct or indirect contact with the employee and can provide necessary information or feedback regarding performance of the employee the "on-the-job". The four major component of 360 degree performance appraisal are

> ➢ Employees Self Appraisal
> ➢ Appraisal by Superior
> ➢ Appraisal by Subordinate
> ➢ Peer Appraisal.

Employee self appraisal gives an option to the employee to know his own strengths and weaknesses, his achievements, and judge his own performance. Appraisal by superior forms the traditional part of the 360 degree performance appraisal where the employees' responsibilities and actual performance is judged by the superior. Appraisal by subordinate gives a chance to evaluate the employee on the basis of communication and motivating abilities, superior's ability to delegate the work, leadership qualities etc. It is also known as internal customers; the correct opinion given by peers can aid to find employees' who are co-operative, employees who ready to work in a team and understanding towards others.

e) Cost Accounting Method: In this method performance of an employee is evaluated on the basis of monetary returns the employee gives to his or her organization. A relationship is recognized between the cost included in

keeping the employee in an organization and the benefit the organization g ets from him or her. The evaluation is based on the established relationship between the cost and the benefit. The following factors are considered while evaluating an employee's performance:

1. Interpersonal relationship with others.
2. Quality of product produced or service given to the organization.
3. Wastage, damage, accidents caused by the employee.
4. Average value of production or service by an employee.
5. Overhead cost incurred.

6.5 DISCIPLINE AND DISCIPLINARY PROCEDURE

Discipline simply means order in work and conduct of organizational members. Discipline is necessary in an organization to ensure that all employees of the organization follow the rules, regulations and procedures while carrying out their job.

Definition:

According to **Dale Beach**, "Discipline regulates (by reward or punishment) the human behaviour in an organization"

According to **Garry Desseler**, "Discipline is a procedure that corrects or punishes a subordinate because a rule of procedure has been violated"

Management must maintain discipline in a organization in order to achieve higher productivity and growth, improve human and industrial relationships, resolve workplace conflicts, ensure obedience of employees, maintain cooperation among employees, ensure smooth running of the organization and to keep a check on violation of rules and regulations of the organization

Kinds of Discipline:

Discipline is not an attractive term. People fear from the term in the organization. The multiple explanations advanced by different experts in the field have only added to the prevailing confusion.

1. *Negative Discipline:* Basically Discipline is interpreted as a sort of check or restrain on the freedom of person. It is referred to the act of imposing penalties for wrong behavior. If employee fails to follow the rules is punished the fear of punishment puts employee back on rails. Discipline is the force that prompts an individual or a group to observe the rules. Discipline is the force that prompts an individual or a group to observe the rules, regulations and procedure which are deemed to be necessary to the attainment of the objective‖ .

2. *Positive Discipline:* Today the definition of discipline is getting new dimensions today employees comply with rules not out of fear of punishment but out of an inherent desire to cooperate and achieve goals Where the organizational climate is marked by two way communication, clear goals, effective leadership, adequate compensation helps employee need not be disciplined.

3. *Self Discipline & Control:* According to Megginson self discipline means the training that corrects moulds and strengthens .It refers to one's efforts at self control for the purpose of adjusting oneself to certain needs and demands. This form of discipline is raised on two psychological principles first punishment does not always produce desired results and second a self respecting person tends to be better worker than one who is not.

4. *Progressive Discipline:* The concept of progressive discipline states that penalties must be appropriate to the violation .If inappropriate behavior is minor type and is never done before the punishment given should be an oral warning will be sufficient. If violation requires written warning, it must be done according to procedure. After written warning, if the employee still does not follow than serious punitive action could be initiated .In case of major violation employee termination can be the punishment taken

INDISCIPLINE

It refers to the breach of discipline in an organization. It is an act or conduct hich is inappropriate or against the welfare of the organization.

Causes of Indiscipline/Misconduct -

1. Violation of rules and regulations of the organization
2. Indulging in acts which are detrimental to the organization (thefts, fraud, bribery etc.)
3. Immoral or Dishonest conduct.
4. Causing damage or loss to the organization

DISCIPLINARY PROCEDURE

A disciplinary procedure is a process for dealing with perceived employee misconduct. Organizations will typically have a wide range of disciplinary procedures to invoke depending on the severity of the transgression. Disciplinary procedures vary between informal and formal processes.

Disciplinary procedures are a critical tool for management to succeed. Many people associate disciplinary procedures with negative feedback. If implemented properly, these procedures will positively affect the relationship between a manager and their employees. Employees embrace accountability and it actually improves employee job satisfaction. Correcting employee performance issues is a procedure. Effective interpersonal communication, written communication, and your management skills list must be utilized to assist your employees. Poorly implemented procedures may negatively impact workplace performance.

Disciplinary Procedure is a structured approach to maintain discipline in an organization and to deal with disobedience at work. It involves –

1. Presenting verbal and written warnings to employees
2. Investigating grievances
3. Issues charge sheets
4. Handling conflicts
5. Punishing employees for misconduct

STEPS OF DISCIPLINARY PROCEDURE/ PROCESS OF DISCIPLINE

The conduct of Disciplinary Procedure is in the following steps..,

1. Preliminary Investigation
2. Issue of Charge Sheet
3. Consideration of the Explanation
4. Notice of Enquiry
5. Suspension with or without Pay
6. Conduct of Domestic Enquiry
7. Recording of Findings by the Enquiry officer

8. Awarding of Punishment
9. Communication of Punishment

Steeps of Disciplinary Procedure in Detail.

1. Preliminary Investigation: Before starting the process of discipline, it is essential to hold a preliminary inquiry to know if a prima facie case of indiscipline and misconduct exist. After this investigation, if only prima facie of facts found in the case the Enquiry officer could send the charge sheet to the (convicted) employee.

2. Issue of charge sheet: Once the prima facie case of misconduct is established, the management should proceed to issue a charge sheet to the employee. Charge sheet is merely a notice of the charge and provides the employee an opportunity to explain his conduct. Therefore, charge sheet is generally known as a slow cause notice. In the charge sheet, each charge should be clearly specified. There should be a separate charge for each allegation and charge should not relate to any matter, which has already been decided upon. I would suggest each one of you to talk to find out how is a charge sheet prepared. We will discuss that in the next class.

3. Consideration of Explanation. On getting the answer for the charge sheet served, the explanation furnished should be considered and if it is satisfactory, no disciplinary action needs to be taken. On the contrary when the management is not satisfied with the employee's explanation, it can proceed with full-fledged enquiry. (However, if the worker admits the charge, the employer can warn him or award him punishment without further enquiry.)

4. Notice of Enquiry: Notice to the to the accused employee for demanding oral and documented evidence and witnesses if any, to be served such notice with ample of time to be given to that accused to represent the matters to the Domestic Enquiry.

5. Suspension with or without Pay (Suspension pending Enquiry) In case the charge is grave that is serious, a suspension order may be served on the employee along with the charge sheet. According to the Industrial Employment (Standing Order) Act, 1946, the suspended worker is to be paid a SUBSISTENCE ALLOWANCE equal to one-half of his wages for the first ninety days of suspension and three-fourths of wages for the remaining period of suspension if the delay in the completion of disciplinary proceedings is not due to the worker's conduct.
What is grave will depend on the discretion of the management. It has to be decided in accordance with the Code of Discipline adopted by the company before commencement of business of the company/industry.

6. Conduct of Domestic Enquiry: An enquiry officer should be appointed to hold the enquiry and a notice to this effect should be given to the concerned worker. Principle of natural justice must be followed. The worker should not be denied the chance of explaining himself. The enquiry officer should give sufficient notice to the worker so that he may prepare to represent his case and make submission in his defense. The enquiry officer should proceed in a proper manner and examine

witnesses. Fair opportunity should be given to the worker to cross-examine the management witnesses.

The principles of natural justice can be summarized as follows:

Principle of Natural Justice

➢ Tell the person what he has done
➢ Hear Him
➢ Give Him a Chance to defend himself

7. Recording of Findings by the Enquiry officer: On the conclusion of the enquiry, the enquiry officer should record his findings and the reasons thereof. He should refrain from recommending punishment and leave it to the decision of the appropriate authority. After all he is just an enquiry officer.

8. Order of Punishment: Disciplinary action can be taken when the misconduct of the employee is proved. While deciding the nature of disciplinary action, the employee's previous record, precedents, effects of the action on other employees, etc, have to be considered. When the employee feels that the enquiry conducted was not proper and the action taken unjustified, he must be given a chance to make appeal.

9. Awarding Punishment: The punishment of the employee is based on his/her past record in the organization and the gravity of his the organization and the gravity of his misconduct. The final decision is communicated to the accused through a letter containing the communication of Punishment which includes a) Reference to Charge Sheet, b) Reference to enquiry, c) Reference to findings d) final Decisions or Decree of Punishment and e) Effective date of Punishment.

6.6 PERSONNEL RECORDS

Personnel Records are records pertaining to employees of an organization. These records are accumulated, factual and comprehensive information related to concern records and detained. All information with effect to human resources in the organization are kept in a systematic order. Such records are helpful to a manager in various decision -making areas.

Personnel records are maintained for formulating and reviewing personnel policies and procedures. Complete details about all employees are maintained in personnel records, such as, name, date of birth, marital status, academic qualifications, professional qualifications, previous employment details, etc.

Types of Personnel Records

1. Records of employment contain applicants past records, list sources, employees progress, medical reports, etc.
2. Wages and salaries records contains pay roll records, methods of wages and salaries, leave records, turnover records and other benefit records.
3. Training and development contains appraisal reports, transfer cases, training schedule, training methods.
4. Health and safety records include sickness reports, safety provisions, medical history, insurance reports, etc.

5. Service Records are the essential records containing bio-data, residential and family information, academic qualifications, marital status, past address and employment records.

Purposes of Personnel Records

According to the critics of personnel records, this system is called as a wastage of time and money. According to personnel records, followers of this : Dale Yoder, an economist of Michigan University, USA has justified the significance of personnel records after making an in-depth study.

1. It helps to supply crucial information to managers regarding the employees.
2. To keep an update record of leaves, lockouts, transfers, turnover, etc. of the employees.
3. It helps the managers in framing various training and development programmes on the basis of present scenario.
4. It helps the government organizations to gather data in respect to rate of turnover, rate of absenteeism and other personnel matters.
5. It helps the managers to make salary revisions, allowances and other benefits related to salaries.
6. It also helps the researchers to carry in- depth study with respect to industrial relations and goodwill of the firm in the market.

Therefore, personnel records are really vital for an organization and are not a wasteful exercise.

6.7 PERSONNEL RESEARCH

Personnel research can be defined as a systematized investigation into the matters of employees with an objective to solve their problems. In the words of Mathis and Jackson, "Good personnel management comes through analysing problems and applying experiences and knowledge to particular situations".

According to **Dale Yoder**, "personnel research implies searching, investigation, re-examination, reassessment and revaluation".

Jucius has defined personnel research as "the task of searching for, and analysing, facts to the end that personnel problems may be solved or principles or laws governing their solution derived". Thus, personnel research can be defined as systematic investigation and analysis into any aspect of managing personnel in an organisation.

The basic purpose of personnel research is to seek answers to problems through the application of scientific methodology which guarantees that the information is reliable and unbiased. In this regard, some managers believe that "figures do not lie but lies can figure".

So to say, it is true that scientific findings may be valid but there is no proof that they may not be the result of manipulations to meet certain ends through, for example, biased sampling or presentation of certain kinds of selected results only.

Personnel research is necessary to answer questions about such factors as absence records, safety problems, grievances, wage and salary rates, training executives, recruitment methods, selection techniques etc.

There are many ways to research the status of human resource management in an organisation. The general practice is to choose the techniques which promise to yield quality with the least difficulty, effort and cost.

Purposes:

The various purposes of personnel research can be listed as follows:

    1. To build upon existing knowledge about the personnel matters in the organisation.

    2. To evaluate the present conditions in human resource management.

    3. To appraise proposed personnel programmes and activities in the organisation.

    4. To predict future problems.

    5. To evaluate current policies, programmes and practices.

    6. To offer an objective and justified basis for modification and revision of current policies, programmes and practices.

    7. To keep management abreast of its competitors and replace obsolete techniques by new ones.

    8. Discover ways and means how to keep employees at a high level of morale on continuous basis.

TOOL & TECHNIQUES IN PERSONNEL RESEARCH

Techniques and tools of personnel research in human resource management are as follows:

1. Historical Studies: Here past records are examined thoroughly. Exit interviews are conducted to elicit opinions of former employees. In an exit interview, people who are leaving the organisation are asked to state problems that cause them to resign. This information is then used to correct problems so that others do not leave.

   Almost all big organisations maintain records of the various personnel problems absenteeism, turnover, accident rates, wage structure etc. The essential features of this method are "Its systematic investigation, utilizing an extended time span or longitudinal dimension".

2. Case Studies: Certain individual situations are closely analysed to identify issues of importance. Based on the conclusions drawn from such an analysis, steps to be taken in future are indicated.

   Although the precise meaning of the findings of a case study is limited to its unique past situation, a careful analysis and thoughtful generalisation may be derived from it, which endows it with a broader significance and application.

   Individual case studies may lead to the formulation of general hypotheses which would be useful in laying a foundation for additional or more intensive future research.

   The main merit of this method is that it enables the researcher to make a through, in-depth investigation of key incidents or situations, while its demerit is that it is historical in nature and does not necessarily represent general conditions.

3. Survey Research: In a survey research, attention is concentrated on the collection of original data by administering a questionnaire or conducting a structured interview.

Questionnaire gives employees an opportunity to voice their opinions about specific personnel management activities e.g., performance appraisal process.

Attitude surveys could be conducted to find employee's opinion about their working environments (such as jobs, supervisors, co-workers, organisational policies). Organisational climate surveys could also be undertaken to determine how employees feel about the organisation.

The correlation among observed phenomena, possible causes and related efforts are then computed and conclusions are drawn.

This method is time-consuming and costly, and has been criticised on the ground that its application may emphasise the importance of the collection of data and not the importance of analysing these data and formulating a theory on their basis.

4. Statistical Studies: These studies include the collection, analysis and interpretation of statistical data. They focus on qualifications, statistical inference, mean, median, mode, measures of dispersion, trends, correlation etc., to process the collected data. Use of statistical studies in research is increasing due to the development of high-speed electronic data processing equipments.

5. Mathematical Models: These are used to explain simple as well as complex relationships among variables that are put to examination.
   The models help the researcher to develop and test the design and sequences of equations which tentatively describe the behaviour of interacting variables in terms of mathematical notations. After the development of computers, use of mathematical models has increased.

6. Simulation Model: In this case, a statement of the hypothesis is prepared and a model to simulate the interactions of variables is employed. This method is used to study problems relating to training of personnel, inventory control, collective bargaining etc.

7. Field Research or Action Research Method: Under this method, the researcher involves himself directly in the process of observation. Personnel departments, consultants, academic institutions, government agencies are often used to collect information relating to various aspects of personnel management.
   Action or field research has been most effectively used for understanding group behaviour in working organisations. It involves difficult design problems, for the observer himself becomes a variable in the process of observation. This self-involvement on the part of the researcher gives him new insights; and these are gained from an active interaction which would not have been possible under passive observation.

Personnel decisions can be improved through personnel research because better information leads to better solutions.

6.8 HR AUDIT

The word "audit" comes from the Latin verb audire, which means, to listen. Listening implies an attempt to know the state of the affairs as they exist and as they are expected/ promised to exist. Auditing as a formal process is rooted in this feature of listening. Consequently, it is a diagnostic tool to gauge not

only the current status of things but also the gaps between the current status and the desired status in the area that is being audited.

Auditing has been a routine exercise in the area of finance, especially because it is a statutory obligation. However, in case of Human Resource, there is no legal binding to adopt auditing. Some of the companies nevertheless prefer to have HR audits. Like any audit, the Human Resource Audit is also a systematic formal process, which is designed to examine the strategies, policies, procedures, documentation, structure, systems and practices with respect to the organization's human resource management. It systematically and scientifically assesses the strengths, limitations, and developmental needs of the existing human resources from the larger point of view of enhancing organizational performance.

The human resource audit is based on the premise that human resource processes are dynamic and must continually be redirected and revitalized to remain responsive to the ever changing needs. Human Resource Audits are not routine practices aimed at problem solving. Instead of directly solving problems, HR audits, like financial audits, help in providing insights into possible causes for current and future problems.

The findings of these audits aid decision making in the organization and are usually internal documents that need not necessarily be shared with the public. Moreover, unlike Financial Audits that are routine, regulated and standardized, Human Resource Audits are non-routine and may be designed to cater to the unique needs of the organization at a particular point in time. These are in fact, studies of an unusual nature. The manner in which the Audit is conducted could vary from self-directed surveys to interventions by outside consultants.

Scope of HR Audit:

The HR audit usually covers three parameters, namely, the HR policies and practices, the HR professionals and the HR department. With respect to each of these, the Audit tries to find out:

➢ The actual state;
➢ The congruence between the desired/professed state and the actual state;
➢ The alignment with the overall organisational strategy and goals; and
➢ The compliance with the laws and regulations.

Auditing by HR Department:

An audit of HR professionals is essentially an assessment of the extent to which the professionals demonstrate competence for HR function. Such an assessment requires a 360 degree feedback, and, according to Ulrich, usually employs the following five steps:

1. Developing a Model of Competencies: Before embarking on an assessment of competence, it is necessary to first determine what the competencies that make a successful HR professional are. These competencies usually stem from knowledge of business, knowledge of HR, knowledge of change and finally personal credibility. In addition to determining the competencies that account for a successful HR professional, it is also important to determine the behavioural attributes that reflect these competencies. A model that reflects both these aspects may be said to be a comprehensive model for auditing of HR professionals.

2. Collect data using the Model: Several techniques may be employed to collect data about the extent to which an HR professional exhibits the modeled competencies. These include interviews, questionnaires and focused groups.

3. Summarise data and give feedback to the HR professionals: The quantitative and qualitative data, that is collected in the above mentioned ways, needs to be synthesised and codified so that specific themes emerge. These themes are then used as aids to help the HR professionals identify his/her strengths and weaknesses.

One of the key activities of an HR audit is to give feedback. This needs to be done in a way that protects the confidentiality of the participants. The manner of the feedback should take into account the sensitivities of the receiver. The tenor of the feedback should neither be accusatory nor defensive. In addition, the individual data that is collected may be integrated into an audit for the overall HR function.

4. Create action plans: The HR audit goes beyond defining the competencies and inadequacies of the HR function. It also identifies the measures to develop the competencies at both, the individual and the departmental level. At the institutional level, this may involve doing an "HR for HR", At the individual level, the action plan will concentrate on developing a tailored set of trainings, readings, assignments and training opportunities.

5. Continuous Improvement: Auditing of HR professionals is not a onetime Human Resource Audit activity but an ongoing continuous process through which HR professionals are able to constantly build on their HR competencies and strengthen the HR functions in the organization.

Auditing HR Function or Department

Auditing HR function and the HR department may be an integration of individual HR competencies. However, at the same time, there are additional overall indicators of HR functions, such as ratio of total employees to HR professionals, the performance of the department against the plan, the ratio of expenditure on HR to total sales, general costs and other such measures. Temporal and spatial analyses of these can provide an overall assessment of the HR department.

PROCESS IN HUMAN RESOURCE AUDIT

The Auditing process is a function of the objectives and the scope of the Audit, the nature of the organization and the level of involvement of the top management. Though this process may vary from organization to organization, it essentially follows the stages described below.

1) Briefing and orientation: This is a preparatory meeting of key staff members to:
    a) Discuss particular issues considered to be significant
    b) Chart out audit procedures, and
    c) Develop plans and programme of audit

2) Scanning material information: This involves scrutiny of all available records and documents pertaining to the personnel as well as personnel handbooks and manuals, guides, appraisal forms, material on recruitment, computer capabilities, and all such other information considered relevant.

125

Human Resource Audit is the critical analysis of the existing human resource management within the organization. To be able to do that, the audit will have to be served with the data that is quantitative, authentic as well as comprehensive. In other words, the success of this stage of human resource planning solely rests upon the manner in which personnel records and other information are maintained. Hence, the quality of the HRIS becomes critical.

3) Surveying employees: Surveying employees involves interview with key managers, functional executives, top functionaries in the organizations, and even employees representatives, if necessary. The purpose is to identify and enumerate issues of concern, present strengths, anticipated needs and managerial philosophies on human resources.

4) Conducting interviews: The key issue here is to list the pertinent and probing questions. The decision on these questions depends on the scope and purpose of the Audit as well as on the culture of the organization. The skill of the interviewer lies in getting relevant and correct information without threatening the interviewees.

5) Synthesizing: The data thus gathered is synthesized to present the:
  ➢ Current situation
  ➢ Priorities
  ➢ Staff pattern, and
  ➢ Issues identified.

Similarly, future needs are identified and appropriate criteria developed for spotlighting the human resource priorities and specific recommendations made.

6) Reporting: Like planning meetings for briefing and orientation, the results of the audit are discussed within several rounds with the managers and staff specialists. In the process, the issues get further crystallized. Based on the findings and the discussion during the meetings, then a final report is prepared and presented formally to the Management. This report should include, the State of the organization‖ report, the assessment of effectiveness and efficiency of various areas covered by the Audit, a legal compliance/ areas of concern report, and critical recommendations for improvement

6.9 SUM UP

There are efforts being made to quantify the worth of human capital, intellectual capital and relationship capital. There are different methods being employed to derive this value. Job Analysis had given clear picture to the HR department to assess the individuals and job which leads to use the performance appraisal. And in any case the management has to convenience the people to for that process. If any failure on this it leads to individual conflict which ends with Industrial conflict for avoiding all those the management has to maintain the discipline inside and outside the organization then only it's feasible to handle any number of human resources. And maintaining their records are another responsibility of the HR department, in any case the disparity has to be resolved by the HR department. So they need the bac-up documents and reports to verify the incidences and cases. For Expanding the business or organization they requires to do the research in a periodic manner to find the practical reality to explore. HR Audit and its benefits is hugely dependant on availability of complete, accurate, timely

reported incident to thoroughly verify their previous accounts and activities happened in the concern.

