

HUMAN RESOURCE MANAGEMENT

● UNIT I

- Concepts and perspectives on Human Resource Management; Human Resource Management in a changing Environment; Corporate Objective and Human Resource Planning;

HUMAN RESOURCE MANAGEMENT

WHAT IS HRM ??

HRM is the process which binds people with organizations and helps both people and organization to achieve each others goal.



HRM Meaning and Definition

Human Resource Management is also a function of management, concerned with hiring, motivating and maintaining people in an organisation.

It focuses on people in the organisation.



Definition

- Human Resource Management is a series of integrated decisions that form the employment relationship; their quality contributes to the ability of the organisations and the employees to achieve their objectives.

- *Milkovich and Boudreau*

Human Resource Management



- “HRM is the function performed in organizations that facilitates the most effective use of people to achieve organizational and individual goals.”
– Ivancevich and Glueck



SCOPE OF HRM

Scope of HRM



IMPORTANCE OF HRM

Importance of HRM

- Human Resource Management is important to all managers despite their various functions because of the following reasons-
 - Hire the right person for the job
 - Low attrition rate
 - Ensure people do their best
 - Time saved in not conducting useless interviews
 - Avoid legal action for any discrimination
 - Safety laws are not ignored
 - Equity towards employee in relation to salary etc.
 - Effective training
 - Avoid unfair labour practices

HUMAN RESOURCE MANAGEMENT IN A CHANGING ENVIRONMENT

WHAT IS ENVIRONMENT OF HRM ??

- Environment of HRM includes all those factors which have bearing on the functioning of HR department.
- These forces can be divided in two categories, i.E. External forces and internal forces.

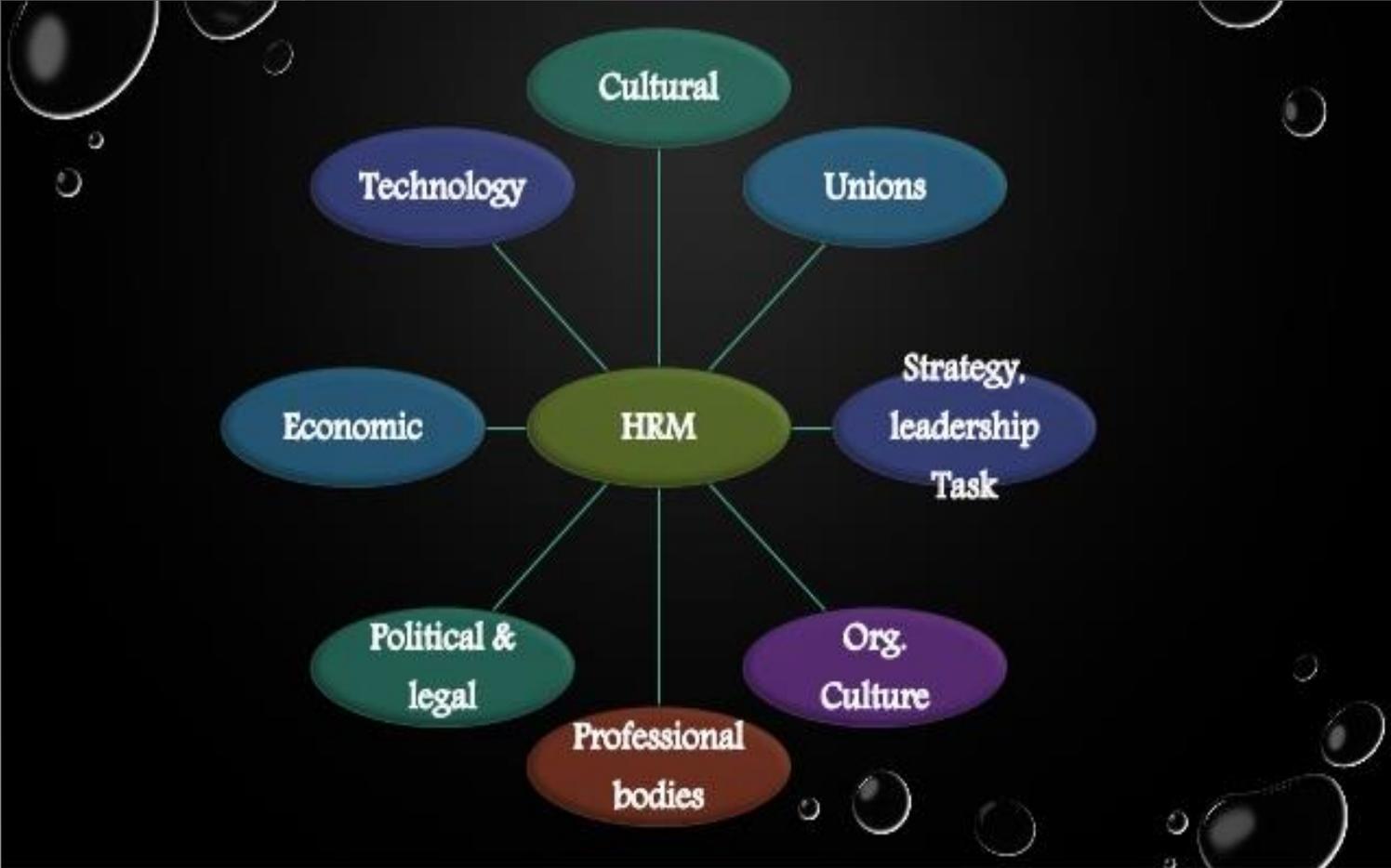
WHY IS IT NEEDED

- Today's environment is characterized by **intense competition** and change where proactive steps are vital **to survive**.
- To become proactive and not remain reactive to the environment.
- Reactive strategy are useful in stable and **competition** less environment.