6.10 UNIT- END EXERCISES

1. Identify the importance of HR Audit.

2. Being an HR Professional how do you verify the applicant details?

3. What are ways to appraise the workers for their elevation in the existing positions?

4. What are different types of training to enhance the skills of the individuals in the company?

5. Narrate the contents of Job Analysis with field examples.

6.11 ANSWER TO CHECK YOUR PROGRESS

1. Performance appraisal gives an idea about how an employee is working in his present Job.

2. Training helps the employee to get job security and job satisfaction

3. An employee will become more efficient and productive if he is trained well.

4. Human Resource Audits are not routine practices aimed at problem solving, instead of directly solving problems.

6.12 SUGGESTED READINGS

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UNIT - VII WAGE AND SALARY ADMINISTRATION

Structure

7.1 Introduction
7.2 Meaning
7.3 Definitions
7.4 Wage and Salary Administration
    7.4.1 Purpose of Wage and Salary Administration
    7.4.2 Principles of Wage and Salary Administration
    7.4.3 Classification of Wage
    7.4.4 Objectives of Wage and Salary Administration
    7.4.5 Factors affecting Wage and Salary Administration
    7.4.6 Kinds of wage and salary administration
    7.4.7 Wage and Salary Determination Process
7.5 Job Evaluation
    7.5.1 Definitions
    7.5.2 Objectives
    7.5.3 Methods
    7.5.4 Advantage
    7.5.5 Limitations
7.6 Sum up
7.7 Unit- End Exercises
7.8 Answers to check your progress
7.9 Suggested Readings

7.1 INTRODUCTION

Compensation is what employees receive in exchange for their contribution to the organization. Generally employee offers their services for receiving three types of rewards: Pay refers to base wages and salaries employee normally receive. Another form of compensation like bonus, commissions, & profit sharing plans are incentives designed to encourage employee to perform beyond expectations. Benefits such as insurance, medical, recreational, retirement ,etc represents a more indirect type of compensation. Thus there term compensation is comprehensive which include pay, incentive so offered by employer while hiring employees. Besides that management have to observe legal formalities that offer physical as well as financial security to employees.

7.2 MEANING OF WAGE

A wage is monetary compensation (or remuneration, personnel expenses, labor) paid by an employer to an employee in exchange for work done. Payment may be calculated as a fixed amount for each task completed (a task wage or piece rate), or at an hourly or daily rate (wage labour), or based on an easily measured quantity of work done.

Wages are part of the expenses that are involved in running a business.

Payment by wage contrasts with salaried work, in which the employer pays an arranged amount at common intervals (week or month) regardless of hours worked, with commission which conditions pay on individual performance, and with compensation based on the performance of the company as a whole. Waged employees may also receive tips or gratuity paid directly by clients and employee benefits which are non-monetary forms of compensation. Since wage labour is the predominant form of work, the term "wage" sometimes refers to all forms (or all monetary forms) of employee compensation.

7.3 DEFINITION

Wages are among the most important conditions of work and a major subject of collective bargaining. The ILO is committed to promoting policies on wages and incomes that ensure a just share of the fruits of progress to all and a minimum living wage for all employed in need of such protection.

According to International Labour Organization, Wage as " the remuneration paid by the employer for the services, hourly, daily, weekly and fortnightly to the employees". It also refers to the remuneration to production and maintenance or blue collar workers.

According to D.S. Beach "Wage and Salary Administration refers to the establishment and implementation of sound policies and practices of employee compensation. It includes such areas as job evaluation, surveys of wage and salaries, analysis of relevant organisational problems, development and maintenance of wage structure, establishing rules for administrating wages, wage payment incentives, profit sharing, wage changes and adjustments, supplementary payments, control of compensation costs and other related items."

Thus, wage and salary administration aims to establish and maintain an equitable wage and salary structure and an equitable labour cost structure.

7.4 WAGE AND SALARY ADMINISTRATION

7.4.1 Purpose of Wage and Salary Administration

The main purpose of wage and salary administration is to disburse the pertinent amount to workers for their assigned task or rendered services.

According to D.S. Beach, wage and salary administration has four main purposes:

1. To recruit persons for a firm
2. To control payroll costs
3. To satisfy people, to reduce the incidence of quitting, grievances and fractions over pay
4. To motivate people to perform better.

7.4.2 Principles of Wage and Salary Administration

1. Wage policy should be developed keeping in view the interests of all concerned parties viz. employer, employees, the consumers and the society.
2. Wage and salary plans should be sufficiently flexible or responsive to changes in internal and external conditions of the organisation.

3. Efforts should be made to ensure that differences in pay for jobs are based on variations in job requirements such as skill, responsibility, efforts and mental and physical requirements.
4. Wage and salary administration plans must always be consistent with overall organisational plans and programmes.
5. Wage and salary administration plans must be in conformity with the social and economic objectives of the country like attainment of equality in income distribution and controlling inflation etc.
6. These plans and programmes should be responsive to the changing local and national conditions.
7. Wage and salary plans should expedite and simplify administrative process.
8. Workers should be associated, as far as possible, in formulation and implementation of wage policy.
9. An adequate database and a proper organisational set up should be developed for compensation determination and administration.
10. The general level of wages and salaries should be reasonably in line with that prevailing in the labour market.
11. There should be a clearly established procedure for hearing and adjusting wage complaints. This may be integrated with the regular grievance procedure, if it exists.
12. The workers should receive a guaranteed minimum wage to protect them against conditions beyond their control.
13. Prompt and correct payments to the employees should be ensured and arrears of payment should not accumulate.
14. The wage and salary payments must fulfill a wide variety of human needs including the need for self actualization.
15. Wage policy and programme should be reviewed and revised periodically in conformity with changing needs. For revision of wages, a wage committee should always be preferred to the individual judgment, in order to prevent bias of a manager.

7.4.3 Classification of Wage

Wage and Salary may be classified in to two types –
    I)   Base Wages
    II) Supplementary Wages

Base Wages refers to monetary payments to employees in terms of their completed manual job or work or task or any assigned duty. The term salaries refer to compensation to office, managerial, technical and professional staff. The distinction however is rarely observed in actual practice. Base wages is a fixed and non incentive payment on the basis of time spent by an employee on the job.

Supplementary Wage suggests incentive payments based on actual performance of the employee or group of employees. The term Compensation administration or wage and salary administration denotes the process of managing a company's compensation programme. The goals of compensation administration are to design a cost effective pay structure that will attract, motivate and retain competent employees.

7.4.4 Objectives of Wage & Salary Administration

A sound plan of Wage & Salary administration seeks to achieve the following objectives:

1. To establish a fair and equitable remunerating offering similar pay for similar work.
2. To attract qualified and competent personnel for the work.
3. To retain the present employees by keeping wages level in tune with competing units.
4. To control labour and administration cost
5. To motivate employee raise their morale of employees
6. To project a good image of the company and to comply with legal needs relating to wages and salaries

7.4.5 Factors affecting Wage & salary Administration

1. Job Needs: Jobs vary greatly in their difficulty, complexity and challenge. Some need high level of skill and knowledge while other can be handled by almost anyone. Simple task can be done less skilled worker and can be payed less while those with more complex job are paid more.
2. Ability to pay: Project determines the paying capacity of a firm. High profit levels enable companies to pay higher wages. This can explain that computer software industries pay better salaries than commodity based industries.
3. Cost of living: Inflation reduces the purchasing power of employees. To overcome this unions and workers prefer to link wages to the cost of living index. When the index rises due to rising prices, wages follow suit.
4. Prevailing wage rates: Prevailing wage rates in competing firms within an industry are taken into account while fixing wages. A company that does not pay comparable wages may find it difficult to retain the talents.
5. Unions: Highly unionized sectors generally have higher wage because well organized unions can exert pressure on the management and can get benefits and concession for the employees.
6. Productivity: This is the current trend in most of private sector companies when workers'wage rates are linked to their productivity levels. If your job performance is good you get good wages.
7. State Regulation: The legal stipulations in respect of minimum wages, bonus, dearness allowances, allowances etc determine the wage structure in an industry.
8. Demand & Supply of Labour: The demand for and the supply of certain skills determine prevailing wage rates. High demand for software professional, engineers ensures high wages. Most employers now days are interested to pay fair wages to all employees which are neither very high nor very low.

7.4.6   Kinds of Wages

a) Minimum Wage: It is that wage which must invariably be paid whether the company big or small, makes profit or not. It is the bare minimum that a worker can expect to get for services rendered by him.

b) Fair Wage: It is that wage which is above the minimum wage but below the living wage. According to the committee on fair Wage, 1948 fair wage should be determined by taking the following into accounts:

  ➢ The productivity of labour
  ➢ The prevailing rates of wages in the same or similar occupations in the same region or neighbouring regions
  ➢ The level of national income and its distribution
  ➢ The place of industry in the economy of the country
  ➢ The employer's capacity to pay

c) Living Wage: According to the committee of fair wages, the living wage is the highest amount among the three. It must provide:

  ➢ Basic amenities of life
  ➢ Efficiency of worker
  ➢ Satisfy social needs of worker eg medical, education, retirement, etc
  ➢ Living wage rises in line with the growth of the national economy.

7.4.7   Wage and Salary Determination Process:

Usually, the steps involved in determining wage and salary rates are as follows:

i) Job Analysis: A job analysis describes the duties, responsibilities, working conditions and interrelationships between the job as it is and the other jobs with which it is associated. Job descriptions are crucial in designing pay systems, for they help to identify important job characteristics.

They also help determine, define and weigh compensable factors (factors for which an organisation is willing to pay-skill, experience, effort and working environment). After determining the job specifications, the actual process of grading, rating or evaluating the job occurs.

A job is rated in order to determine its value in relation to all other jobs in the organisation which are subject to evaluation. The next step is that of providing the job with a price. This involves converting the relative job values into specific monetary values or translating the job classes into rate ranges.

ii) Conduct the Salary Survey: ompensation or salary surveys play a central role in pricing jobs. Virtually every employer, therefore, conducts at least an informal survey.

Employers use salary surveys in three ways:

  a) Survey data are used to price bench mark jobs that anchor the employer's pay scale and around which the other jobs are slotted, based on their relative worth to the firm.

  b) Some Jobs (generally 20% or more) of an employer's position are usually priced directly in the market place (rather than relative to the firm's benchmark jobs), based on a formal or informal survey of what competitive firms are paying for comparable jobs.

c) Surveys also collect data on benefits like insurance, sick leave and vacations to provide a basis for decisions regarding employee benefits.

Salary surveys can be formal or informal. Informal telephone surveys are good for quickly checking on a relatively small number of easily identified and quickly recognised jobs. Such as when a company's HR manager wants to confirm the salary at which to advertise a newly open cashier's job.

In formal surveys, most firms either use the results of packaged surveys available from the research bodies, employers' associations, government labour bureaus etc. or they participate in wage surveys and receive copies of results or else they conduct their own. These surveys may be carried out by mailed questionnaire, telephone, or personal interviews with other managers and personnel agencies.

Wage and salary surveys provide many kinds of useful information about differences in wage levels for particular kinds of occupations. This can have a great influence on an organisation's compensation policy.

iii) Group Similar Jobs into Pay Grades:
After the results of job analysis and salary surveys have been received, the committee can turn to the task of assigning pay rates to each job, but it will usually want to first group jobs into pay grades.
A pay grade is comprised of jobs of approximately equal difficulty or importance as determined by job evaluation. Pay grading is essential for pay purposes because instead of having to deal with hundreds of pay rates, the committee might only have to focus on say 10 or 12.
iv) Price Each Pay Grade:
The next step is to assign pay rates to pay grades. Assigning pay rates to each pay grade is usually accomplished with a wage curve. The wage curve depicts graphically the pay rates currently being paid for jobs in each pay grade, relative to the points or rankings assigned to each job or grade by the job evaluation.
The purpose of wage curve is to show the relationship between:
a) the value of the job as determined by one of the job evaluation methods and
b) the current average pay rates for the grades.

If there is reason to believe that die present pay rates are substantially out of step with the prevailing market pay rates for those jobs, bench mark jobs within each grade are chosen and priced via a salary survey. The new market based pay rates are then plotted on the wage curve.

The steps involved in pricing jobs with a wage curve are:

a) Find the average pay for each pay grade, since each of the pay grades consists of several jobs.
b) Plot the pay rates for each pay grade. Then fit a line, called a wage line through the points just plotted. This can be done either free hand or by using a statistical method and

c) Price the jobs. Wages along the wage line are the target wages or salary rates for the jobs in each pay grade.

v) Fine-Tune Pay Rates: Fine tuning involves correcting out of line rates and developing rate ranges:

a) Developing Rate Ranges: Most employers do-not pay just one rate for all jobs in a particular pay grade. Instead, they develop rate ranges for each grade so that there might be different levels and corresponding pay rates within each pay grade. The rate range is usually built around the wage line or curve.

One alternative is to arbitrarily decide on a maximum and minimum rate for each grade. As an alternative, some employers allow the rate range for each grade to become wider for the higher pay ranges reflecting the greater demands and performance variability inherent in these more complex jobs.

There are several benefits of using rate ranges for each pay grade.

Firstly, the employer can take a more flexible stance with respect to the labour market. It becomes easier to attract experienced, higher paid employees into a pay grade where the starting salary for the lowest step may be too low to attract such experienced personnel. Secondly, Rate ranges can also allow the employer to provide for performance differences among employees within the same grade or between those with different seniority.

b) Correcting out of Line Rates: The average current pay for a job may be too high or too low, relative to other jobs in the firm. If a rate falls well below the line, a pay rise for that job may be required. If the rate falls well above the wage line, pay cuts or a pay freeze may be required. Underpaid employees should have their wages raised to the minimum of the rate range for their pay grade, assuming the organisation wants to retain those employees and has the funds to do so. This can be done immediately or in one or two steps.

There are several ways to cope with the over paid employees:

a) To freeze the rate paid to employees in this grade unless general salary increases bring the other jobs into line with it.

b) To transfer or promote some or all of the employees involved to jobs for which they can legitimately be paid their current pay rates.

c) To freeze the rate for some time, during which time the overpaid employees should be transferred or promoted. If it cannot be done, then the rate at which these employees are paid is cut to the maximum in the pay range for their pay grade.

d) Wage Administration Rules:

The development of rules of wage administration has to be done in the next step.

It is considered advisable in the interest of die concern and the employees that the information about average salaries and ranges in the salaries of group should be made known to the employees concerned; for secrecy in this matter may create dissatisfaction and it may also vitiate the potential motivating effects of disclosure. Finally, the employee is appraised and the wage is fixed for the grade he is found fit.

7.5 JOB EVALUATION

Job evaluation is the process to assess the relative value of a job in an organization by comparing it with other jobs within the organization and with job market outside. It attempts to make a methodical comparison between jobs to assess their relative worth for the purpose of establishing a rational pay structure.

Job evaluation is different from job analysis. Job analysis is a systematic way to accumulate information about a job. Every job evaluation method requires some basic job analysis in order to provide accurate information about the jobs concerned. Therefore, job evaluation begins with job analysis and ends at that point where the value of a job is determined for achieving pay equity between jobs.

Basically, Job evaluation is the application of a process to identify, analyze and measure each job against established criteria and weigh the relative value of jobs in a uniform and consistent manner. It is not used to obtain a salary increase for the incumbent.

In simple words, job evaluation is the rating of jobs in an organisation. This is the process of establishing the value or worth of jobs in a job hierarchy. It attempts to compare the relative intrinsic value or worth of jobs within an organisation. Thus, job evaluation is a comparative process.

7.5.1 DEFINITIONS

According to the International Labour Office (ILO) "Job evaluation is an attempt to determine and compare the demands which the normal performance of a particular job makes on normal workers, without taking into account the individual abilities or performance of the workers concerned".

According to Scott, Clothier and Spriegel, "Job evaluation or job rating is the operation of evaluating a particular job in relation to other jobs either within or outside the organisation."

The British Institute of Management defines job evaluation as "the process of analysis and assessment of jobs to ascertain reliably their negative worth using the assessment as the basis for a balanced wage structure". In the words of Kimball and Kimball "Job evaluation is an effort to determine the relative value of every job in a plant to determine what the fair basic wage for such a job should be".

Wendell French defines job evaluation as "a process of determining the relative worth of the various jobs within the organization, so that differential wages may be paid to jobs of different worth. The relative worth of a job means relative value produced. The variables which are assumed to be related to value produced are such factors as responsibility, skill, effort and working conditions".

Job evaluation provides basis for developing job hierarchy and fixing a pay structure. It must be remembered that job evaluation is about relationships and not absolutes. That is why job evaluation cannot be the sole determining factor for deciding pay structures.

External factors like labour market conditions, collective bargaining and individual differences do also affect the levels of wages it, organizations. Nonetheless, job evaluation can certainly provide an objective standard from which modifications can be made in fixing wage structure.

The starting point to job evaluation is job analysis. No job can be evaluated unless and until it is analyzed.

7.5.2 OBJECTIVES

1 Provide a standard procedure for determining the relative worth of each job in a plant.
2 Determine equitable wage differentials between different jobs in the organisation.
3 Eliminate wage inequalities.
4 Ensure that like wages are paid to all qualified employees for like work.
5 Form a basis for fixing incentives and different bonus plans.
6 Serve as a useful reference for setting individual grievances regarding wage rates.
7 Provide information for work organisation, employees' selection, placement, training and numerous other similar problems.
8 Provide a benchmark for making career planning for the employees in the organisation.

7.5.3 Methods of job evaluation:

The methods of job evaluation can be classified by its application. These are..,

a) **Ranking / Grading Method:** Under ranking method, jobs are organized in descending order of importance with the help of job description and job specification. The ranking of job is done by a committee of experts called raters. The ranking is done at departmental level, for every department the job is ranked in order of importance. The main benefits of this method are that it is simple, easily understood by all concerned and easy to operate, inexpensive and can be used conveniently in small establishments. The limitations include the degree of differences in the jobs. Sometimes it is based on the rater's general knowledge of the jobs. It is inappropriate for big company with a complex organisational structure.

b) **Factor Comparison / Weight-in-Money Method:** In this type of procedure, the jobs are ranked in the following way: Common key elements of different jobs are selected. These selected key elements are weighted and ranked. A monetary value is assigned to each element of all jobs. Then these monetary values of individual jobs are weighted. Then total value of each job is available. The major benefits if this methods are that it is more accurate and systematic as compared to simple ranking method. Different jobs also can be rated on the basis of common factors. The drawbacks of this method comprise that it is complicated, not easily explainable and expensive. Application of weightage and monetary values may involve bias of rankers. It is difficult to install hence not used extensively.

c) **Point Rating Method:** In this method, each job is appraised separately, considering each of the job factors such as skill, effort, responsibility and working conditions and combining them into a

single point score for each job. Main advantages are that it is analytical in its approach, it gives a quantitative value for each job. Basis and guidelines of valuation are standardized and codified in a user manual. Disadvantages include, manual used for rating the jobs needs periodical revision and update. It is difficult for application and unintelligible for workers.

d) **Competitive Market Analysis Method:** This approach looks at external data, says Neelman. Job evaluation forms the basis for market pricing. You utilize job descriptions to compare jobs to like positions within the external marketplace. Pay data are collected from published sources and the value of the position within the competitive market is determined.

1) Considers the organization's compensation philosophy. (Where do we want to position ourselves vis-à-vis the market?)
2) Examines internal value against market data.
3) Requires an overlay to see how it fits with the internal hierarchy.

Computer Assisted Job Evaluation

Computers can be used to assist directly with the job evaluation process. There are many types of schemes but we will sea as per the practicability, there are two types of computer-assisted systems.

First, there are job analysis-based schemes such as that offered by Link Consultants in which the job analysis data is either entered direct into the computer or transferred to it from a paper questionnaire. The computer software applies predetermined rules based on an algorithm that reflects the organization's evaluation standards to convert the data into scores for each factor and produce a total score. The algorithm replicates panel judgments both on job factor levels and overall job score.

Secondly, there are interactive schemes using software such as that supplied by Pilat UK (Gauge) in which the job holder and his or her manager sit in front of a PC and are presented with a series of logically interrelated questions forming a question tree. The answers to these questions lead to a score for each of the built-in factors in turn and a total score.

There are numerous benefits of computer-assisted job evaluation. Computer-assisted job evaluation systems can provide for greater consistency. The same input information will always give the same output result because the judgemental framework on which the scheme is based (the algorithm), can be applied consistently to the input data. It offers extensive database capabilities for sorting, analysing and reporting on the input information and system outputs. This method speeds up the job evaluation process once the initial design is complete.

7.5.4 **Objectives of job evaluation**

According to an ILO publication job evaluation offers the following advantages:

1) Job evaluation being a logical process and objective technique helps in developing an equitable and consistent wage and salary structure based on the relative worth of jobs in an organisation.

2) By eliminating wage differentials within the organisation, job evaluation helps in minimizing conflict between labour unions and management and, in turn, helps in promoting harmonious relations between them.

3) Job evaluation simplifies wage administration by establishing uniformity in wage rates.

4) It provides a logical basis for wage negotiations and collective bargaining.

5) In the case of new jobs, job evaluation facilitates spotting them into the existing wage and salary structure.

6) In the modem times of mechanization, performance depends much on the machines than on the worker himself/herself. In such cases, job evaluation provides the realistic basis for determination of wages.

7) The information generated by job evaluation may also be used for improvement of selection, transfer and promotion procedures on the basis of comparative job requirements.

8) Job evaluation rates the job, not the workers. Organisations have large number of jobs with specialisations. It is job evaluation here again which helps in rating all these jobs and determining the wages and salary and also removing ambiguity in them.

7.5.5 ADVANTAGES OF USES OF JOB EVALUATION

1) Job evaluation is a logical and objective technique of ranking jobs and thereby removing wage inequities. It is helpful in developing an equitable, rational and constant wage and salary structure.

2) It helps to improve industrial relations by reducing employee doubts and grievances arising out of wages. It increases employee satisfaction on wage differentials.

3) It helps in fitting new jobs at their appropriate places in the existing wage structure.

4) It provides a clear and objective basis for wage negotiations and collective bargaining.

5) It simplifies wage administrations by making wage rate more uniform.

6) It facilitates job redesign by re-allocating the easy and difficult tasks equally among different jobs.

7) It reveals job which require less or more skilled workers than those already performing these jobs. In this way job evaluation facilitates better utilization of the workforce.

8) Due to increasing mechanization and automation, performance depends in many cases more on the machine than on the worker. In such cases, it is unrealistic to pay workers on the basis of their output. Job evaluation is a realistic basis of wage fixation in these cases.

Job evaluation invariable involves detailed analysis of a job. Data generated in job evaluation is very useful in selection, placement and training of employees.

7.5.6 LIMITATIONS OF JOB EVALUATION

In spite of many advantages, job evaluation suffers from the following drawbacks/limitations:

1) Job evaluation is susceptible because of human error and subjective judgment. While there is no standard list of factors to be considered for

job evaluation, there are some factors that cannot be measured accurately.

2) There is a variation between wages fixed through job evaluation and market forces. Say Kerr and Fisher, the jobs which tend to rate high as compared with the market are those of junior, nurse and typist, while craft rates are relatively low. Weaker groups are better served by an evaluation plan than by the market, the former places the emphasis not on force but on equity".

3) When job evaluation is applied for the first time in an organisation, it creates doubts in the minds of workers whose jobs are evaluated and trade unions that it may do away with collective bargaining for fixing wage rates.

4) Job evaluation methods being lacking in scientific basis are often looked upon as suspicious about the efficacy of methods of job evaluation.

5) Job evaluation is a time-consuming process requiring specialised technical personnel to undertake it and, thus, is likely to be costly also.

6) Job evaluation is not found suitable for establishing the relative worth of the managerial jobs which are skill-oriented. But, these skills cannot be measured in quantitative terms.

7) Given the changes in job contents and work conditions, frequent evaluation of jobs is essential. This is not always so easy and simple.

8) Job evaluation leads to frequent and substantial changes in wage and salary structures. This, in turn, creates financial burden on organisation.

7.6 SUM UP

A good compensation plan makes employee happier in their work, raises their output and quality and make them loyal to the organization. The whole topic of compensation can be dealt with three parts (a) Primary compensation (b) Incentive compensation and (c) Non monetary compensation. We came across in this unit all above three in wage and salary administration. And in Job evaluation we understand that the common objective of job evaluation is to establish the relative worth of jobs in a job hierarchy, there is no common procedure of job evaluation followed by all organisations. As such, the procedure of job evaluation varies from organisation to organisation.

7.7 UNIT- END EXERCISES

1. Define Job Evaluation? Explain the methods of Job Evaluation
2. Explain the concept of wage.
3. What are the different kinds of wages?
4. Define the word wages as per ILO and state the importance wage in the labour Legislations in India.
5. State the Limitations of Job evaluation and mention how to overcome such limitations?

7.8 Answers to check your progress

1. Wages to include any privilege or benefit which is capable of being estimated in money, other than a travelling allowance or the value of

any travelling concession or a contribution paid by the employer of a workman.- Justify

2. The private sector companies are linked the workers' wage rates to their productivity levels.

3. The company the remuneration to the terms of the contract of employment, express or implied, were fulfilled, it could be payable to a person.

4. Waged employees may also receive tips or gratuity paid directly by clients and employee benefits which are non-monetary forms of compensation

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UNIT - VIII THEORIES OF WAGES

Structure

8.3 INTRODUCTION

Compensation is what employees receive in exchange for their contribution to the organization. Generally employee offers their services for receiving three types of rewards: Pay refers to base wages and salaries employee normally receive. Another form of compensation like bonus, commissions, & profit sharing plans are incentives designed to encourage employee to perform beyond expectations. Benefits such as insurance, medical, recreational, retirement ,etc represents a more indirect type of compensation. Thus there term compensation is comprehensive which include pay, incentive so offered by employer while hiring employees. Besides that management have to observe legal formalities that offer physical as well as financial security to employees.

8.4 THEORIES OF WAGES

How wages are determined has been a subject of several theories of wages. Some of the theories of wages are discussed as follows:

I)   Ricardo's Subsistence Theory (1772-1823): David Ricardo, the father of subsistence theory of wages was of the opinion that "The labourers are paid to enable them to subsist and perpetuate the race without increase or diminution". This theory, also known as the Iron Law of wages, was based on the assumption that workers should be paid just enough for their subsistence.

If they were paid more than the subsistence wage, their numbers would increase as they would procreate more, and this would bring down the rate of wages. If they are paid below the subsistence wage rate, their number decreases as many would die of hunger, malnutrition, deceases etc. and many would not marry. When the number decreases, the wage rate would go up to the subsistence level.

II) Adam Smith's Wage Fund Theory (1723-1790): Adam Smith assumed that wealthy persons have funds of surplus wealth, as a result of their savings wages are paid out of these funds. This fund could be utilised for employing labourers for work. If the fund was large, wages would be high if it was small wages would be low, just enough for the subsistence. Thus,

the size of the fund determined the demand for labour and the wages that could be paid.

III) Marx's Surplus Value Theory of Money (1818-1883): According to Karl Marx, Labour was to be treated as an article of commerce, which could be purchased on payment of subsistence price. The price of any product was determined by the labour time needed for producing it. The labourers were not paid in proportion to the time spent on job, but much less. The surplus, thus created, was utilised for paying other expenses.

IV) Walker's Residual Claimant Theory (1840-1897): According to Francis A. Walker, labour is the residual claimant. After the payment has been made to all the others factors of production viz. land, capital and entrepreneur, whatever the surplus remained, represented wages.

V) Wick Steed and Clark's Marginal Productivity Theory: According to this theory wages depend upon the demand for and supply of labour. Wages are based upon the entrepreneur's estimate of the value that will probably be produced by the last or marginal worker. Workers are paid only what they are economically worth.

As long as additional worker contributes more to the total value than the cost in wages, it pays the employer to continue hiring. The result is that the employer has a larger share in profits as he doesn't have to pay to non-marginal workers.

VI) Davidson's Bargaining Theory of Wages: According to John Davidson, wages are determined by the relative bargaining power of workers or trade unions and of employers. When a trade union is involved, monetary benefits, incentives, job differentials etc. tend to be determined by the relative strength of the organisation and the trade union.

VII) Compensation Theory: All the researchers agree on the point that pay affects employee satisfaction and this can have behavioural implications. When employees are dissatisfied with their jobs their desire for money increases and attractiveness of the job decreases.

As a result of the desire for more money, they are more apt to pursue behaviours which are likely to raise their pay, such as improving their work performance, joining unions, striking and looking for a better job. The low level of job attractiveness gives rise to undesirable consequences such as turnover, absenteeism, and job dissatisfaction.

VIII) Expectancy Theory: Vroom's expectancy theory focusses on the link between rewards and behaviour motivation, according to the theory is the result of valence, instrumentality and expectancy. Remunerating systems differ according to this impact on these motivational components. Generally speaking, pay systems differ most in their impact on instrumentality.

The perceived link between behaviour & pay valence of pay outcomes remains the same under different pay systems. Expectancy perceptions often have more to do with job design and training than pay systems.

IX) Equity Theory: Equity theory seeks to relate employees' behaviour to their perception of equity or inequity in their compensation. Elliott Jacques has been the leading advocate of the equity approach. His analysis leans heavily on his view that effective reward systems must relate pay to the level of work as defined by the time span of discretion.

This time span is the maximum period for which a job holder can be allowed to exercise discretion or self-control without a supervisor's review. It is important because a widely accepted social norm regards differences in time span as one appropriate basis for differentials in pay.

X) Agency Theory: The agency theory focusses on the divergent interests and goals of the organisation's stakeholders and the way employee remuneration can be used to align these interests and goals. Employers and employees are the two stakeholders of a business unit, the former assuming the role of principals and the latter the role of agents.

The remuneration payable to the employees is the agency cost. It is natural that the employees expect high agency costs while the employers seek to minimise it. The agency theory says that the principal must choose a contracting scheme that helps align the interest of agents with the principal's own interests.

These contracts can be classified as either behaviour oriented e.g., merit pay or outcome oriented e.g., profit sharing, commission etc. At the first sight, outcome oriented contracts seem to be the obvious solution. As profits go up, rewards also increase. Remuneration falls when profits go down.

8.5 CONCEPT OF WAGE

The term "wages" have been defined differently under various labour enactments. Some Acts instead of defining the tenn "wages defined the term "basic wages" "remuneration".

The Payment of Wages Act 1936 Section 2(vi) defined "wages" to mean "All remuneration (whether by way salary, allowances or otherwise) expressed in terms of money or capable of being so expressed which would, if the terms of the employment, express or implied, were fulfilled, be payable to a person employed in respect of his employment or of work done in such employment, and includes :

a) any remuneration payable under any award or settlement between the parties or order of a Court:

b) any remuneration to which the person employed is entitled is respect of overtime work or holidays or any leave period;

c) any additional remuneration payable under the terms of employment (whether called a bonus or by any other name):

d) any suns which by reason of termination of employment of the person employed of such sum whether with or without deductions but does not provide for the rime within which the payment is to be made:

e) any sum to which the person employed is entitled under any scheme framed under any law for the time being in force:

It. however, does not include

1) any bonus (whether under a scheme of profit-sharing or otherwise) which does not form part of the remuneration payable under the terms of employment or which is not payable under any award or settlement between the parties or order of a Court:

2) the value of any house-accommodation, or the supply of light, water, medical attendance or other amenity or of any service excluded from

the computation of wages by a general or special order of The State Government:

3) any contribution paid by the employer to any pension or provident fund, and the interest which may have accrued thereon,

4) any travelling allowance or the value of any travelling concessions;

5) any sum paid to the employed person to defray special expenses entailed on lum by the nature of his employment: or

6) any gratuity payable on the termination of employment in cases other than those specified in the Gross. Compensation by which it fulfills the three conditions must be satisfied:

  ➢ It must be remuneration.
  ➢ It must be payable if the terms of employment (express *oi* implied) were fulfilled.
  ➢ It must be payable in respect of employment or work done m such employment

The Minimum Wages Act, 1948 Section 2(h) defines "wages" to mean: all remuneration capable of being expressed in terms of money, which would, if the terms of the contract of employment, express or implied,, were fulfilled, be payable to a person, employed in respect of his employment or of work done in such employment, and includes house rent allowance, but does not include -

1) The value of (a) any house accommodation, supply of light, water, medical attendance; or (b) any other amenity or any service excluded by general or special order of the appropriate Government,

2) any contribution paid by the employer to any Pension Fund or Provident. Fund or under any scheme of social insurance;

3) any travelling allowance or the value of any travelling concession;

4) any sum paid to the person employed to defray special expenses entailed on him by the nature of his employment; or

5) any gratuity payable on discharge.

A perusal of the aforesaid definition reveals that three conditions must be satisfied before the payment can be said to be included therein: (1) it must be remuneration, (ii) such remuneration must be capable of being defined in terms of money (iii) it should be payable after fulfilling the terms of contract of employment.

Payment of Bonus Act, 1965 Section 2(21) defines "Salary or Wage" to mean: all remuneration (other than remuneration in respect overtime work) capable of being expressed in terms of money, which would, if the terms of employment, express or implied, were fulfilled, be payable to an employee m respect of his employment of work done in such employment and includes dearness allowance (that is to say. all cash payments, by whatever name called, paid to an employee on account of rise in the cost of Irving), but does not include

1) any other allowance which the employee is for the time being entitled to;

2) the value of any house accommodation or of supply of light., water, medical attendance or other amenity or of any service or of any concessional supply of food grains or other articles;

3) any travelling concession;

4) any bonus (including incentive, production and attendance bonus);

5) any contribution paid or payable by the employer to any pension fund or provident fund or for the benefit of the employee under any law for the time being in force;

6) any retrenchment compensation or any gratuity or other retirement benefit payable to the employee or any ex-gratia payment made to the worker;

7) any commission payable to the employee

Payment of Gratuity Act, 1972 Section 2(s) defines "Wages" mean: "all emoluments which are earned by an employee while on duty or on leave in accordance with the terms and conditions of his employment and which are paid or are payable to him in cash and includes dearness allowance but does not include any bonus, commission, house rent allowance, overtime wages and any other allowance"

Employees' State Insurance Act, 1948 Section 2(22) defines "Wages" to means all remuneration paid or payable in cash to a woman, if the terms of the contract of employment express or implied, were fulfilled and includes

1) such cash allowances (including clearness allowance and house rent allowance) as a woman is for the time being entitled to;

2) incentive bonus: and

3) he money value of the concessional supply of food grains and other articles; but does not include
   a. any bonus other than incentive bonus;
   b. overtime earnings and any deduction 01 payment made on account of fines;
   c. any contribution paid or payable by the employer to any pension fund or provident fund
   d. for the benefit of the woman under any law for the time being, in force; and
   e. any gratuity payable on the termination of. Service.

The Employees' Provident Fund and Miscellaneous Provisions Art. 1952 Section 2(b) defines "Basic Wages" to mean : all emoluments which are earned by an employee while on duty or on leave with wages in accordance with the terms of the contract of employment and which are paid or payable in cash to him. It, however, does not include –

a) The cash value of any food concession

b) any dearness allowance (that is to say, all cash payment by whatever name called paid to an employee on account of a rise in the cost of living), house rent allowance, overtime allowance, bonus, commission or any other similar allowance payable to the employee in respect of his employment or of work done in such employment: a

c) any presents made by the employer

Equal Remuneration Act, 1976 Section 2(g) defines "Remuneration" mean to : the basic wage or salary and any additional emoluments whatsoever payable, either in cash or in kind, to a person employed m respect of employment or work done in such employment, if the terms of the contract of employment, express or implied, were fulfilled.

Workmen's Compensation Act, 1923 Section 2(in): defines "Wages to include any privilege or benefit which is capable of being estimated in money,

other than a travelling allowance or the value of any travelling concession or a contribution paid by the employer of a workman towards any pension or provident fund 01 a sum paid to a workman to cover any special expenses entailed on him by the nature of his employment

Industrial Disputes Act, 1947 Section 2(rr) defines "wages" to mean : all remuneration capable of being expressed in terms of money, which would, if the terms of employment, express or implied, were fulfilled, be payable to a workman in respect of his employment, or of work done in such employment, and includes

a) such allowance (including clearness allowance) as the workman is for the tune being entitled to :
b) the value of any house accommodation, or of supply of light, water, medical attendance or other amenity or of any service or of any concessional supply of food grains or other articles;
c) any travelling concession;

It however, does not include –

a) any bonus;
b) any contribution paid or payable by the employer to any pension fond or provident fund or for the benefit of the workman under any law for the tune being in force;
c) any gratuity payable on the termination of his service.

8.6 WAGE DIFFERENTIALS

A wage differential refers to the difference in wages between people with similar skills within differing localities or industries. It can also refer to the difference in wages between employees who have dissimilar skills within the same industry.

A wage differential refers to the difference in wages between people with similar skills within differing localities or industries. It can also refer to the difference in wages between employees who have dissimilar skills within the same industry. It is generally referenced when discussing the given risk of a certain job. For example, if a certain line of work requires someone to work around hazardous chemicals, then that job may be due a higher wage when compared to other jobs in that industry that do not necessitate coming into contact with dangerous chemicals. There are also geographical wage differentials where people with the same job may be paid different amounts based on where exactly they live and the attractiveness of the area.

Types of Wage Differentials

If we take various contingent factors into account, we find that there may be differences in wage and salary structures. These differentials may be industrial and occupational, regional, organizational and personal.

a) Industrial and Occupational Differentials: Industrial and occupational differentials exist because of requirement of different skill set and imbalance in demand and supply of personnel having such skills. Wages and salaries are usually fixed on the basis of skills required to perform a job. Thus, highly specialized jobs requiring higher level

of skills are linked with higher pay too. Coupled with this, shortage of supply of such personnel also induces the payment of higher pay.

b) Regional Differentials: Apart from industrial arid occupational differentials, there may be differences in wages and salaries region-wise also within the same industry and occupation group. Such differences are visible in different countries of the world as well as different regions within a country. Such differences exist because of the differences in cost of living pace of industrial development and lack of adequate mobility of personnel from one region to another. For example, wages and salaries are higher in metropolitan cities as compared to other cities; higher in cities as compared to rural areas.

c) Organizational Differentials: Different organizations falling in the same industry group and at the same location offer different wages and salaries to individuals having similar background. The main reasons for organizational differentials are organizations policy to recruit specific types of personnel and their capacity to pay. For example, most of the multinational organizations operating in India offer much higher salaries to their employees as compared to their counterparts of Indian origin. Similarly, larger organizations offer much higher salaries as compared to smaller organizations.

d) Personal Differentials: Wage and salary differentials exist at personal level too. Different persons having similar qualifications are offered different salaries in the same organizations. This happens because they have acquired different skills in spite of the fact that they may have similar educational background. This happens more so when skill-based pay system is adopted as against job based pay.

Implications of Wage Differentials

Wage differentials have a number of implications both at macro and micro levels.

a) At the macro level, these differentials determine the allocation of human resources and non-human resources. This allocation determines the growth pattern in the economic system. When a particular industry or occupation offers higher wages and salaries, the economic resources are geared to develop such personnel. For example, in India, educational activities have increased in the areas of management and information technology because these areas offer higher salaries and better job opportunities.

b) At the micro level, wage differentials show that some organizations use proactive strategy to attract better talents as compared to others. They become trend-setters rather than play the role of followers. These trend-setters set pattern not only in relation to recruitment of better personnel but in terms of other human resource management practices too.

Components of Employee Remuneration:

The remuneration packet of an employee includes wage/salary, incentives, fringe benefits, perquisites and finally non-monetary benefits. This is made clear in the following chart:

1. Wages and salary: Wages represent hourly rates of pay, and salary refers to the monthly rate of pay, irrespective of the number of hours

put in by the employee. Wages and salaries are subject to the annual increments. They differ from employee to employee, and depend upon the nature of job, seniority, and merit.

2. Incentives: Incentives are paid in addition to wages and salaries and are also called payments by results. Incentives depend upon productivity, sales, profit, or cost reduction efforts. There are: (a) Individual incentive schemes, and (b) Group incentive programmes. Individual incentives are applicable to specific employee performance. Where a given task demands group efforts for completion, incentives are paid to the group as a whole. The amount is later divided among group members on an equitable basis.

3. Fringe benefits: These are monetary benefits provided to employees. They include the benefit of: (a) Provident fund, (b) Gratuity, (c) Medical care, (d) Hospitalization payment, (e) Accident relief, (f) Health and Group insurance, (g) Subsidized canteen facilities, (h) Recreational facilities, and (i) Provision of uniforms to employees.

4. Perquisites: There are special benefits offered to managers/executives. The purpose is to retain competent executives. Perquisites include the following: (a) Company car for traveling, (b) Club membership, (c) Paid holidays, (d) Furnished house or accommodation, (e) Stock option schemes, etc. Non-monetary benefits:

These benefits give psychological satisfaction to employees even when financial benefit is not available. Such benefits are: (a) Recognition of merit through certificate, etc. (b) Offering challenging job responsibilities, (c) Promoting growth prospects, (d) Comfortable working conditions, (e) Competent supervision, and (f) Job sharing and flexi-time.

8.7 FINANCIAL AND NON-FINANCIAL INCENTIVES

The term incentive means an inducement which rouses or stimulates one to action in a desired direction. An incentive has a motivational power; a large number of incentives the modern organisations use to motivate their employees may be broadly grouped into (i) financial incentives, and (ii) non-financial incentives.

These are discussed one by one:

I) Financial Incentives:

Money is an important motivator. Common uses of money as incentive are in the form of wages and salaries, bonus, retirement benefits, medical reimbursement, etc. Management needs to increase these financial incentives making wages and salaries competitive between various organisations so as to attract and hold force.

Let's see the financial Incentives in detail

1. Pay and Allowances: Salary is the basic incentive for every employee to work efficiently for an organization. Salary includes basic pay, dearness allowance, house rent allowance, and similar other allowances. Under the salary system, employees are given increments in basic pay every year and also an increase in their allowances from time-to-time. Sometimes these increments are based on the performance of the employee during the year.

2. Bonus: It is a sum of money offered to an employee over and above the salary or wages as a reward for his good performance.

3. Productivity linked Wage Incentives: Many wage incentives are linked with the increase in productivity at individual or group level. For example, a worker is paid 50 rupees per piece if he produces 50 pieces a day but if he produces more than 50 pieces a day, he is paid 5 rupees extra per piece. Thus, on the 51st piece, he will be paid 55 rupees.

4. Profit-Sharing: Sometimes the employees are given a share in the profits of the organization. This motivates them to perform efficiently and give their best to increase the profits of the organization.

5. Retirement Benefits: Retirement benefits like gratuity, pension, provident fund, leave encashment, etc. provide financial security to the employees post their retirement. Thus, they work properly when they are in service.

6. Stock Options or Co-partnership: Under the Employees Stock Option Plan, the employee is offered the ordinary shares of the company at a price lower than its market price for a specified period of time. These are non-standardized offers and shares are issued as a private contract between the employer and employee. These are generally offered to management as a part of their managerial compensation package. Allotment of shares induces a feeling of ownership in the employees and they give their best to the company. Infosys, GoDaddy and The Cheesecake Factory are some of the companies that have implemented the scheme of the stock option.

7. Commission: Some organizations offer a commission in addition to the salary to employees for fulfilling the targets extremely well. This incentive encourages the employees to increase the client base of the organization.

8. Perquisites: Several organizations offer perquisites and fringe benefits such as accommodation, car allowance, medical facilities, education facilities, recreational facilities, etc. in addition to the salary and allowances to its employees. These incentives also motivate the employees to work efficiently.

II) Non-Financial Incentive:

Non-financial incentives can be treated as specific incentives to the employees other than extra monetary payment or benefit. Non- financial rewards can be defined as the compensation provided in a transaction that does not include cash.

A non financial reward consists of several material objects, such as automobiles, jewelry, precious metals. Companies offer non financial reward in the form of providing several services like free car repairing and family vacations. Moreover, free pension entitlement or private medical care can also be considered as the non financial rewards

Man is a wanting animal. Once money satisfies his/her physiological and security needs, it ceases to be a motivating force. Then, higher order needs for status and recognition and ego in the society emerge.

The following non-financial incentives help management satisfy its employees' these needs:

1. Appreciation of Work Done: Appreciation or praise for work done be it at home, at school/ university or at work place, serves as an effective non-financial incentive. Appreciation satisfies one's ego needs. However, managers need to use this incentive with great degree of caution because praising an incompetent employee may create resentment among competent employees.

2. Status: With reference to an organization, status refers to the position in the hierarchy of the organizational chart. The level of authority, responsibility, recognition, salary, perks, etc. determine the status of an employee in the organization.
   A person at the top level management has more authority, responsibility, recognition and salary and vice-versa. Status satisfies the self-esteem and psychological needs of an individual and in turn, motivates him to work hard.

3. Organizational Climate: Organizational climate refers to the environmental characteristics of an organization that are perceived by its employees about the organization and have a major influence on their behavior. Each organization has a different organizational climate that distinguishes it from other organizations.
   Some of the factors that influence the organizational climate of an enterprise are organizational structure, individual responsibility, rewards, risk and risk-taking, warmth and support and tolerance and conflict. When the organizational climate is positive employees tend to be more motivated.

4. Career Advancement Opportunity: It is very important for an organization to have an appropriate skill development program and a sound promotion policy for its employees which works as a booster for them to perform well and get promoted.
   Every employee desires growth in an organization and when he gets promotion as an appreciation of his work he is motivated to work better.

5. Job Security: Job security provides future stability and a sense of security among the employees. The employees are not worried about the future and thus work with more enthusiasm. Owing to the unemployment problem in our country, job security works as a great incentive for the employees. However, there is also a negative aspect of this incentive that employees tend to take their job for granted and not work efficiently.

6. Employee Recognition Programmes: Recognition means acknowledgment and appreciation of work done by employees. Recognition in the organization boosts their self-esteem and they feel motivated. For example, declaring the best performer of the week or month, displaying their names on the notice board and giving them rewards, fall under the Employee recognition program.

7. Employee Empowerment: Giving more autonomy and powers to subordinates also make them feel that they are important to the organization and in turn they serve the organization better.

8. Competition: If there exists, a healthy competition among the employees both at individual and group levels, it will prompt them to

exert more to achieve their personnel or group goals. Thus, competition serves as a non-financial incentive for employees to put in more efforts at their works.

9. Group Incentives: Sometimes, group incentives act as more effective than individual incentives to motivate the employees. Particularly, when the prestige or even existence of a group is at stake, the group members work with a team spirit. This results in high morale and, in turn, increases in its productivity.

10. Knowledge of the Results: Knowledge of the results of work done leads to employee satisfaction. An employee derives satisfaction when his/her boss appreciates the work he/she has done just as an Management Degree holder gets satisfaction when his/her Professor appreciates the seminar he/ she presented in the class.

11. Worker's Participation in Management: Inviting workers to participate in management gives worker's a psychological satisfaction that their voices are also heard. This imbibes a sense of importance among the workers.

12. Opportunity for Growth: Man is not only a wanting animal but an ambitious creature also. People always need to grow in their career. So, if the employees are provided proper opportunities for growth and career advancement and chance to develop their personality, they feel much satisfied and become more committed to the organizational goals.

13. Suggestion System: Suggestion system is yet another non-financial incentive to be used to motivate employees. Following this, some organisations make use of cash awards for giving useful suggestions. They sometimes publish the worker's name with his/her photograph in the company's magazine with a motive to encourage other workers to search for useful suggestions for the company. Thus, suggestion system acts as an incentive for the workers to be in search of something useful for the company.

14. Job Enrichment: Job enrichment simply means adding the contents to a job leading to increased responsibility, scope and challenge in its performance. Particularly, the executives working at the higher levels often prefer to job enrichment because it makes job more challenging.

They derive higher satisfaction by performing more and more challenging jobs. Thus, job enrichment as an incentive motivates the executives to exert for accomplishment of their goals. Job enrichment is a by-product of job design which is discussed subsequently. Apart from the monetary and future security needs, an individual also has psychological, social and emotional needs. Satisfying these needs also plays an important role in their motivation. Non-financial incentives focus mainly on the fulfillment of these needs and thus cannot be measured in terms of money.

SUM UP

What follows from above discussion can be summed up as that money is not the only motivator and also it is not always a motivator. In order to satisfy different kinds of human needs, management needs to provide non-financial incentives such as job enlargement, participative management, recognition,

praise, etc. These also motivate employees at their works. But in the long run to survive in the HR field, money is not only factor to depend so the we came to understand that honoring others, equal treatment and Individuality are the some basic instincts to develop by the individuals to long stand in the HR field.

8.8 UNIT- END EXERCISES

1. What is a wage differential? List its types.
2. How does Ricardo theory on wages to applicable to present situation?
3. What are the components of equal remeuneration?
4. Explain the concept of wage in par with Indian Labor Legislation?
5. What is the limitation for the equity theory on wages?

8.9 Answers to check your progress

1. The father of subsistence theory of wages was of the opinion that "The labourers are paid to enable them to subsist and perpetuate the race without increase or diminution".- Find the reason
2. Any dearness allowance that is all cash payment by whatever name called paid to an employee on account of a rise in the cost of living is called as………….
3. It means adding the contents to a job leading to increased responsibility, scope and challenge in its performance.

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1 Arun Kumar and R. Sharma(2000), Principles of Business Management. Atlantic Publisher, New Delhi
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BLOCK III: EMPLOYEES APPRAISALS

UNIT - IX HUMAN RESOURCE PLANNING

Structure

9.3 INTRODUCTION

Human resource planning must get a support from the organisation with relevant personnel policy statement. The human resource plan becomes an action plan for organisation as regards manpower requirement. The organisation must follow the human resource philosophy as a guiding principle. Career planning must be kept in view w planning for human resources. Any individual who joins the organisation has a long to go. During his long span he aspires high and wants that his talent should get recognition by way of further promotion on high level and should be rewarded monetarily. This is especially important for those who are professionals joining vocations. Thus an organization gets professionals or experts in particular field. It is because of this certain people becoming professional. The career planning is a part of human resource development.

9.4   HUMAN RESOURCE PLANNING

Essentials for Effective HRP:

1. Integration of HRP with organization Plans : To meet objectives or god organization plans and formulate policies in respect of production, finance, sales ai marketing, profit. The HRP should be integrated with the overall business planning of tj organization. Human resource requirement in every function of the organization shod be adequately planned.

2. Support from Top Management: Human resource planning is impossible without full backing of the top management. HR manager possess staff authority. He can advice but implementation rest with top management.

3. Existence of full fledged HR Department: There must be a full fledged HR Department which takes care of acquisition and development of human resources of the organisation.

4. Formulation of HR policies: The policies in respect of promotion, transfer, training compensation and other benefits are the prerequisites of effective human resource planning. They should be taken care of properly.

9.5 DEMAND FORECASTING FOR HUMAN RESOURCES

Demand forecasting is a quantitative aspect of human resource planning. It is process of estimating the future requirement of human resources of all kinds and types of the organization. Forecasting of demand for human resources depends on certain factors such as, (1) Employment trend in the organization for at least last five years to be traced to determine the future needs. (2) Organization has to find out the replacement needs due to retirement, death, resignation, termination etc. (3) Improvement in productivity is another factor. To improve productivity organization needs better employees with and potential. Productivity leads to growth but depends on the demands for the product of the enterprise in the market. Higher demand may lead to more employment of skilled personnel. (4) Expansion of the organization leads to hiring of more skilled persons.

The base of human resource forecast is the annual budget. Manufacturing plan depends upon the budget. Expansion in production leads to more hiring of skills and technology.

Methods of Demand Forecasting:

There are three major methods of demand forecasting. They are as follows.

1. Executive Judgment: Executive or Managerial Judgment method is the most suitable for smaller enterprises because they do not afford to have work study technique. Under this method the executives sit together and determine the future manpower requirements of the enterprise and submit the proposal to the top management for approval. This approach is known as 'bottom up' approach. Sometimes the members of top management sit together and determine the needs on the advice of personnel department. The forecasts so prepared sent for review to the departmental heads and after their consent approved the need. This is known as 'top down' approach. The best way is the combination of the two approaches. Executives at both levels equipped with guidelines sit together and determine the human resources need of the organization.

2. Work load Forecasting: It is also known as work load analysis. Under this method the stock of workload and the continuity of operations is determined. Accordingly the labour requirement is determined. The workload becomes the base for workforce analysis for the forthcoming years. Here due consideration is given to absenteeism and labour turnover. This method is also known as work study technique. Here working capacity of each employee is calculated in terms of man-hours. Man-hours required for each unit is calculated and then number of required employees is calculated. The example is given below.

a) Planned annual production   = 2,00,000 units
b) Standard man-hours required for each unit   = 2 Hours
c) Planned man-hour needed for the year (a x b) = 4, 00,000 hrs.
d) Planned annual contributions of an employee = 2000 hrs

e) Number of employees required $\left(\dfrac{c}{d}\right) = \dfrac{4,00,000}{2,000} = 200$

This method is useful for long term forecasting.

3. Statistical Techniques: Long range demand forecasting for human resources is more responsive to statistical and mathematical techniques. With the help of computers any data is rapidly analyzed. The following are the methods of forecasting used under this category.

a) **Ratio Trends Analysis:** Under this method the ratios are calculated for the past data related to number of employees of each category i.e. production, sales and marketing levels, work load levels. Future production and sales levels, work load, activity levels are estimated with an allowance of changes in organization, methods and jobs. The future ratios are estimated. Then future human resources requirement is calculated on the basis of established ratios. This method is easy to understand. Value depends upon accuracy of data.

b) **Econometric Models:** Econometric models are built up on the basis of analysis of past statistical data establishing the relationship between variables in a mathematical formula. The variables are those factors such as production, sales, finance and other activities affecting human resource requirement. Econometric model is used to forecast human resource requirements based on various variables.

c) **Bureks Smith Model:** Elmer Bureks and Robert Smith have developed a mathematical model for human resource forecasting based on some key variables that affects overall requirement for human resources of the organisation.

d) **Regression Analysis:** Regression analysis is used to forecast demand for human resources at some point of time in future by using factors such as sales, production services provided etc. This method is used when independent and dependent variables are functionally related to each other. Nowadays computers are used to solve regression equations for demand forecasting.

9.6 SUPPLY FORECASTING:

Supply forecasting means to make an estimation of supply of human resources taking into consideration the analysis of current human resources inventory and future availability.

a) Existing Inventory: The first step in supply forecasting is to take a stock of existing HR inventory as follows.

b) Head Count: Count of the total number of people available department-wise, sex- wise, designation-wise, skill-wise, pay roll-wise etc

c) Job Family Inventory : It consists to number and category of employees of each job family i.e. the jobs related to same category like office staff, sales and marketing staff, production staff, maintenance and industrial engineers, quality control engineers etc.

d) Age Inventory: It consists of age-wise number and category of employees. This gives us age composition of human resources. Dynamism, creative abilities innovativeness are present in young employees while making of proper judgment and display of maturity is

shown by elderly employees. Organizations prefer both young and old employees. Human resource planning should give due consideration to age-wise human resource mixing young and old employees in due proportions.

e) Inventory of skill, experience, values and capabilities: Organisation should take a stock of present inventory of skill, employees with number of years of experiences (10 yrs, 15-yrs, 20 yrs and more etc), values and capabilities.

f) Inventory of Qualifications and Training: This consists of educational qualifications of the employees academic and technical and special qualifications if any and the training received by the employees.

g) Inventory of Salary grades : This includes pay and allowance-wise and total emoluments-wise stock taking.

h) Sex wise Inventory : Inventory of male and female employees of the organisation.

i) Local and Non-Local-wise Inventory: It includes the stock of local employees and the employees belonging to other areas such as different states of India.

j) Inventory of Past Performance and Future Potentialities : There are several human capacities or potentials required for performing jobs at the workplace. Requirement of these along experience need to be taken into consideration while taking stock of human resource inventory.

Labour Wastage:

Labour wastage should be taken into account while making future forecast and find out the reasons of people leaving the organisation. Action can be taken to arrest the labour wastage and replacement of uncontrollable losses. HR manager must know how to make wastage analysis. For measuring permanent total loss due to labour the following labour turnover formula is used.

HR Managers have to calculate the rate of labour turnover, conduct exit interviews etc. This helps them forecast, the rate of potential loss, causes of loss etc. The steps can be taken to reduce loss. HR Manager can calculate labour stability index by using the formula given below.

By knowing all these labour instability can be arrested and labour turnover can be minimized. The potential losses can be classified as permanent total loss, permanent partial loss, Temporary total loss and Temporary partial loss. Let us analyzed these losses.

a) Permanent Total Loss : Permanent total loss is due to deaths, voluntary quits, retirement, dismissals, retrenchment, promotions out, demotions and transfers out. This can be filled in by new recruits, promotions in and transfers in.

b) Permanent Partial Loss : Permanent partial loss is due to loss of some skills, potentials and capabilities because of ill health or accidents. To get rid of this loss organisation can acquire new skill, knowledge, values, aptitudes among the existing employees by providing adequate and necessary training.

c) Temporary Total Loss: Temporary total loss is due to loss of aptitudes, values, change in outlook and attitude of existing employees towards their jobs, department and organisation. Absenteeism is also a reason for this. This can be prevented by taking steps to minimize absenteeism to forecast loss of human resources due to it. Attitude of the employees towards organisation can be improved by knowing the causes of change and making efforts to remove those causes.

d) Temporary Partial Loss: This loss is due to consultancy or advice offered by the employees of the organisation to others. This loss of labour hours has to be there because many organisations encourage this practice as there is revenue to the organisations also. If you think of revenue obtained by the organisations this loss to some extent is subsided But these organisations not claiming from the fees or commission received by the employees, this loss is cognizable.

9.7 SUM UP

Human resource planning is a process that identifies current and future human resources needs for an organization to achieve its goals. Human resource planning should serve as a link between human resource management and the overall strategic plan of an organization. Thus the organization has difficult to understand the organization in fully. So they had given that head-ache to outside parties or they will apply *Strategic Human resource Planning* to maintain th human resources effectively in now days especially banking, service and IT sectors and even manufacturing sectors also they implementing such practices.

9.8 UNIT- END EXERCISES

1. What is a Labour Wastage?
2. Describe the methods in Demand forecasting of HRP.
3. What is human resource Inventory?
4. Illustrate the Supply forecasting of HRP.
5. What is man power speculation?

9.9 Answers to check your progress

1. Sometimes the members of top management sit together and determine the needs on the advice of personnel department

2. For measuring permanent total loss due to labour turnover.

3. The ratios are calculated for the past data related to number of employees of each category i.e. production, sales and marketing levels, work load levels..

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UNIT - X ESTIMATION OF INTERNAL SUPPLY

Structure

10.3   INTRODUCTION

Human Resource supply forecasting is the process of estimating availability of human resource followed after demand for testing of human resource. For forecasting supply of human resource we need to consider internal and external supply. Internal supply of human resource available by way of transfers, promotions, retired employees & recall of laid-off employees, etc. Source of external supply of human resource is availability of labour force in the market and new recruitment.

10.4   ESTIMATION OF INTERNAL SUPPLY IN HR PLANS

Internal Factors: Internal source of supply of human resources include the output from established training programme for employees and management development programmes for executives and the existing reservoirs of skills, potentials, creative abilities of the organisation.

Other Sources are

1. Through Internal Transfer or Internal Mobility
2. Promotion or Upward advancement
3. Appointing the retirement employees
4. Reappointing the existing employees

1. INTERNAL MOBILITY OR INTERNAL TRANSFER

One of the internal mobility of the employee is transfer. It is lateral movement of employee in an organization by the employee. "A transfer involves the shifting of an employee from one job to another without changing the responsibilities or compensation".

Transfers of employees are quite common in all organizations. This can also be defined as a change in job within the organization where the new job is substantially equal to the old in terms of pay, status and responsibilities. Transfers of employees can possible from one department to another from one plant to another. Transfer may be initiated by the organization or by the employees with the approval of the organization. It can be also due to changes in organizational structure or change in volume of work, it is also necessary due to variety of reasons. But broadly can be done either to suit the conveniences of organization and to suit the convenience of employees.

Internal transfers can be promotions or reassignments. They can occur as a reward for great work, to test your potential for more senior positions, or

because you are the best or most readily available candidate to fill an immediate need.

THE PURPOSES OF THE TRANSFER

The transfer are generally affected to build up a more satisfactory work team and to achieve the following purposes:

1. To increase the effectiveness of the organization.
2. To increase the versatility and competency of key positions.
3. To deal with fluctuations in work requirements.
4. To correct incompatibilities in employee relations.
5. To correct, erroneous placement.
6. To relieve monotony.
7. To adjust workforce.
8. To punish employees.

TYPES OF TRANSFERS

Types of Transfers most of the transfers generally carried out four types of transfers which are discussed below:

Production Transfer: Such transfers are resorted to when there is a need of manpower in one department and surplus manpower in other department. Such transfers are made to meet the company requirements. The surplus employees in one department/section might be observed in other place where there is a requirement.

Replacement Transfers: This takes place to replace a new employee who has been in the organization for a long time and there by giving some relief to an old employee from the heavy pressure of work.

Remedial Transfers: As the name suggest, these transfers are made to rectify the situation caused by faulty selection and placement procedures. Such transfers are made to rectify mistakes in placement and recruitments. If the initial placement of an individual is faulty or has not adjusted to work/job, his transfer to a more appropriate job is desirable.

Versatility Transfer: Such transfers are made to increase versatility of the employees from one job to another and one department to another department. Transfer (Job Rotation) is the tool to train the employees. Each employee should provide a varied and broader job experiences by moving from one department to another. This is for preparing the employee for promotion, this will definitely help the employee to have job enrichment.

TRANSFER POLICY

Every organization should have a fair and impartial transfer policy which should be known to each employee. The responsibility for effecting transfers is generally entrusted to an executive with power to prescribe the conditions under which requests for transferred are approved. Care should be taken to ensure that frequent or large scale transfers are avoided by laying down adequate selection and placement procedures for the purpose. A good transfer policy should:

➢ Specifically clarify the types of transfers and the conditions under which these will be made.
➢ Locate the authority in some officer who may initiate and implement transfers.

➢ Indicate whether transfers, i.e., whether it will be based on seniority or on the skill and competency or any other factor.
➢ Decide the rate of pay to be given to the transfere.
➢ Intimate the fact of the transfer to the person concerned well in advance.
➢ Be in writing and duly communicated to all concerned.
➢ Not be made frequently and for sake of transfer only.

A sound, just and impartial transfer policy should be evolved in the organization to govern all types of transfers. This policy should be clearly specified so that the superiors cannot transfer their subordinates arbitrarily and subordinates may not request for transfers even for the small issues. The management must frame policy on transfers and apply it to all the transfers instead of treating each case on its merit.

Principles of Transfer Policy

Any Transfer policy must be based on the following principles:

1. Transfer policy must be in writing and be made known to all the employees of the organization.
2. The policy must very clearly specify the types and the circumstances under which company initiated the transfer will be made.
3. Basis of the transfer should be clearly mentioned in the policy, whether it will be based seniority or on the skill and the competency or any other factors.
4. It should indicate the executives who will be responsible for initiating and approving the transfers.
5. The policy should specify the region or unit of the organization within which transfers will be administered.
6. The effect of the transfer on the pay and seniority of the transferred employee may be clearly evaluated.
7. It should be prescribed in the policy whether the training or retraining is required on the new job.
8. Transfer should be clearly defined as temporary or permanent.
9. The interest of the organization are not to be forgotten in framing a policy of transfer.
10. Reasons for the mutual transfer of employees or reasons to be considered for the personal transfers should be specified.
11. The fact of the transfer should be intimated to the person concerned well in advance.
12. Transfer should not be made frequent and not for the sake of transfer only.

2. PROMOTION

Promotions occupy a very important place in the dimensions of Human Resources Management. The fast moving and development Oriented Organizations of today have to adjust and restructure their goals, objectives and working patterns. It brings rapid changes in organizations' design and structure Earlier periods in the history of organizations were a bit slow paced periods when employees used to work in the same job design for years along.

Present scenario is based on daily defined tasks as well as long term strategic plans. Promotions system has also felt the impact of these fast changes.

Promotion as a term can be explained as change and call for greater responsibilities, and usually involves higher pay and better terms and conditions of service and therefore, a higher status or rank.

Scott and Clothier define the promotion as "the transfer of an employee to a job which pays more money or one that carries some preferred status.

C.B. Mamoria defines it as "an upward advancement of an employee in an organization to another job "an upward advancement of an employee in an organization to another job, which commands better pay wages, better status, prestige and higher opportunities, challenges, responsibility, authority, better working environment, hours of work and facilities and a higher rank.

Promotions are desired by all employees as they want to grow and draw better salary and take more responsibility with the period of time. Promotion is always a morale booster to employee as it fulfills his esteem, pride and economic desires.

Objectives of Promotion

There are some objectives of promotions which can be .as:

1. To put the employee in a better and higher level of post.
2. To give him a financial boost with a higher grades.
3. To add responsibility and authority to his existing post
4. To fill the higher posts, being vacated by either promotions or retirements or transfers.
5. To increase employee's effectiveness
6. To attract suitable and skilled talent to the organization.
7. To build the moral and belongingness of the employee with organization.

Promotion always involves a higher rank and/or pay. Depending upon different conditions, promotions may involve:

➢ A change in a workplace, environment, and pay/grade i.e., promotion along with transfer, or up and out promotion.
➢ A change in rank/pay but in same workplace i.e. promotion without transfer.

Only a change in grade/pay i.e. tries promotion where the employee gets only next higher scale of pay by virtue of his length of service.

Sources of Promotion

The sources of promotion may be internal or external. Internal sources include that set of employees whose promotions are due because of their seniority or those employees who want promotions on merit basis. External sources are the newly recruited or directly selected candidates from outside the organization on the basis of merit or even deputation sometimes.

Elements of a sound promotion Policy

The promotion policy in any organization should have six elements, according to Mamoria

1. Promotion Policy statement
2. Established plan of jobs
3. Tracing transfer routs
4. Prepare employees for advancement through training.
5. Communicate the Policy

6. Detailed personnel and service records kept ready.

Some other elements of a promotion policy can be impartiality, transparency, consistency and lastly planed and crafted with all legalities in consideration.

Principles of Promotion: There are broadly two principles of promotion which are sometimes known as bases of promotion also. They are known as:

A. Principle of Seniority: This principle is based on the length of service based seniority. It is popular for providing equal opportunities to all for getting promotions. It is also considered to be more democratic in nature. One major short coming of this system is the chance of low morale in meritorious candidates who are denied promotions for not being senior sometimes.

B. Principle of Merit: This system advocates the preference to the merit instead of length of service only, this system is popular for promoting the deserving candidates, who can show their merit at the workplaces. This system is also popular for encouraging the employees with better skills in order to get promotions on merit.

3. **Appointing the retirement employees**

When appointing retired employees during his superannuation, the company has to bear all expenses. Whereas after Voluntary Retirement (VRS), Superannuation th following rules will be applicable in a nature..,

1. A retired employee from the service cannot accept any commercial employment before the expiry of two years (or depends on the company policy) from the date of his retirement without prior sanction of the management of the organization. If employee does so, no pension (if applicable) shall be payable to him in respect of any period for which he is employed or such longer period as the management or employer may direct.

2. A retired employee permitted by the appropriate authority in the HR department with prior permission from the employer to take up a particular commercial employment during his leave preparatory to retirement shall not be required to obtain permission subsequently for his continuance in such employment after retirement.

3. Employed in non-monetary employment has also needs to get prior permission from the employer to re-induct to the service.

4. Re-employment after retirement is based on good faith or good conduct. The company shall avoid utilizing in the same position by retirees for role-conflict, power clashes and mismanagement. It affects the rhythm of the working process in some occasion which leads to manipulation of company funds, power and influence.

5. They are discharged with accepted norms and duties for both sides in a pre-determined agreement. The existing rules and procedures will not applicable to such people. So the company has to frame separate provisions, rules and provisions to such re-employment services.

4. **Reappointing the existing employees**

Reappointing the existing employees are the big concern of the life of the laid-off workers, sacked workers (due to negligence), terminated employees (due to misconduct) is not the right of the workers. Whereas,

they will be having some priorities to reappointing them for service when necessity comes. As per Industrial Dispute Act the laid off employee should be re-induct into service when company away from the listed lay-off conditions. Whereas other two individuals which are mentioned above is the sole discretion of the management.

II) External Factors: External factors can be grouped into local and national factors.

I) Local Factors:

Local factors include the following:

1. Population densities within the reach of enterprise.
2. Current and future wage and salary structure from other employers.
3. Local unemployment level.
4. Availability of employees on part time, temporary and casual basis.
5. The output from local educational institutions and training institutions managed by government and private establishments.
6. Local transport and communication facilities.
7. Availability of residential facilities.
8. Traditional pattern of employment locally and availability of human resources with requisite qualifications and skills.
9. The pattern of migration and immigration.
10. The attraction of the area as a better place to reside.
11. The attraction of a company as a better workplace and company as a good paymaster.
12. The residential facilities, educational health and transport facilities.
13. The regulations of local government in respect of reservation of backward and minorities communities.

II)   National Factors:

National factors include the following:

1   Trends in growth of working population of the country.
2   National demands for certain categories of human resources such as technical and management professionals, computer professionals, medical practitioners, technicians, secretaries, craftsmen, graduates etc.
3   The output from universities, technical and professional institutions.
4   Impact of changes in educational patterns.
5   Cultural patterns, social norms and customs.
6   Impact of government training schemes.
7   Impact of government policies in respect of employment regulations.
8   Migration and immigration patterns.
9   Impact of national educational facilities.

The net human resource requirement depends upon the human resource requirement of the organization for future i.e. demand forecasting and the total supply of human resources available.

Succession analysis

Once a company has forecast the demand for labour, it needs an indication of the firm's labour supply. Determining the internal labour supply calls for a detailed analysis of how many people are currently in various job categories or have specific skills within the organization. The planner then modifies this analysis to reflect changes expected in the near future as a result of retirements, promotions, transfers, voluntary turnover, and terminations.

Demand forecasting helps in determining the number and type of personnel/human resources required in future. The next step in human resource planning is forecasting supply of human resources. The purpose of supply forecasting is to determine the size and quality of present and potential human resources available from within and outside the organization to meet the future demand of human resources. Supply forecast is the estimate of the number and kind of potential personnel that could be available to the organization.

10.5 SUM UP

Employment in work of maintaining liaison or contact with employment agencies cannot be described as employment of a thoroughly reputable kind and as such, requests for permission to take up post-retirement commercial employment involving such work should not be acceded to.

Reputation of the firm which offers employment would also be a consideration which should be taken into account by the employer concerned while dealing with the request for permission to take up post-retirement commercial employment. For instance, the fact that a firm is black-listed by employer will be one of the factors which will render the employment to be considered as not being of a thoroughly reputable kind.

10.6 UNIT- END EXERCISES

1. What is a Succession Analysis?
2. How do fill the post by internal supply of human resources?.
3. What is internal mobility?
4. Illustrate the principles for the promotion.
5. What is external supply of human resources?

10.7 Answers to check your progress

1. Internal transfers can be promotions or reassignments. They can occur as a reward for great work, to test your potential for more senior positions
2. Internal sources include that set of employees whose promotions are due because of their seniority or those employees who want promotions on merit basis..
3. A retired employee from the service cannot accept any commercial employment

10.8   SUGGESTED READINGS

1   Arun Kumar and R. Sharma(2000), Principles of Business Management. Atlantic Publisher, New Delhi

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UNIT - XI RECRUITMENT OF HUMAN RESOURCES

Structure

11.3   INTRODUCTION

The recruitment of human resources starts with analyzing the requirements of a job, attracting employees to that job, screening and selecting applicants, hiring, and integrating the new employee into the organization. End to End Recruitment process in a staffing firm involves bagging requirements, sourcing, screening and submitting resumes, interview process, selection, signing contracts and agreement, follow up, and maintaining relationship with clients, candidates and vendors, managing database, crediting salary and issuing. For doing such task the HR department or recruitment department has facing lot of constraints depends on the firm or person. In this unit we described the constraints of the noble part of profession. So the learners has to introspect with their field work or project work learning's to find which one is /are prevailing into the business of the company.

11.4   RECRUITMENT OF HUMAN RESOURCES

It is the process of locating and encouraging potential applicants to apply for existing or anticipated job openings. Good recruiters can place a perfectly qualified candidate in an open position. Great recruiters know how to connect with top talent to get them excited about becoming a part of the companies' vision. The transition from "good" to "great" comes down to how you approach your candidates, how you manage your time, and what you choose to invest in. With these thirteen habits and traits in mind, you can work harder to become a more successful recruiter for your company.

The Ways for effective recruiting

Recruitment is a nuanced process that requires extensive research, thorough procedures, and finesse in order to produce high-quality hires with regularity. With that in mind, here are out top-three tips for effective recruitment:

1. Look internally before externally: there's a good chance the best candidate for your position is already working for your organization. Internal candidates are already familiar with and contributing to your corporate culture and goals. Given their past success within your

organization, it is reasonable to expect they will continue to excel in a new position.

2. Reach out to "passive" candidates: there is a good chance your ideal candidate is not actively looking for a new job and will not respond to your job board. Because they're likely already employed elsewhere. After all, why wouldn't your competitors also want to employ your ideal candidate?

Therefore, effective recruiting requires you to look outside of your applicant pool for top talent. Encouraging your staff to attend industry conferences and participate in professional organizations; developing relationships with local university business schools (or other relevant departments); searching social media sites (i.e. LinkedIn) for strong resumes from candidates who might not be actively looking for a new job; and encouraging your employees to refer people they know or are connected to are all important mechanisms through which to expand your recruitment network.

3. Hire the sure thing: according to two authors and experts, you should hire the person who is already excelling doing the exact job in your industry. Past success, in other words, is the best indicator of future success.

Types of recruiting

There are several types of recruiting. Here's an overview:

1. **Internal Recruiting:** internal recruiting involves filling vacancies with existing employees from within an organization.

2. **Retained Recruiting:** When organization hire a recruiting firm, there are several ways to do so; retained recruiting is a common one. When an organization retains a recruiting firm to fill a vacancy, they pay an upfront fee to fill the position. The firm is responsible for finding candidates until the position is filled. The organization also agrees to work exclusively with the firm. Companies cannot, in other words, hire multiple recruiting firms to fill the same position.

3. **Contingency Recruiting:** like retained recruiting, contingency recruiting requires an outside firm. Unlike retained recruiting, there is no upfront fee with contingency. Instead, the recruitment company receives payment only when the clients they represent are hired by an organization.

4. **Staffing Recruiting:** staffing recruiters work for staffing agencies. Staffing recruiting matches qualified applicants with qualified job openings. Moreover, staffing agencies typically focus on short-term or temporary employment positions.

5. **Outplacement Recruiting:** outplacement is typically an employer-sponsored benefit which helps former employees transition into new jobs. Outplacement recruiting is designed to provide displaced employees with the resources to find new positions or careers.

6. **Reverse Recruiting:** refers to the process whereby an employee is encouraged to seek employment with a different organization that offers a better fit for their skill set. We offer Reverse Recruiting Days to help workers with this process. At our Reverse Recruiting

Days we review resumes, conduct mock interviews, and offer deep dives into specific job roles.

At its core, recruiting is a rather simple concept--it encompasses identifying candidates and hiring them to fill open positions. However, effective recruiting combines a bit of art with science. It requires implementing repeatable processes that will lead to reliable results, on the one hand. On the other, it requires sophistication to think outside the box in order to find your ideal candidate.

Recruitment Strategy

A recruitment strategy is a plan an organization enacts to form a recruiting process and establish a candidate pool. An organization uses recruitment strategies to identify a hiring vacancy, establish a timeline, and identify goals throughout the recruitment process. Recruitment strategies are typically the responsibility of the human resources department.

Develop a Recruitment Strategy

Having established clear recruitment objectives, you should next develop a coherent strategy for recruiting individuals to fill job openings. This strategy development phase involves establishing a specific plan of action for attaining recruitment objectives. In order to answer these questions, it is likely that your organization will need to do some research, and it may be useful to view things in terms of a talent acquisition supply chain. The use of the supply chain concept makes sense given that various recruitment decisions will influence such variables as the number and quality of applicants, when they are available, and how they perform if hired. Researchers use the supply chain concept to discuss how individual recruitment decisions relate to a prospective job candidate's view of the whole process.8 Among the questions they address are:

➢ Will a person feel the organization is interested in him or her?
➢ Does the recruitment message directly address why a person should apply?
➢ Is the recruitment message believable?

Studies note that many of the tag lines used to convey an employer brand (such as "Join our Team," "Small Company Environment-Big Company Impact," "Imagine Growing Together") will be seen by job applicants as so generic that they will not differentiate an employer from competitors. Researchers also raise questions about the credibility of such tag lines.

Carry Out Recruitment Activities. The thoughtful development of a recruitment strategy is critical to maximizing the value of your recruitment activities. The next step is to carry out the recruitment activities, such as advertising on CareerBuilder, hosting receptions on university campuses - whatever works for your chosen strategy. Details about recruitment activities will be discussed in a later section.

Measure and Evaluate Recruitment Results.

Most recruitment managers are concerned about whether their activities result in outcomes that meet their original objectives, but unfortunately, many organizations do not formally evaluate recruitment efforts. In some cases, this is because employers have not gathered data on important recruitment metrics. In other cases, organizations are overwhelmed with the amount of data

gathered. Regardless of the reason, this lack of formal evaluation means employers aren't able to learn from past efforts to design future campaigns. When evaluating its recruitment process, your organization should have two major goals.

First, HR usually wants information on recruitment outcomes similar to those in recruitment Metrics, so that staff can learn from past efforts and modify recruiting methods in the future, if needed.

Important Recruitment Metrics

1. Time-to-hire.
2. Cost of filling the position.
3. New employee retention rate.
4. New employee performance level.
5. Hiring manager's satisfaction with the recruitment process.
6. Applicants' perceptions of the recruitment process.

The feedback is reflecting in the learning process.

Second, HR will want to demonstrate to functional managers that what it is doing is valuable for the organization. Phillip Morris and Price water house Coopers are examples of employers that conduct rigorous evaluations of their recruitment efforts. Along with other metrics, these companies have gathered data on universities that typically have yielded the most hires, employees who received the strongest performance reviews and new hires who stayed with the organization the longest. Based on this information, these firms have increased recruiting at some schools and dropped others from their recruitment roster

11.5   CONSTRAINTS ON RECRUITMENT

Definition: Constraints on Recruiting Efforts

Constraints on the recruiting efforts are the hindrances faced during the recruitment process. In real world practice it is actually difficult to find and select a suitable candidate fit for the job. The recruiting organization's mode of communication may not be an appropriate one.

Some of the brilliant applicants may feel that the vacancy is not in line with their current expectation or their talent. An organization may not be able to select the candidates freely even though they offer much better salaries and amenities.

Constraints on Recruitment

Following are few constraints faced by the organization during the recruitment:-

1. Reputation of the organization: The reputation of the organization influences the recruitment process to a great extent. A candidate may not apply to the enterprise if it doesn't carry a good image in the society. The probability of attracting large pool of applicant is reduced in such a case. This usually happen due to poor working conditions, delay in salary, rude management, etc.

2. Unattractive Jobs: If the job is hazardous, tension ridden, boring, unattractive, lacks opportunities, very few of the candidates would be applying for it. At the same time if there is opportunity of growth,

flexible working hours, good working conditions, high salary, there would be large number of applicants for such kind of jobs.

3. Trade union: In some of the cases, agreement with the trade unions may be the constraint to recruit employee from outside. An agreement with the union to fill certain percentage of posts will restrict the choice of the management.
4. Organizational Policies: The internal policy framework of the organization also acts as a constraint sometimes for recruiting any applicant. A policy of recruiting higher positions from outside might discourage a deserving candidate to apply in such an organization.
5. Government Policies: Sometimes the government policies also act as a constraint on recruitment policy of the enterprise. Government policy may require certain percentage of seats to be reserved for the weaker section of the society. Government policy may also require selecting a candidate from the list provided by the government employment exchange. Such kind policies restrict the management from recruiting by their choice.

There is some constraints are faced by the recruiter during recruitment.

1. Recruiter habits
2. Environment conditions
3. Costs
4. Inducements
5. Job Requirements

Let we see in details in the next Unit.

11.6 ORGANIZATIONAL POLICIES

Organizational Policy on Recruitment construed either as one specific policy or as the set of policies utilized, provides a framework for the sequencing, integration, management and oversight of recruiting efforts. Essential recruitment policy requirements include full compliance with governmental as well as in-house regulations and standards, some measures of policy effectiveness, a review and revision mechanism, clearly formulated objectives and awareness of the nature and scope of available recruitment resources.

For the purposes of developing and evolving recruitment policies, keeping abreast of latest innovations or other changes in the field will strengthen the framework, just as making good use of feedback from all three sides of the recruitment equation, the organization, the recruiters and the applicants will.

Organizational Policy on Recruitment comprises the distinct strategies, standards and guidelines adopted by an organization for employee recruitment. A perfect recruitment policy document helps an organization integrate its employee-retention measures, thereby fostering positive growth for itself.

Formulation and revision of recruitment policies can be driven by professional outside or in-house HR consultation and by accumulated, often trial-and-error experience with applicants, HR personnel and candidates. Key to implementation and evaluation of such policies are effectiveness evaluation standards to assess recruitment performance and review procedures that make

allowance for feedback and innovation regarding the recruitment field in general and within the given organization.

Recruitment processes depend largely on an organization's recruitment policies. Rules and regulations are set according to the demands of the recruitment situation. For instance, policies for a full-time employee will differ from policies for appointing a part-time employee. There may be different policies for unique recruitment situations. Job types and descriptions play a major role in determining related policies. Organization policies for recruiting employees include terms and conditions that legally bind them to the company. These terms and conditions should be explained while recruiting a new employee.

Apart from in-house policies, an organization is bound to follow the Federal and State recruitment policies (or their equivalent in other countries and regions). These policies focus on the process of recruitment, employment transparency and employment discrimination, to mention but a few areas of regulated compliance.

Among such employment rules imposed by the Central or State Government, are requirements specifying that an organization must implement unbiased employment practices. The policies should not allow any sort of discrimination such as, age, race, sex, nation, disabilities or religion-or any other category declared "protected" under established law.

11.7   SUM UP

A recruitment and selection policy is a document that summarizes the guiding principles regarding how an organization will conduct the overall recruitment and selection process. Organizational policy is built on one concept: having the right people in the right place. This means not recruiting people with skills below needed level. Or taking into consideration skills that are not essential and forgetting other essential ones. Recruitment needs to apply equal opportunity policy which means not differentiating people according to gender or religion or skin color or ethnic background. Such policy needs to explain to candidates the details of the job and not just outlines. Many times a conflict appears between companies and employees in the skills needed for the job. Sometimes the employee finds himself more qualified for the job or the opposite way around. The policy should reveal a high level of respect to the time and skills of each candidate. Many companies don't even reply to candidates leaving them under pressure and waiting for a call or interview.

11.8 UNIT- END EXERCISES
1. What is a Competitive Analysis?
2. What are the constraints of Recruitment for the Company?
3. What are the constraints of Recruitment for the Member of the recruitment Team?
4. Describe the ways for effective recruitment.
5. How does organizational policy for supporting the right recruitment?

11.9 Answers to check your progress

1. The recruiter job to get the best talent through your company's front door.
2. Maintaining a strict calendar is a must for recruiters to remind themselves.
3. Outsourcing recruitment process gaining more ground in the organization Progress.

11.10   SUGGESTED READINGS

1 Arun Kumar and R. Sharma(2000), Principles of Business Management. Atlantic Publisher, New Delhi
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BLOCK IV: APPRAISAL AND TRAIL UNION

UNIT - XII HUMAN RESOURCE PLANS

Structure

12.1 Introduction
12.2 Human resource Plans
    12.2.1 Concept of HR Plan
    12.2.2 Type and features
    12.2.3 Develop HR Plan
    12.2.4 Requirements of HR Plans
12.3 Affirmation Action Plans
    12.3.1 Meaning
    12.3.2 Components of an Affirmative Action Plan (AAP)
    12.3.3 Development in USA
    12.3.4 Development in India
12.4 Recruiter Habits
12.5 Environmental Conditions
12.6 Job Requirements
12.7 Sum up
12.8 Unit- End Exercises
12.9 Answers to check your progress
12.10 Suggested Readings

12.3 INTRODUCTION

The Human Resource Plan should not focus only on filling the vacant positions, but should emphasize on hiring the right person for the right job. It also focuses on developing the skills of an existing employee through an interactive training program, with the intention to make them well equipped with the skills required in the future, for the attainment of the organization's objectives.

This plan is generally done to enable an organization to move from the current manpower position to the desired manpower position. The human resource plan begins with the enterprise's estimation for the manpower requirement and then sources are found from where this need can be fulfilled.

12.4 HUMAN RESOURCE PLANS

A human resource plan that anticipates the need for various types of skill requirements and levels of personnel, well in advance, will be able to give

adequate lead time recruitment, selection, and training of such persons. Human resource planning becomes all the more crucial because the lead time for getting personnel is a delaying factor in many cases, and the skills that one may need are not always available. No availability of suitable human resources results in postponement or delays in executing new projects and expansion plans, which eventually leads to inefficiency and lower profitability. Besides, changing job requirements, due to technological change or the growing complexity of business operations, make differing demands on the number and type of manpower required.

12.4.1 Concept of HR Plan

Human Resource Plan is both a process and a set of plans.

1. An effective HR plan also provides mechanisms to eliminate any gaps that may exist between supply and demand. Thus, HR plan determines the members and types of employees to be recruited into the organization or phased out of it.
2. Dynamic by nature, the process of HR plan often requires periodic readjustments as labor market conditions change
3. It is how organizations assess the future supply of and demand for human resources.

12.4.2 Type and features

The Human Resource Plans can be classified by its tenure. Namely..,

1. Long-term HR Plan: 5 years and above
2. Mid-term HR Plan: 2 to 4 years
3. Short-term HR Plan: 1 year

12.4.3 Develop HR Plan: Tool and Techniques Organization Charts and position Description

❖ **Hierarchical-type charts:** The organizational charts structure can be used to show positions and relationships in a graphic, top down format. The organizational Breakdown structure (OBS) is arranged according to an organization's existing departments, units and teams.

❖ **Matrix Based Charts:** A responsibility assignment Matrix (RAM) is used to illustrate the connections between work packages or activities and project team members. The matrix format shows all activities associated with one person and all people associated with one activity. One example of a RAM is a RACI (Responsible, Accountable, Consult, and Uniform) charts.

❖ **Text-Oriented Formats:** Team members' responsibilities that required detailed descriptions can be specified in text-oriented formats.

12.4.4 Requirements of HR Plans

❖ **Philosophy:** The organizations' role that they wish to play in society in terms of philosophy. The philosophy of the company should have clarity of thought and action in the accomplishment of economic objectives of a country. The philosophy bridges the gap between society and the company.

❖ **Purpose:** Every kind of organized group activities or operations has a purpose. For example, the purpose of a bank is to accept deposits and grant loans and advances.

❖ **Objectives:** Objectives are the ends towards which organizational activity is aimed. Every department has its own objectives which may not be completely same as of the other department or organization.

❖ **Strategies:** Strategy is determination of the basic long term objectives of an enterprise and the adoption of courses of action and allocation of resources necessary to achieve these goals.

12.5   AFFIRMATION ACTION PLANS (AAP)

Affirmative action plan (AAP) is a set of management policies and a practice which seeks to provide equal employment opportunities to all by eliminating such barriers for women, minorities, physically challenged people and other less privileged sections of the society. For example..,

➢ The Central Educational Institutions (Reservation in Admission) Act, 2006
➢ the Bonded Labour System (Abolition) Act, 1976
➢ SC/ST (Prevention of Atrocities) Act 1989
➢ The Protection of Civil Rights Act, 1955

12.5.1 Meaning

Affirmative action is a policy used by Companies, Industries, Factories, Industrial Premises, Manufacturing sectors, and all other Institutions to improve the promotional and employment opportunities for minority groups (including minority races, genders, and sexual orientations) that are commonly and historically discriminated against.

This practice is prevalent across various developed and developing countries of the world, more so in countries with highly heterogeneous populations. It had been formalized through the International Convention on the Elimination of All Forms of Racial Discrimination.

However, the method for AAP varies widely across countries. While the quota system for employment is legislated in India, it is illegal in the United States. Somewhere, AAP promotes the financially weaker strata, while in other locations; it is solely caste-based in some countries like India, Race- based in western countries, religion - based in eastern countries .

A typical organizational AAP must reflect the organization's structure, profile, policies, practices, programs, and data. These are required for comprehending understanding of the organization's operations and the relevance of AAP in that context.

12.5.2 COMPONENTS OF AN AFFIRMATIVE ACTION PLAN

Some typical components of an AAP will be:

1. Workforce analysis: No. of employees in each designation (e.g. 20 general managers in accounting department)
2. Job group analysis: Grouping of designations according to similarity in job (e.g. Group-1 may include general manager, controller and personnel manager)
3. Utilization analysis: Utilization and need of a particular category in each group (E.g. 20% women in Group-1)

Hence, it might be given more clear picture on Affirmative Action Plan (AAP) when compare with the developments in USA.

12.5.3 DEVELOPMENTS IN USA

Eliminating discrimination in the workplace remains a high priority for the government. One of the ways the United States combats discrimination is through affirmative action plans. Affirmative action plans are guidelines that encourage companies to actively seek out employees, vendors and contractors who belong to minority groups. For instance, a government contractor may implement a plan to encourage the recruitment and hiring of qualified minorities, women, persons with disabilities, and covered veterans.

There is a misconception by many employers that they have to have an affirmative action program in place to comply with the requirements of federal and state equal opportunity laws. While true that laws prohibit unlawful discrimination against applicants and employees because of their race, gender, age, disability or national origin, they usually do not require formal affirmative action programs. Employers generally implement formal affirmative action programs as a condition of doing business with the federal government.

> ➢ Affirmative Action Program for Minorities & Women (2016-2017)
> ➢ Affirmative Action Program for Individuals with Disabilities (2016-2017)
> ➢ Affirmative Action Program for Protected Veterans (2016-2017)

Some employers assume that they have to have an affirmative action program in place to comply with the requirements of Title VII and state equal opportunity laws. In reality, while equal employment opportunity laws prohibit unlawful discrimination against applicants and employees because of their race, gender, age, disability or national origin, they usually do not require formal affirmative action programs. Employers generally implement formal affirmative action programs as a condition of doing business with the federal government, but an affirmative action program could also be required by a court as a remedy for discrimination or as a voluntary remedy for past patterns of discrimination.

Three separate laws require certain employers that do business with the federal government to implement affirmative action programs.

Section 503 of the Rehabilitation Act of 1973 requires contractors with 50 or more employees and contracts over $50,000 to take affirmative action with regard to qualified individuals with disabilities.

The Vietnam Era Veterans' Readjustment Assistance Act of 1974 (VEVRAA), as amended by the Jobs for Veterans Act, requires contractors to take affirmative action to employ and advance in employment veterans with service-connected disabilities, recently separated veterans and other protected veterans. VEVRAA requires that contractors with 50 or more employees and a contract of $150,000 or more would need a written affirmative action program.

Under Executive Order 11246, federal contractors and subcontractors with 50 or more employees who have entered into at least one contract of $50,000 or more with the federal government must prepare and maintain a written program, which must be developed within 120 days from the commencement

of the contract and must be updated annually. The program should cover recruitment, hiring and promotion of women and minorities. Any depository of government funds in any amount or any financial institution that is an issuing and paying agent for U.S. savings bonds and savings notes in any amount must develop and maintain written affirmative action programs as well.

Examples:

Examples of affirmative action offered by the United States Department of Labor include outreach campaigns, targeted recruitment, employee and management development, and employee support programs. The impetus towards affirmative action is to redress the disadvantages associated with overt historical discrimination.

Here is a list of ten items contractors should review to ensure compliance during the affirmative action plan year:

1) Review the results of adverse impact analyses for applicants to hires, employees to promotions, and employees to terminations, and follow up on the results that are statistically significant to ensure the company can explain the results.

2) Review personnel processes for individuals with disabilities and protected veterans in a form that allows the contractor to prove its review (i.e., a checklist). Common issues are parking lot and building accessibility, Braille signage, visibility of posters to a person in a wheelchair, and website accessibility.

3) Audit compliance with periodic review of physical and mental qualifications in job descriptions, review of denied requests for reasonable accommodation, implementation of anti-harassment practices related to disabled individuals and protected veterans, designation of person responsible for affirmative action in all communications, annual manager training on a contractor's obligations, progress against disabled individuals' goal of 7 percent, and the contractor's hiring benchmark for protected veterans. This review should be documented so the contractor may show its audit to OFCCP.

4) Review the company's self-identification questions for race, sex, disability and protected veteran status. The company should confirm that each question has an option for a person to decline to self-identify and that the questions cannot be skipped. The company should confirm that it is using the mandatory language for disability self-identification. It is common for the self-identification questions approved by the employee handling OFCCP compliance to be changed when implemented within an electronic applicant tracking system.

5) Review purchase order terms and conditions to ensure OFCCP's required clauses are included.

6) Update the equal employment opportunity policy for the upcoming calendar year and get it signed so it may be posted (calendar year AAPs only).

7) Ensure the contractor posted an "Invitation to Self-Identify" to encourage protected veterans and disabled people to self-identify themselves to the company.
8) Assess external recruitment sources for protected veterans and disabled people and be willing to end relationships with poor performing sources. Again, document your assessment.
9) Prepare report on affirmative action results to management.
10) Conduct discrimination-focused compensation analysis, which is an annual requirement for a contractor.

12.5.4 Developments in India

Affirmative action programs are complex to create. Most employers do not choose to implement such programs unless they become mandatory. An affirmative action plan consists of statistical analyses of an employer's utilization (or underutilization) of individuals from certain protected classes such as women, veterans, minorities, and people with disabilities. An affirmative action plan will also contain information about the steps that will be taken in order to improve the representation of these types of individuals in the workplace. Affirmative actions include training programs, outreach efforts, and other positive steps. These procedures should be incorporated into the company's written personnel policies. Employers with written affirmative action programs must implement them, keep them on file and update them annually.

If you are uncertain if affirmative action laws apply to you, please contact your legal counsel or give us a call. Our team of experienced HR specialists can provide you general guidance on the applicability of the regulations to your business. Laws prohibit unlawful discrimination against applicants and employees, but that does not mean that all employers must adopt affirmative action programs. Seek our expert advice if you are uncertain.

For assistance with any or all of your human resource needs, HR Affiliates provides solutions that fit any company.

12.6 RECRUITER HABITS:

It can be classified as a) for a company and b) for the individual Recruiter.

a) Habits of Successful Recruiters for a Company

Habits are routines and behaviors that you do regularly without even thinking about it. Develop good habits and you'll set yourself up for success, but if you develop bad habits you'll be in for a frustrating experience.

Luckily, habits are things that you can control. Stay focused and you can develop the right habits to help you do your job. In the world of HR, the right habits will help you find, recruit, and hire the top talent and drive your company to success.

Below you'll find the habits of successful recruiters:

1) Be Proactive – Plan ahead and make sure things are done correctly and on time.
2) Be Outgoing – An outgoing personality will help you to meet and greet the right people.

3) Be A Team Player – Remember that it's not all about you. Your goal is to strengthen the entire team and company.

4) Push Your Comfort Zone – Just because you have never tried something doesn't mean it won't work. Push your comfort zone and be willing to try new things.

5) Track Your Metrics – Be organized and track what works and what doesn't work.

6) Remember People's Names – When you call someone by their name it personalizes their experience and can build stronger relationships.

7) Communicate Wisely – Communication is always important. Make sure that people know what's going on at all times so that everyone is prepared and ready for what comes next.

8) Develop Your Current Team – The hiring process is just the first step. Take care of your new employees to ensure that they have what they need to do their job and to be happy at work.

9) Keep Up With HR Trends – Stay up to date on your niche and industry. Watch the trends to see how it will affect your job and your recruits down the line.

10) Build Your Network – Never neglect your network. Always go out and meet new people because you never know who might be a valuable connection in the future.

11) Think About The Big Picture – Take a minute to step back and look at the bigger picture. Have long term plans and goals that will set you up for success.

12) Do Your Research – Even if everything looks great on paper, go the extra mile to ensure that everything is actually how it seems.

13) Get Creative – Think outside the box when recruiting, writing job ads, and attracting talent.

14) Seek To Improve – You can always be better at your job. Never grow complacent. Instead always seek to improve yourself.

15) Tap Into The Right Sources – Know where to find the best people for your company. Go beyond job boards and social media and target the top talent in the right places.

16) Build Your Talent Community – Build your company's web presence and create a social community that wants to work for you. It will make it easier to find prospective job candidates.

Based on this list, have you developed the habits of a successful recruiter? What can you improve on that will help you do your job better? Do these things on a daily basis until they will become good habits that will set you up for success.

b) **Habits of Successful Recruiters for a Individual /Member of the Team**

As a recruiter, it's your job to get the best talent through your company's front door. However, when you're recruiting the best of the best, you also need to be the best of the best. Of course, becoming a great recruiter takes skill, practice, and intuition, but there are a number of habits and traits that you can adopt quickly to help you become a better HR professional for your company.

Let's take look at the most significant habits or traits that can help you become a more successful recruiter.

1) Keep it personal
2) Maintain a calendar
3) Focus on the candidates
4) Perfect your outreach
5) Adopt a modern approach
6) Learn the ways of the business
7) Track your efforts
8) Get social
9) Turn off notifications
10) Stop screening out
11) Get proactive about referrals
12) Use automation tools
13) Take control of your reputation

In detail

1) Keep it personal

Whether you're screening applicants or pursuing passive candidates, the connections you make will likely determine whether or not they come in for an interview or accept a position.

Copying and pasting aren't going to help you attract the best talent for the job you need to fill. So finding your own style in the process is imminent.

You want your correspondence to feel personal and unique, no matter the stage of the interview process. Include their name, touch on the unique conversations you've had, or mention details found on their cover letter or resume. If you're using automated e-mail sequences in the first stages of the recruitment funnel, make sure that they feel authentic. Make sure the 'vibe' you give off, is that of you.

2) Maintain a calendar

Organization is key for any recruiter. When you have phone calls, meetings, interviews, and your own day-to-day tasks, you need to stay on top of things. Maintaining a strict calendar is a must. Be sure to check off a task when you finish one. Why? Because checking off a task literally gets you high. Checking off a task from a checklist lets the brain release a small amount of dopamine which motivates you to work until you can check off the next item on the list as well. As a Individual, the recruiter to use to do it to organize my day-to-day checklists. It's easy and free!

Also, don't be afraid to block sections of your calendar for one single task. Sectioning off specific times within your calendar to focus on particular tasks helps you stay productive throughout the day.

Try to align tasks with your biorhythms as well. Do you feel sharp and focused in the mornings? Then start the day with your sourcing activities. Are you the type of person that needs some time to get the cognitive engine running? Start the day with a short meeting or standup. Experiment with different set-ups to work out what fits your personality best. Test and iterate.

3) Focus on the candidates

We have said it before, but the Candidate Experience is more important than ever when it comes to recruiting. While technology makes it easy to connect

with talent all over the world, if you're not properly considering the experience throughout the entire interview process, you may miss out on attracting that top candidate.

Focus on what the candidate needs while you're screening, interviewing, and making your final decision. Remember, the decision to work with you is just as big for the candidate as it is for your company. Especially in today's world where a thousand more options are just one click away, it's crucial to think about and optimize your Candidate Experience. Create an environment where both of you can thrive.

Tip: Keep in mind that reciprocity is one of the six Principles of Persuasion as identified by Robert Cialdini. Give a little in order to receive a little. This works in many fields and is applicable to recruitment as well. Use your imagination!

4) Perfect your outreach

As a recruiter, it's your job to get prospects excited about the position. If your initial outreach is boring, stiff, or a little too casual, you'll find that you're unable to attract the best talent for the position. Perfecting your initial outreach message is important for bringing both applicants and passive candidates in for an interview. When you're able to share the right details, talk to the right pain points, and provide the right insight, you can create a buzz in just one message.

Show the person you reach out to that he wasn't just part of a list you sent 100 emails to. Personalize the message and your open and response rates will skyrocket.

5) Adopt a modern approach

Technology is making its way into the recruiting world more and more and gives recruiters that adopt it, a huge competitive advantage. The right use of technology increases your efficiency and effectiveness drastically. If you're not adopting a modern approach to finding, screening, and tracking candidates, they're likely to head off to work for other brands and businesses that do.

The Harver Platform gives applicants an engaging experience and provides an elaborate data report to recruiters. Implementing AI apps (*Artificial Intelligence applications*) and tools, streamline your process to help you find the best candidates more efficiently. For more information on how an AI-driven pre-hiring and talent matching platform can sort you out, request a demo with one of our consultants here.

6) Learn the ways of the business

Great recruiters know what their company will need before they even need it. In order to know what is needed, you have to be knowledgeable about every business unit in your organization. Monitor your company's processes, patterns, and strategic decisions. Talk with every employee to get an idea of where needs and pains lie. Being curious this way helps you work proactively to get the right talent exactly when your team is ready for it. Staying on top of trends and focusing on the future instead of the present can get your business in front of the right applicants at the perfect time.

7) Track your efforts

Do you already have a Data-Driven mindset? As a recruiter, you should be tracking your applicants the same way your marketing department tracks their leads. Keep an eye on how each individual applies for a job. What source do they come from? What information are they provided with, and what stage of the hiring process do they reach? Basic metrics that help you identify exactly which of your channels brings in the top-quality candidates, after which you can decide to double down your budget on this particular channel. Additionally, the right tracking system allows you to ensure none of your candidates fall through the cracks. By tracking your recruitment efforts, you'll know exactly who to reach out to and when.

8) Get social

Social media is more than just a marketing tool. It's also a great way to recruit top talent. While LinkedIn is a great way to post openings or find potential hires, other platforms, like ***Twitter, Instagram, and Facebook***, can help you show off what it's like to work for your company. If done right, these "behind the scenes" views into your business attract applicants and help you really sell your company. For example, Hotel Marriott uses Instagram to show a real-world perspective of what it's like to work for the hotel chain. Encourage your team to take to social media to show the positive sides of working for the business. When applicants jump online to learn more about who they're interviewing with, they can also get to know a bit about their potential team members.

9) Turn off notifications

Are you constantly distracted by the buzz or ping of a new notification? Most recruiters are. With candidates constantly emailing, calling, or messaging you about their application status, it can be difficult to get anything done. To stay productive, turn off your notifications. Create a schedule where you only check your email or voicemail at a specific time each day. This can eliminate your distractions and help you stay focused on one task at a time. Are you still enticed to check your phone too much for your taste? Turn your screen color settings to grayscale during the day. Try it! To assure you that it's instantly less fun to check your screen. Here's how:

10) Stop screening out

You're probably sitting there wondering how you can possibly find the right applicant without screening first. While screening unqualified applicants is an important step in finding the right fit for the job, you shouldn't be focused on screening applicants out. If you have a list of "nos" you're looking for when talking to a potential hire, you're only focusing on the negatives.

Instead of screening out, focus on the unique qualifications and needs of the job. Listen to the benefits each candidate can bring and apply them what your team is looking for in a new hire. In short, focus on the 'yes'. And don't forget, if someone is a little quirky at first, that person might just be a great cultural asset to your team!

11) Get proactive about referrals

Referrals typically come when someone is actively looking for something new. Although these referrals may be qualified, they aren't always top talent. In order to connect with more high-level candidates, you want to take the referral business into your own hands.

Get proactive about how you get referrals from your team members. Rather than waiting for someone to come to you, go to them and ask if they know any great salespeople, marketers, or engineers – even if they think that person may not be actively looking for employment. It's hard to say no to a free coffee around lunchtime so invite these, not-actively-looking-for-employment-type people for a coffee, stay top of mind after, and the opportunity to reel them in will present itself sooner or later.

12) Use automation tools

Between scheduling, track, and communicating with applicants, recruiters have a lot to do – but you don't have to do it all manually. Automation and AI tools can help take some of the work off your hands so you can get more done in less time. Whether you're using a scheduling tool to allow applicants to make their own appointments or generating reports with AI, including some automation tools in strategic places into your recruitment processes can make your job a lot easier. For example, A personal favorite of mine is Calendly – which allows applicants to schedule meetings with you, instead of the other way around. It makes your life easier, empowers candidates and makes the whole process of scheduling meetings way more efficient, win-win-win!

However, try not to go overboard by automating everything. You don't want to lose your personality in the process of streamlining your hiring.

13) Take control of your reputation

Engaged employees care about the companies they work for. If a company has a bad reputation or too many negative reviews, it can hurt the quality of candidates you see. To connect with the best applicants possible, take control of your company's reputation.

Managing your company's online reputation helps attract the best applicants. Monitor reviews on sites like Glass door or Indeed – even if you're not using it for job postings. Be aware of the problems or comments your company may face and do what you can to ensure they're resolved. Go above and beyond to ensure your company has a strong reputation for being a great place to work.

Consider adding an analytics tool to your funnel to measure what candidates think about the process. This way you can work on providing the best experience, get better reviews and more engaged candidates.

Constraints on Recruitment

Constraints on Recruitment

Organizational policies:
Promote-from-Within Policies; Compensation Policies;
Employment Status Policies;   International Hiring Policies.

HR Plans:
Forecast and summarize future recruiting needs.

Environmental Conditions: Leading Economic Indicators;
Predicted VS Actual Sales;
Want-Ads Index.

Inducements:
Necessary to stimulate a potential recruit's interest.
Could be economic, emotional or intangible.

12.7   ENVIRONMENTAL CONDITIONS

The environment of any organization is defined as all those elements existing outside the boundaries of the firm, which have potential to influence all or part of the firm. Environmental influences as factors that impact the Human Resource management operations within ail organization. These factors keep changing and HR Managers must constantly track these dynamic internal arid external factors and make corresponding changes m the HR strategy.
External influences are changes outside the organization which include legal, political/governmental. Techno logical, social and economic factors affecting business operations. Government regulations require that the HR department operates in accordance with the law. The regulations control all HR processes like recruitment and selection, training, compensation, termination, and much more.

Economic Conditions shape the economy and affect the remuneration of candidates recruited and the decision of whether or not to hire Social factors are the workforce demographics; The HR department must devise ways of dealing with all generations and what packages to offer them. Technology revolutionizes the operations of an organization by influencing the number of staff hired to perform a task and can be used as a cost saving me a sure.

Internal influences are factors from within the organization that can be controlled by the organization- the mission, values, policies, strategies, goals, size of the firm, organo-gram. Management style: culture among others. HR practices and policies must be consistently matched with the mission statement as it demonstrates the basic sense behind the formation of the organization by giving an orientation to any function or framework which organizations must operate in. Organizational .strategy shows the methodology to achieve purpose and requires a restructure of rules, departments and principles in the

organization. The successful practices of human resource management sub-functions facilitate achievement of objectives. The HR strategy should be with organizational strategy. The size and growth of an organization is measured through the amount of annual income, the .sum of production, number of employees or profits. Accordingly. HR operations. in terms of number of functions, is lower in .small firms than a large organisation

The organization's size is also of significance, in terms of participative, autocratic, democratic or laisez faire. Departments in large organizations may be can be more autonomous as such Sims are democratic. Vertically structured organizations, have bureaucracies which reflects that HR has tighter control of higher hierarchical levels. The history of organizations reveals what is favorable or unfavorable for it. Traditions and past practices may in strategy implementation, be a great source of resistance. Accordingly, internal promotion, policies of remuneration, characteristics of new personnel, union's relations, could all be shaped by the significance that the senior management team gives them.

A permanent, standardized screening process could greatly simplify the selection process. However, development of such a process—even if it were possible and desirable—would not eliminate deviations to meet the unique needs of particular situation.

- ✓ Legal Considerations: Legislation, executive orders, and court decisions have a major impact on human resource management . It is important for hiring managers to see the relationship between useful and legally defensible selection tools.
- ✓ Speed of Decision: Making The time available to make the selection decision can have a major effect on the selection process. Closely following selection policies and procedures can provide greater protection against legal problems; however, there are times when the pressure of business will dictate that exceptions be made.
- ✓ Organizational Hierarchy: Different approaches to selection are generally taken for filling positions at different levels in the organization.
- ✓ Applicant Pool: The number of applicants for a particular job can also affect the selection process. The process can be truly selective only if there are several qualified applicants for a particular position. The number of people hired for a particular job compared to the individuals in the applicant pool is often expressed as a selection ratio.
- ✓ Type of Organization: The sector of the economy in which individuals are to be employed in private, governmental, or not-for profit can also affect the selection process.
- ✓ Probationary Period: Many firms use a probationary period that permits evaluating an employee's ability based on performance. This may be either a substitute for certain phases of the selection process or a check on the validity of the process.

12.8 COSTS FACTOR

Some economic dimensions, including financial conditions, unemployment, labor diversity and structure of the labor market are considered important macroeconomic variables. The entire recruitment process is expensive since the search candidates and training of those carrying out recruitment and the cost varies depending on the number of vacancies; with an unemployment level below the average of 10 % in Europe, the new generations, the withdrawal generations retire, compete to become increasingly acute among organizations. Such organizations hire those who have some potential and are willing to develop their skills. Organizations may use different institutions and different categories of candidates to attract them: universities – the relationship between organizations and universities are beneficial for both sides, placement agencies, can be an important source of recruitment, people with disabilities, they face various negative attitudes, but the organization must take into account for certain activities and retirees who because they possess skills which can be a source of recruitment should not be forgotten.

Substantially affect human resource management. Today the European internal market is becoming stronger by removing many barriers between countries. Also, when taking into consideration: increased traffic of goods, communications policy, media policy, consumer policy, literacy policy, free choice of employment and residence stability, we can say that we are witnessing the essential events will give rise to significant changes. They go to standardize on one hand and on the other hand favors the growth of market dynamics. Changes in markets, leading inevitably to a new application personnel both quality and quantity time with them on getting staff to change, and the increased demands on staff development.

- ➢ Outsourcing: Outsourcing recruitment process gaining more ground in the organization and is explained by Routine process outsourcing using all functions of the organization,
- ➢ the organization may outsource only certain phases of the process , and those considered strategic, keeping them to control the process;
- ➢ The importance given to the process in time and money - may be more cost effective if outsourced;
- ➢ The level of professionalism of some external providers, recruitment agencies, thus reducing the risk of outsourcing. In recruiting aims the quality of internal customers - adequacy individual post by indicators such as the percentage of employees at the end of the probationary period, the assessment activity after one year , the degree of leaving the job early.
- ➢ Quality external clients: to use indicators such as the number of spontaneous applications. Most organizations focus increasingly more on their core activities and related activities (recruitment, selection) are delegated to specialized organizations or in certain countries where costs are lower.

12.9 INDUCEMENTS

Competitive advantage increasingly depends not only more internal capabilities of a company, but also the types of alliances and the scope of its

relations with other companies, Collaborative work between companies has a profound effect on managerial practices implicitly on best practice recruitment and selection. Alliances can be formed in order to increase market access, reducing costs, increasing productivity and sales, profit and improve the image. Alliances are now perceived as a means to add value to the firm, focusing on strategy, knowledge and opportunity to involve competitors. Alliances appear in various legal and organizational forms, some contract, some based on a joint venture.

In recent years this activity has been increasingly promoted and supported in terms of ethics, ensuring a diverse workforce and in terms of management needs. Thus, we analyze three main factors: an organization to provide an environment compatible with diversity by promoting the organization and its culture, maintain a balanced gender, ethnicity, religion or color, be attention to where and how the recruitment is conducted and what effects it will have on diversity candidates. Applicant should perceive the organization as a positive place where you can work, so some steps are required in applying the principles of diversity: the image of diversity, diversity in recruitment team integration, implicating new methods of recruitment, such as anonymous resume, inserting in the recruitment notice of images and texts that support the use of diversity; statements of organization in which it shall equal employment or use by organizations of recruitment ads and special materials

12.10   JOB REQUIREMENTS

Knowledge and experience in employment law, compensation, organizational planning, recruitment, organization development, employee relations, safety, employee engagement, and employee development. Better than average written and spoken communication skills. For that the manager has to be skillful in preparing the job descriptions and Job specifications.

Job requirements are job qualifications and skills necessary for a certain position in the company required for. Job requirements are usually written in form of a list that contains most important job qualifications, skills and qualities that a candidate must possess in order to be able to perform certain job duties.

Job requirements are "must haves" that an employer is looking for in a candidate for a certain job position.

Job requirements are equally important for both employers and job seekers. Their main goal is to let candidates know what is required of them before they apply.

For employers

For an employer, job requirements are a way of preselecting potential candidates.

1. They are used to communicate employer's expectations from job seekers.
2. By laying out clearly defined job requirements, employers can attract the right type of candidates.
3. Over or under qualified candidates will be turned away from applying, thus saving employers a lot of time and money in the long run.

For job seekers

For job seekers, job requirements are the crucial part of job postings (job ads).

1. Job requirements section of the job ads should clearly state what an employer is looking for. That way, potential candidates can know what is required of them before applying.
2. If they match all the job requirements criteria, it means they are a good fit for a job and they have a chance of actually getting it.
3. On the other hand, if they don't match the job requirements criteria, they probably shouldn't waste their time applying, because they have a little chance of getting the job.

Job requirements should be carefully crafted to encompass all the most important attributes, skills and knowledge of applicant's personal characteristics' required to the job.

Thus, to write efficient job requirements, you should combine your job description with your candidate persona and choose the most important, key job qualifications and skills desired in your perfect candidate.

In the following text, we will show you exactly how to write great job requirements.

We'll start with the content, explain the best format for presenting job requirements, optimal length and introduce possible job requirements sections.

Importance of Job Requirements:

Here are the 8 most important job requirements types:

1. Work experience - types and amounts (years) of work experience
2. Skills (soft skills and/or technical skills)
3. Specific knowledge
4. Education level and type
5. Professional licenses, accreditations and certifications
6. Personal qualities and attributes
7. Languages
8. Physical abilities.

12.11 SUM UP

Any company is flourishing by recruiting the right person for right job. They are not willing to recruit wrong person to be trained as best candidate to induct into employment. They compare those entire elements to recruit any person for the positions in the company. So Affirmative action Plan will be serving for the social cause to the nation as take in part in the social welfare policy of the nation. But the private companies from India are doing such task in a required manner expected by the rulers of the state. So in the coming years, the country has to develop exclusive plan for the private and public company to accommodate socially privileged groups.

12.12   UNIT- END EXERCISES

1. What is a Affirmative Action Plan?
2. Describe the good recruiter's habits.
3. How does the environmental conditions of the firms to be a part of AAP?
4. Write short notes on Affirmative Action Plan in USA.

5. How did the Affirmative Action Plan playing its role in employment sector in India?

12.13 Answers to check your progress

1. The recruiter job is to training calender.
2. Affirmative Action Plan /Program for Minorities & Women in India.
3. Job requirements are equally important for both employers and job seekers.

12.14 SUGGESTED READINGS

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UNIT - XIII INDUSTRIAL SOCIAL WORK

Structure

13.3 INTRODUCTION

Industrial social work is a systematic way of helping individuals and groups towards better adaptation to work situation. A social worker can help the employees to overcome their problems and continue to function as productive workers.

Social work is a profession for those with a strong desire to help improve people's lives. Social workers help people function the best way they can in their environment, deal with their relationships, and solve personal and professional problems. Social workers practice in a variety of settings. Hospitals and psychiatric facilities they provide or arrange for a range of support services. In mental health, community centers, and private practice they provide counseling services on marriage, family, and adoption matters, and they help people through personal or community emergencies, such as dealing with loss or grief or arranging for disaster assistance. Industrial social work is one of the area in which the social worker extend their skill and expertness in helping personnel managers in the industry directly and organizational development indirectly, by intervening the employee management.

13.4 MEANING OF INDUSTRIAL SOCIAL WORK

Industrial organization forms a secondary setting for the proactive of professional social work. It is different from other secondary welfare setting due to its primary orientation to production and profit rather than to the welfare needs of the workers. There is a growing recognition of the fact that the human personality is influenced by and influences the organization. Hence it is necessary to have a basic understanding of organizational structure of the industry in relation to its communication pattern and its system of authority. The workers and the problems can be better perceived against the holistic background of his work place, his work family, and his community.

The industrial social worker whose work covers an intangible output can work with conviction and commitment in a profit oriented setting only if

191

his/her functions are balanced with the primary interest of the organization. A clear understanding of the social workers role responsibilities and status in relation to the concerned department of great relevance.

Although it was felt earlier that a personnel or welfare programmes need not have any connection with the economic potentials of the industry. It is increasingly felt that "A well formulate Social Work Practice," is as much as economic proposition as production or sales programme. It helps to improve the attitude of employees towards their job. As in the ultimate analysis it is the attitude of employees, which control the quality of production, quantity of the production and the productivity. Improvement in the attitude improves productivity and there by increases profit.

13.5   DEFINITION OF INDUSTRIAL SOCIAL WORK

Industrial social work is a "systematic way of helping individuals and groups towards better adaptation to work situation. A social worker can help the employees to overcome their problems and continue to function as productive workers."

Akabas, Kurzman and Kolben (1979) offer a concise definition of industrial social work, while this description also applies to other professional disciplines involved in the world of work, Industrial social work, therefore, "refers to the utilization of social work expertise in meeting the needs of workers or union members and the serving of broader organizational goals of the setting. For social workers, it offers the opportunity to intervene in a multiple of environmental systems that affect the individual."

The terms 'Industrial Social Work' and "Personal Social Work" are synonymous in several ways, though the area of operation of the one may be limited to personnel in the Industries, while the other would cover those in business, sales and many similar enterprises. While considering the operational areas of 'Industrial Social Work', the general trend has been primarily to concentrate on industrial workers. However, the levels in an enterprise need not be out of its purview.

Role of Industrial Social Worker
It is essential to understand the areas of responsibilities associated with each functionary, so as to gain a clear perspective of role and status of the industrial social worker. The development of the industrial social work in India is recent. It is primarily voluntary and is influenced by the emphasis placed by the government on certain programmes in organized sector.

The place of social worker in an industrial organization is within the administrative preview of Personnel or Human Resource Management department. Occasionally is under the direct control of the line managers. The workers are occasionally involved in the decision making in the development of the welfare services. However, since he/she is enjoys autonomy in their day-to-day functioning, they are in a position to build a purposeful relationship with the operative employees. This will enable them to relate freely to the social worker with trust and confidence.

Professional Social Work Ethics

It is at this point that the issue of professional social work ethics assumes importance, both for the social worker and the employing organization. They are:

1) The social worker should be outside the chain of command of the management, even though officially she may have to operate from the personnel or administrative department.
2) The worker should not have any responsibility involving his functionary, directly controlling the work life of the employee in so far as it affects the production process.
3) The worker should maintain the professional confidentiality. This does not mean that the worker should not share the workers problem with staff at other levels and management.

His/her work necessarily demands contact with different levels of management in the industry for effective discharge of his functions.

It is equally important for the workers to note that 'the strategic role of social worker in industry stem from his intimate contact with the rank and file workers as well as the access he has to in decision making channel and the upper echelons of the power structure in industry… but he should be very cautious of the dangers involved in his multiple identification with people in a variety of status of roles and in having his skills used manipulatively.

This is particularly true of his role in enhancing positive communication between workers and managers. This is highly complex, due to the growing importance of the trade unions, which now has great influence on the management. It is primarily delegated to the Personnel Officer and rather than to the Labour welfare Officer, or the social worker. It is the personnel officer who has to act as spokes men of the workers and advice the management on the action to be taken on their problem. He also have to strive to maintain a neutral stand to hold the balance between the management and employees and the situation which can arise possible conflicts between the trade unions and the management objectives. Here the positive and the neutral stand of the industrial social worker can be of great value to the personnel officer.

The responsibility of the social worker fall mainly in the category of non statutory services such as:

1. Family individual and group, counselling and home visit in relation to adjustment of the work orientation, personality and other problems at preventive level.
2. Active participation in corporate social responsibility activities and community development initiatives of the industry.
3. Employee management and effective intervention of labour management problems.
4. Industrial counselling.
5. Case work interventions.

193

6. Health and educational help, which would involve referral to other agencies.
7. Coordination of welfare services with other welfare agencies.
8. Workers education.
9. Family planning and Family life education.
10. Workers recreation management.

Although personnel officer welfare officer and the industrial social worker are all concerned with the human relation aspect in the industry, a comparison of their rights and duties reveal that the former are organisation oriented and the social worker is essentially employee oriented. He/she can effectively sustain her working relation with other specialist for implementing the social welfare policy.

Qualities of Industrial Social worker

The knowledge and personality traits deemed essential in a social worker in the industry are:

1. Maturity
2. Warm and genuine interest in people adjustability
3. Good communication skills in dealing with people at different levels
4. Resourcefulness
5. Sound physical health
6. Effective intervention skills
7. Knowledge of industrial psychology
8. Knowledge of labour laws
9. Expertness in corporate-community interaction
10. Expertness in industrial counselling

The industrial social worker with his basic knowledge of human dynamics and her skill in working with individuals at different levels will be a great asset in individualization service. The industrial social worker has to project his or her role as helper/moderator/facilitator rather than management appointed person. An ongoing coordination between training in social work institutions and industries is necessary and useful for effective feedback. Industrial social work should emerge as an accepted professional filed in India that will enable Human Resource Managers and Personnel Managers in the effective employee management and organizational development.

13.6 SCOPE OF SOCIAL WORK IN INDUSTRY

If we accept that business and industry are not merely profit oriented institutions but have social obligations as well, then social work does have plenty of scope in industry, as it can help it to achieve its social goals. Today, it is not only the production or sale of goods and services that is the managements' concern, but the social climate inside the organization, the work structure and the mental health of the employees is of equal concern.
Industrial social work can go a long way in improving the social climate and quality of human relations in an organisation. Human relations propose in general that productivity should be achieved by means of building and

194

maintaining employee dignity and satisfaction rather than at the cost of these values. In social work, human dignity is always upheld and man is helped to integrate and adapt to his social environment.

There is plenty of scope for social work practice in industry. This is because the larger the organisation, the more complex are the problems faced by human beings. In small organisations, employees have direct access to the managers and so many of their problems get sorted out early. In larger organisations, there is no such opportunity for the employees, as everything has to go through proper channels and, thus, they have access only to the supervisors and junior managers, who are not decision makers.

Relationships between employees and management are more formalized and availability of the management to the employees is reduced. Paternalistic attitudes towards employees and authoritarian kind of approach seem more prevalent in organisations. A social worker can help the employees to overcome their problems and continue to function as productive workers.

According to M.M. Desai, the professionally trained social worker can develop his/ her programmes at the following levels:

1. Preventive and developmental
2. Curative

Preventive and Developmental

1. Informal educational programmes aimed at enlightening the workers on issues pertaining to work life like industrial safety, functional literacy, saving habits, social security, etc.
2. Promoting the use of health and medical programmes for workers and their families (health check-ups, inoculation campaigns, family planning, informative sessions on nutrition, low cost diets, childcare, etc.
3. Personal and environmental hygiene, etc.
4. Developing recreational programmes like library services, prime sports gatherings, various skill competitions, exhibitions, film shows, etc. celebration of cultural festivals, supplementary income programmes, hobby classes, vocational guidance programmes, etc.

Curative

Curative programmes are aimed at handling problem situations faced by the individual worker by helping him to make maximum use of his own potentials and the resources offered by the industry and the community. Counselling to the individual employees and their families can be given for problems, such as alcoholism, indebtedness, and absenteeism, etc.

1. The counseling services can be coupled with concrete assistance by the way of:
2. Securing medical help within or outside industry.
3. Planning the family budgets.
4. Helping employee family members in obtaining funds.
5. Seeking employment for worker's dependents. Referring the worker/his dependents to welfare agencies in the community like child guidance clinic, marriage counselling bureaus, alcoholic anonymous groups and the like, wherever there is a need.

195

Thus, social work skill can be actively used for preventing problems from happening, as also for enriching the life of the workers and their families. Early detection and prompt treatments may prevent some workers from becoming serious casualties.

Social work intervention in industrial sector can be at micro and macro level. At micro level, the social worker can provide treatment to the worker and his family, employer and union members. Help may be given in relation to problems related to work, self and others around them, such as job performance, job satisfaction, absenteeism, conflict situations, etc. Further problems, such as anxiety, depression, phobia, mental disturbance, substance abuse, marital and family conflict, may also be attended to.

At the macro level, it can be organisational intervention where the social worker can provide individual and group consultation to supervisors and managers at all levels regarding understanding of human behaviour. The intervention may be in the form of proposing a new job design. Organising and planning of the services at the preventive, developmental and curative levels requires a basic study of the organisation. It is through an open and sensitive approach, rather than a predetermined blue print that the intuitive social worker can positively integrate the social work objectives with the management objectives. However, the scope of social work in business and industry would, in real terms, depend upon:

1. the attitude of the management;
2. the quality of the goodness of bet between needs of business and the extent to which these needs can be addressed by social work;
3. Cost effectiveness of the services provided.

13.7 RELEVANCE OF INDUSTRIAL SOCIAL WORK

The development of Social work as a service to mankind is deep rooted in the history of civilization; wherein social work as an occupation has been known for some time but social work as a profession is of recent origin. Bannerjee (1960) traces its origin in India through religious teachings emphasizing virtues like charity and assistance to the needy and helpless. These virtues are embodied in the very structures of our different religious cultures.

The advancement of behavioral sciences, growth of democratic values and the increasing emphasis on the concept of justice have contributed to the philosophy of professional social work Social work as a part of welfare services for Industrial workers in the community has been developed by managements over the last ten years. Welfare is now being envisaged as an integral part of the whole apparatus that includes social security, education, public health, the medical services, factory legislation, the right to strike and all other rights and legitimate expectations which are attached to modern democratic citizenship. There is an increasing recognition of the contribution of the profession of social work from the primary social setting to the secondary settings of the schools, hospitals, community centers and now industrial organizations. While the ramifications of the service delivery differ in different settings the common idea namely "help" binds them all.

196

Industrial social work as an area of service delivery is a recent addition to the profession of social work. Its development is influenced by historical, socio economic and cultural factors in a particular country at a specific point of time.

The practice of social work in Industry is a direct result of the level of industrialization and composition of labour forces. The availability of material and human resources and entrepreneurial leadership- besides the social policy of the country also influence the practice of social work.

The introduction of the Industrial social worker as different from labour welfare and/or personnel officers has important implications not only for the status, role and interrelationships between them but to the industrial setting itself. The Encyclopedia of social sciences (VOL XV.1935) defines labour welfare as the voluntary efforts of the employers to establish within the existing industrial system, working and sometimes living and cultural conditions for the employees beyond what is required by law, the custom of the industry and the conditions of the market. While the base for social work is within the definition it is clear that the emphasis is not totally on welfare. This can be seen from the use of the word "Sometimes".

The concept that the practice of industrial social work might have a social change component is apparently a new idea. Weiner (1973) held that the an outside agency in the community on behalf of the industry. The second phase of the industrial era in Europe which fell between the periods of 1920 -1930 was marked by increasing recognition of the human factor in industry. However the concept of "Workers welfare" at this stage was almost exclusively related to the employers concern for increase in output and profit.

A major breakthrough was achieved with the series of experiments conducted by the ***Hawthorne studies/works in Chicago*** from 1926 onwards. The Hawthorne experiments indicated to the management that higher productivity could be achieved through increased job satisfaction which involves a concern for the well being of the employee and his family. These experiments also aimed at enhancing production but one particular experiment the one regarding lighting conditions for workers revealed that with increase in lighting facility there was an increase in the output of work not only in the experimental group but also in the control group (as reported by Saini~ 1971).

The principle involved here was one of natural consent. What was important to the workers was not a mere improvement in the working conditions but also the importance given to them to choose what they felt was needed by them in bettering their working conditions. Thus in Europe the concept of Industrial social work began to be gradually integrated into the National social policy. The ideological consideration underlying this movement was that "the Social welfare services should not only permit individuals and communities to participate in the production of goods and materials but should also give them the opportunity to benefit from it (Department of Social and Economic affairs 1971).

This shift from the employer provision of welfare services was also seen in terms of the new social services that were provided with the under lying emphasis on material help. These services were in the form of leisure time services, housing, transport, crèches, home assistance services, convalescent

197

homes etc. and were entrusted to the representatives of the employees who shared their responsibilities with the management or to the social workers in the industry. However these responsibi1ities were confined to being a liaison between the needy workers and the welfare services in the community and the industry (Economic and Social Welfare Programme United Nations, 1961).

As a sequence to the development in political thinking, and in the social sciences the tasks of the personnel social worker became more administrative in nature. This compel led the social workers to combine personnel and social work tasks. These tasks primarily referred to the personnel policy and were termed general measures and provisions pertaining to the work situation. These obviously were inadequate to tackle personal problems therefore the appointment of a social worker was advocated.

13.8   APPLICABILITY OF SOCIAL WORK METHODS

The relevance and suitability of social work methods can be justified on the basis of the contribution, these methods can make towards the realization of the objectives of the business organisation. Divergent views have been expressed on this issue; some experts feel that these methods have little contribution to make in profit oriented setting of business and industry. According to them, "In industry, we essentially pursue the commercial activities, economic propositions, hard accounting business and complicated machines, then how does social work figure here?"

To this, we can say that social work today extends to all strata of society. It is a science having a body of knowledge and an art having specialized techniques and skills of practice that are relevant to any problem situation at any level. It is an enabling process and any area, where it can fulfill its role, is relevant to it. The working class cannot be excluded from its purview.

There may be limitations for its practice in industry, but similar limitations exist for the practice of these methods in some of the primary settings in India. The three primary methods of social work, namely, social casework, social group work and community organisation can be fruitfully used in business and industry. Social worker can, apart from economic causes, study the socio-cultural and psychological causes of personal problems in industry. Their role will be of bringing about adjustment between men and women in business and their work situations.

Let us take a look at the specific contributions of some of the social work methods can make to industry.

Direct Methods of Social Work
1. Social Case Work (or Social Work dealing with individuals)
2. Social Group Work (or Social Work with Groups/Teams)
3. Community Organization (or Social Work dealing with Communities)

Indirect Methods of Social Work
4. Social Action (or Social Work Action Interventions or Action Campaigning)
5. Social Work Research (or Research in Social Work Fields)

198

6. Social Welfare Administration (or Management of social Welfare organization)

1. SOCIAL CASEWORK

Social casework can be effectively used in situations of individual problems, such as alcoholism, depression, drug abuse, anxiety, marital and family difficulties, etc. Further in induction, grievance situations, transfer cases, leave needs, absentee situations, problems due to job loss, retirement, etc., it can find much use. In accident cases, cases of indiscipline, it is also very useful.

This primary method of social work can be effectively applied at two levels:

1. Difficulties and problems arising due to adjustment to family life due to any psychological, economic and cultural factors.
2. Difficulties arising out of adjustment to work life due to environment, personality problems, organisation structure and programs, etc.

2. SOCIAL GROUP WORK

Group interaction can be used as an effective tool for helping employees to understand themselves and improve their relations with those around. Group work techniques can be used in certain group situations to help the group to attain their efficiency and objectives through a harmonious development of the group work process.

It can be used in point consultation situations, such as labour management council, various committees, meetings, collective bargaining contexts, development implementations of several welfare programs inside and outside the workplace, building of group morale, etc. It can be used in educational programs and workshops for at risk employees related to areas, such as coping with job related stress, family and marital stress, anxiety, drug abuse, etc.

3. COMMUNITY ORGANISATION

Here the social worker can help business to understand the total community in which they live and utilize its resources to benefit the community on one hand and the organisation on the other. The problems, such as lack of educational facilities, proper recreation, medical facilities within the workers community, can be attended to by the social worker. Community consciousness and development are being given importance by the management where the skills of the professional social worker can be effectively used.

4. SOCIAL ACTION

Social action method would be useful when the social worker gives services to the unions. Unions can today use the social worker's knowledge and specialized skills in putting forth demands, negotiating peaceful strikes, serving and enforcing labour legislations etc. Even now a days the workers are having ample of rights to show their agitations against the employer when bye passes any rules or regulations it might be fall in this title to expose their rights, anger and agitations in the form strike, hartals, protest, mass campaigning, rally, placards, hoarding and etc..,.

5. SOCIAL WORK RESEARCH

Social Work Research is being used in industrial settings. The purpose is to collect and ascertain facts pertaining to a variety of issues and problems in industry. It will help business to understand the realities in management-employee relation. Many a times, management takes piecemeal measures to

199

counteract the inefficiency of the workers and may fail. But an integrated approach of social work may produce better results.

The effort should be to just locate the factors that have created and contributed to the problem and, after a careful analysis, offer plausible solutions. A professional social worker, by using his research skills, can help the management solve many problems. It is not one method alone, but a fusion of all the above methods that truly help the business and industry, for a problem may not be a result of any one factor. It has to be studied in its totality. In such situations, a holistic approach of social work is very much needed.

While handling specific problems, the casework help may be more effective, but some cases respond better when handled on a group or community level. A trained social worker, by using an integrated approach dwelling on his knowledge of human behaviour and human relationships and applying the various social work skills and techniques, can tackle human problems successfully. He has to consider every worker as a whole---at the shop floor, at home, in the community.

6. SOCIAL WORK ADMINISTRATION

Social Work Administration provided knowledge on Administrative Applications on Social Welfare Organizations or a Project functioning for social welfare which is similar to an Organization. For professional proficiency a social worker understand the value and need of administrative application in Social Work.

Social Work Administration is only application of administrative principles to Social Work which builds proficiency, effectiveness and goal achievement in Project Administration. The project may be short or long but to run an organisation, administrative principles are highly necessary.

In single lines Administration denotes the purposeful application of knowledge, skills, and values to such tasks of defining objectives and planning programs, mobilizing and maintaining resources, and evaluating outcomes.

13.9 UNIT- END EXERCISES

1. What is a Industrial Social Work?
2. What are the methods of social work are applicable to industrial practice?
3. What are functions performed by Industrial Social Worker?
4. Describe the role of Industrial Social Worker to resolve labour problems in Industry.
5. How do you relate the Social work Administration to HRM field?

13.10 Answers to check your progress

1. Industrial social work is improving the social climate and quality of human relations in an organization.
2. The personnel officer who has to act as spokes person of the workers and advice the management on the action to be taken on their problem. And he/she is the person practicing social work methods in Industry
3. The development of the industrial social work in India is the recent one especially after independence of India. It is primarily voluntary

and is influenced by the emphasis placed by the government on certain programmes in organized sector.

13.11 SUGGESTED READINGS

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UNIT - XIV LABOUR PROBLEMS AND INDUSTRIAL COUNSELLING

Structure

14.1 Introduction
14.2 Meaning
14.3 Scope of Industrial Counseling
14.4 Relevance of Industrial Counseling
14.5 Advantage and Disadvantage of Industrial Counseling
14.6 Sum up
14.7 Unit- End Exercises
14.8 Answers to check your progress
14.9 Suggested Readings

14.3 INTRODUCTION

A good Industrial Relations increases the morale of employers and goods them to give their maximum, each think of their mutual interest which paves way for introduction of new methods, developments and leading to adoption of modern technology. This progressive ways when designed with their mutual interest and consent develops many incentive propositions, effective participators forum is created in management. Profit are shared, workers get their dues in the organization leading to job satisfaction-which is needed for good relations.

Good industrial relation increase production, improves quality of work and products efficiency of workers increased. Cost of production lowered. Bad Industrial Relations leads to industrial unrest industrial dispute and a downward trend to industries workers and the nation. Of course the first hit will be on the employers, who have invested.

Industrial worker and the employers normally don't think, feel or act in precisely the same way and because each starts from a different point conflict of some fort can mover be eliminated completely. The main reasons for labour problems, can be due to

1. Misunderstanding or differences in perception
2. Lack of co operation real or imagined
3. Problems with authority
4. Future to comply with policies or stick to plans.
5. The Agreements over ways to achieve agreed goals.

Conflict can have some positive aspects also, they may give positive results like

➢ Reveal new aspect of an existing issue
➢ Improve long term communication between the individuals concerned
➢ Always previously stifled emotions to be released.

14.4 MEANING

It is required of every manager to help his subordinate in the free exploration of his strengths, abilities, competence, interests and other related positive features. It requires participation from both the parties in the performance review and goal-setting process.

Thus, performance counselling has become an important feature not only in performance review but also in the implementation of the appraisal system in the organization. It is natural that subordinates need guidance, coaching or help of an experienced person. This role may be played by the immediate superior or the personnel manager. The managers or superiors who have to play the role of counsellor'can play it successfully if they develop the skill for counselling.

Such a skill would be useful in understanding subordinates, assisting them in their efforts to grow and develop, and in improving their interpersonal relations both at work and in the society at large. Counselling is a two-way process in which a counsellor provides help to the workers by way of advice and guidance. There are many occasions in work situations when a worker feels the need for guidance and counselling.

The term counselling refers to the help given by a superior to his subordinate in improving the latter's performance. It is in effect a process of helping subordinates to achieve better adjustment with his work environment, to behave as a psychologically mature individual, and help in achieving a better understanding of others so that his dealings with them can be effective and purposeful.

14.5 SCOPE

Counselling helps the employees to come out from the problems, gives a new way to deal with the problems. Counselling shows how much the employer care for the employee. Counselling may help to identify the employee the work related problems and the poor performance.
Counselling has been practiced in one form or other since the evolution of mankind. In every field which requires dealing with people, counselling is essential. Counselling is a dyadic relationship between two persons; a manager who is offering help (counsellor) and an employee whom such help is given (counsellee). It may be formal or informal. Formal counselling is a planned and systematic way of offering help to subordinates by expert counsellors. Informal counselling is concerned with day to day relationship between the manager and his subordinates where help is readily offered without any formal plan.

Every manager has a responsibility to counsel his subordinates. When individual managers are unable to deal with specific problems, the counselling services of a professional body is required. An organization can either offer the services of a full-time in-house counsellor or refer the employee to a community counselling service.

Counselling occasionally is necessary for employees due to job and personal problems that subject them to excessive stress. Counselling is discussion of a problem that usually has emotional content with an employee in order to help the employee cope with it better1. Counselling seeks to improve employee's mental health. People feel comfortable about themselves and about other people and able to meet the demands of life when they are good in mental health.

Characteristics of Counselling

1) Counselling is an exchange of ideas and feelings between two people.
2) It tries to improve organizational performance by helping the employees to cope with the problems.
3) It makes organization be more human and considerate with people's problems.
4) Counselling may be performed by both professionals and non-professionals.
5) Counselling is usually confidential in order to have free talk and discussions.
6) It involves both job and personal problems.

Need for employee counselling arises due to various causes in addition to stress. These causes include: emotions, inter-personal problems and conflict at place, inability to meet job demands, over-work load, and confrontation with authority, responsibility and accountability, conflicts with the superiors, subordinates and management and various family problems, health problems, career problems etc.

14.6 RELEVANCE OF INDUSTRIAL COUNSELING

Workplace counseling is a therapy offered to employees of a company, often through an employee counseling program, that provides employees with a safe place to discuss any issues that they're struggling with. A counseling service offered to the person (Client) often includes both in-person counseling as well as a telephone-based helpline. Because workplace counseling is short-term, the focus of the counseling sessions is on problem-solving. Counselor's help clients implement solutions to the issues in their lives or develop more effective ways of coping with challenges.

The Benefits of Workplace Counseling

Workplace counseling services can play a powerful role in supporting a healthy work environment. A 2012 study that looked at the outcome of over 28,000 clients who participated in counseling through their workplace showed that 70 percent experienced improvement after their counseling services.

The benefits of workplace counseling for employees include:
1. Easy access to trained counselors
2. A safe space to talk about their problems
3. Helping employees to better understand themselves
4. Establishing or improving coping skills
5. Developing effective solutions to problems

6. Learning to look at issues with a more positive outlook and different perspective
7. While workplace counseling can be helpful to employees, there are also many benefits for employers:
8. Improved employee performance, leading to productivity gains
9. Decreased employee absenteeism
10. Lower turnover rates among employees
11. Productive way to handle sensitive situations or staff members with problematic behaviors
12. Establish a reputation as an employer that cares about staff

14.7   ADVANTAGE AND DISADVANTAGE OF INDUSTRIAL COUNSELING

a) Advantages of Industrial Counseling Programme

Following are the advantages of the Industrial counseling program that aims at helping the employees:

1. Increased productivity:

Employee counseling program helps the employees by providing them enough help both personally and professionally that eventually bring out the best performance out from any employee. This scheme helps in increased productivity by the individual as the more the employee will be satisfied with what she/he has got, the more dedication she/he will put in their work. This will help the individual to grow and provide the employee a long term security goal.

2. Focused and dedicated employees:

Often it is seen that the programs meant for the development of the employees helps them to grow more and bring out the best performance out of them.

Employee engagement is an important aspect and it only happens when employee is free and has no trouble poking them in their work irrespective of the work being personal or professional.

A focused and dedicated employee is the real outcome which is why this program aims to be delivering.

3. Highly motivated:

The employees seek to perform their duty with full determination keeping aside the problem she/he is dealing with in her/his daily life. This helps keeping them self motivated and achieve whatever goals they have set for themselves. This is why a highly motivated employee responses to a successful business and help the dependents that are associated under them to grow more and also helps in building a good and motivated working environment around them.

4. Reducing the Stress:

The more relaxed an employee will feel or the more satisfied she/he will be with whatever they are doing, the more less stress they will feel.

Stressful mind never helps in producing fruitful result but on the other hand if there are such policies that will light up the daily work of an employee, it is surely a boon. This is often seem that by developing a healthy relationship between employees and other people working in the organization helps reducing the stress occurs. With a healthy mind both the individual as well the organization will eventually grow.

5. Supporting in cost:

The security offered by not reducing the cost of the employee if she/he is not there to work in their workplace due to some urgent reason is a boon to the organization.

The cost cutting is not at all favored by the individual employee unless and until they are not taking it for their personal benefit. This can only happen when the employees start treating their organization as their own and not of anyone else. Security provided by helping in cost is the most important security provided to any employee.

6. Security of time:

Under this scheme it is assumed that the amount of time assigned for the individual employees if is not meant for some or the other reason that that employees under this program has the power of compensation that she/he can work extra and compensate for that day.

Time is the most valuable asset and it is what an organization need to bound so that no employee take this for granted but by the activation of this policy that can get a compensation which eventually will help them to grow.

7. A more Happy employee:

A happy employee is not a myth and that is what this policy has helped in proving. A happy employee is the one who in their workplace views no pain and even if they do, they make sure how to get rid of it and under this assistance policy they will get help up to each possible extend.

Especially in time of recession they will be paid and rewarded so that they don't feel them unhappy. The primary need or impetus of establishment of this is to make the country more economically stable.

8. Assurance to confidentiality:

By keeping the content of each employee safeguard by either assigning them a unique key and a password they can make sure no one else apart from them can peak in to their personal policy. This is important as every individual has some or other personal issue which they don't want their organization to know or react to.

There confidentiality is maintained thoroughly and will be maintained. By helping the individual grow they need to feel safe and secure and that is the major purpose of this policy.

9. Access to additional resource:

If any employee at any given time need to access any new resource in their policy they can upgrade them at any time and enjoy them.

Direct access is an additional boon for the employee as it helps the employee to call any one directly on to their office at any specified time they are in need of them. This helps in helping them and save their time of going out.

10. Easy off-side:

For various counseling an individual will be required to leave their office and go on side but again this is also appreciated under this scheme as employees and their growth is the only Motto with which this policy works into. Seeing this, they can consider few of the things and ignore mistake that are not hindering or causing any fault to the company.

b) DISADVANTAGES OR CONS OF EMPLOYEE COUNSELING PROGRAMS:

1) Limitation in boundary:

These services often are not supposed to be technically always working and can stop any time. While majority of them are situated off-site but the once that are online often come across with such problem.

Likewise, The professional or the friendly behavior or supervision often tends to make the employee unhappy or feel over the top. They tend to want more personal space and less of involvement from outsiders.

2) Redundancy:

There are many employees who often feel that the services provided to them are of no specific use to them and they feel they are bounded in some kind of force which leads them to become what they don't want to become.

They might not be aware of the problem they are facing and eventually will be disappointed with everything going across them. The redundancy is often the cause which is keeping the employee policy in hindrance.

3) Mandatory policies:

This making the mandatory scheme, often creates problem with the individual as they might happen to be not happy if anything is made compulsory to them without their permission and that keeps disturbing them often and keep them occupied even if they are dealing with something important. They keep on indulging them in their work or talk.

By making everything mandatory they are either not paying attention to them or they are merely just there to do their job irrespective of what the other person is getting out of it.

4) Managers at risk:

The higher authorities are often termed off with this policy and are made out with no advantage. This is a lack of education about the type and availability of the policy across different forum of employees in the organization.

Other people might not be aware of the existing policies they can upgrade in their existing policy and may end up being in a trouble.

By avoiding the employee assistance policy one can seek help from others but this again is not always possible to achieve due to the internal problems between the employees and other people working for the upliftment.

5) Lack of information:

The most common problem faced is the lack of information about the policy in which they are being assigned. It is only the case when the employees tends to get into account the polices they don't want to get associated with.

The employee remains unaware for majority of the time and this may reflect their outcomes. This should be avoided as it may creates a problem in the organizations. This drawback needs to be removed as soon as possible.

6) Problem because of the unemployed:

If there are people in an organization who are unemployed or not properly employee or meeting the specific employment they should be having, then that might create a trouble.

They won't be happily admitting the changes brought up to them nor they will accept any specific change at any time nor they will be contributing to any.

Having an educated employee is a must and this should be achieved previously for the sake of a company's profit.

7) Misguidance:

This is often arising due to various policies acting over an individual at the same time making them get misguided and unknown to the outcome.

A person should be avoided being misguided but often the policies aims at providing only the good for the people associated with the policy making. This should be avoided to make full utilization of the policy by each and every employee.

The less there will be misguiding the less there will be trust. Fraud is not a good asset for any program to place themselves into.

8) Expensive:

The cost associated with various counselling program are not offered at free of cost and are often very expensive so it becomes difficult for an individual employee to enjoy its full services truly without any outer consent of other employees.

Not every individual employee program will be needed to maintained or properly pay attention to, but despite of this they are being maintained or we can say money is being taken from the employees for its proper maintenance which is eventually going to be used for their personal benefit.

9) Too much involvement:

The employees are necessarily required to pay on time for the services that has been offered to them. This often creates a hell lot of problem within the organization. People residing in any organization catches with some minor or major issues when it comes about the security of the individual or revealing one's pay.

If any individual is not good at fighting her/his bad habits then that should not be a concern for the whole organization.

10) Globally accessible:

This is one thing every policy maker should keep in mind. This programs associated with the employee assistance are very much for only a group of individual or for some organizations and not for the whole. This often creates hindrance in the small company as they remain unknown to such programs.

They should be made available to every individual so that they can contribute for their own growth and upliftment. Global accessibility is the utmost need for any employee.

In order to conclude that, one should enjoy the program that is meant for the upliftment of every individual employee and should understand truly all the services they are providing. In case of any trouble, one should feel free to ask for their help and get the problem solved.

One should treat this program as an asset for the growth of every employee and thus the process of putting evaluated efforts will help in delivering fruitful result. This program is only aimed to achieve a unit of transparency in the individual's life and should be made available to one and all. Every employee should take up the responsibility and should focus on the better so that the programs that are being entitled to them are fully and totally enjoyed by them.

14.8 SUM UP

In western countries the labour problems can be addressed by their Employee Assistance Programmes instead of Counseling, mentoring, suggestion schemes and feedback system. Where as in India we have separate programmes for addressing employees problems and issues in different times or stages. Ours programme addressing such labour programme in grass root level itself by giving counseling and reverse counseling programmes too. The problem starts at the time searching the right applicant for the existing vacant positions. So the employer has to look into all aspects to deliver their best effort to resolve such issues or problems in the company

14.9 UNIT- END EXERCISES

1. What is a Industrial Counseling?
2. Describe Scope and characteristics of Industrial Counseling Programme.
3. Narrate the advantages and disadvantages of Industrial counseling.
4. Bring out the importance of the counseling programme to bereaved family or affected family of the worker.
5. What are benefits of Industrial or work place counseling?

14.10 Answers to check your progress

1. Internal transfers can be promotions or reassignments. They can occur as a reward for great work, to test your potential for more senior positions
2. Internal sources include that set of employees whose promotions are due because of their seniority or those employees who want promotions on merit basis..
3. A retired employee from the service cannot accept any commercial employment

14.11   SUGGESTED READINGS

1 Arun Kumar and R. Sharma(2000), Principles of Business Management. Atlantic Publisher, New Delhi
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ALAGAPPA UNIVERSITY
Distance Education
Human Resource Management

Time: 3 Hours
Maximum: 75 Marks

Part – A   (10x2=20 Marks)

Answer ALL questions:
1. Define Management.
2. Who is considered to be a father of Scientific Management?
3. What is Human Resource Management?
4. Bring out the meaning for Human Resource Policy.
5. Define Job Analysis
6. What do you understand with HR audit?
7. List any four examples of performance appraisal.
8. Define Industrial Social Work.
9. What is Incentive?
10. What is Industrial Counseling?

Part – B   (5x5=25 Marks)

Answer ALL questions:
11. Describe the element of Management.

                                (or)

    Explain the managerial Qualities required for a Manager as per Henry Fayol.

12. What is the Scope of Human Resource Management in India?

                                (or)

    What did contributed by Harvard School of Business in management in a contrary manner?

13. What are the duties required for the HR manager?

                                (or)

    Illustrate the guidelines for formulating the Personnel Policy

14. Define Human Resource Planning and List its Process

                                (or)

    What are the contents in Job Analysis?

15. Explain the principles of Wage and Salary Administration.

                                (or)

    Describe Role of Industrial Social Work for resolving the labour

    Problems

Part – C   (3x10=10 Marks)

Answer any **THREE** Questions.

16. Narrate the principles and functions of Management.
17. Write short note on the contribution made by Peter F Drucker to Management.
18. Describe the different sources of recruitment.
19. Being an HR professional how would you maintain the discipline in Industry?
20. Give an Importance of Industrial Counseling progrmmme and List its advantages and Disadvantages.

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