HRM in a Changing Environment: The Challenges

Today's organizations are facing challenges upon following levels:

- 1. Environmental Challenges**
- 2. Organizational Challenges**
- 3. Individual Challenges**



ENVIRONMENTAL CHALLENGES

Environmental Challenges

Environmental challenges refer to forces external to the firm that are largely beyond management's control but influence organizational performance.

Five important environmental challenges today are:

1. Rapid change
2. Political-legal forces
3. Economic forces
4. Technology forces
5. Culture forces

Rapid Change

Many organizations face a unstable environment in which change is nearly constant.

If they are to survive and prosper, they need to adapt to change quickly and effectively.

Human resources are almost always at the heart of an effective response system.

few examples of how HR strategies enable a firm grappling with external change??

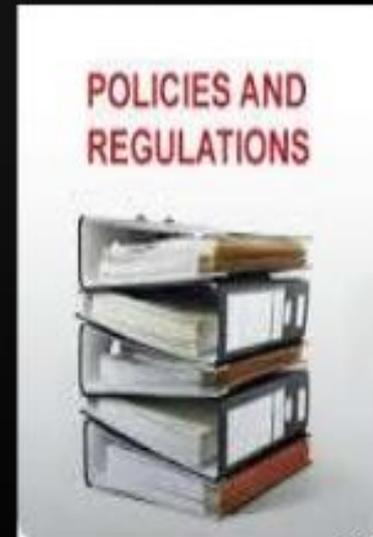
T&D

Succession planning

Strategic planning

POLITICAL-LEGAL FORCES

- Changing Labor laws related to employment, working conditions, pay & wages, and laws related to industrial disputes.
- Which political party is ruling. Different parties can have a different outlook.



ECONOMIC FORCES

- Economic growth, industrial production, agriculture, population, national and per capita income, money and capital markets, suppliers, competitors, customer & industrial labor are the components of economic environment.

Economic forces relevant to human resources:

- Suppliers
- Competitors
- Customers
- Economic growth
- Industrial labor



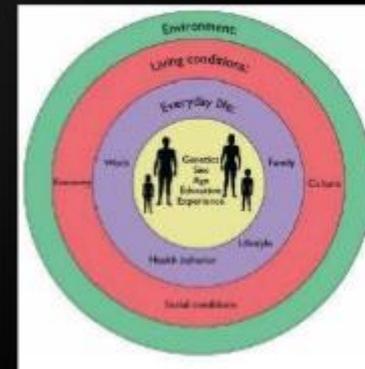
TECHNOLOGICAL

- Jobs tend to be more intellect.
- Obligation of hrm to train workers acc. To new technology and to rehabilitate those who can not be trained.
- Workers acquaint with new technology are more demanding.
- Technology has impact on human relations.



CULTURAL FORCES

Culture refers to complete whole which includes knowledge, belief, art, morals, laws, customs, and other capabilities & habits acquired by an individual as a member of society.



ORGANIZATIONAL CHALLENGES

2) Organizational Challenges

Organizational challenges refer to concerns that are internal to the firm.

These issues include:

- competitive position (cost, quality, and distinctive capability)
- Strategy task and leadership
- union

Controlling costs

One way for a firm to gain a competitive advantage is to maintain low costs and a strong cash flow (sale volume).

A compensation system that uses innovative reward strategies to control labor costs can help the organization grow.

A well-designed **compensation system** rewards employees for behaviors that benefit the company.

Other factors besides compensation policies can enhance a firm's competitiveness by keeping labor costs under control. These include: better employee selection so that workers are more likely to stay with the company and to perform better while they are there, training employees to make them more efficient and productive; attaining harmonious labor relations); effectively managing health and safety issues in the workplace and structuring work to reduce the time and resources needed to design, produce, and deliver products or services



Improving quality

The second way to gain a competitive advantage is to engage in continuous quality improvement.

Many companies are implementing total quality management (TQM) initiatives, which are programs designed to improve the quality of all the processes that lead to a final product or service.

In a TQM program, every aspect of the organization is oriented toward providing a quality product or service.



STRATEGY, TASK & LEADERSHIP

- Alignment between the strategy, structure, people, and management is important for organization's success.
- Nature of task/ job also affects human resources in terms of hiring, compensation, training etc.
- Leader also impact any of function area of organizations.



UNIONS

- Unions are considered a part of internal as well as external force in an organization due to its affiliation from outside political parties.
- Unions have influence on all human resource activities right from hiring to separation.



INDIVIDUAL CHALLENGES

3) Individual Challenges

Human resource issues at the individual level address concerns that are most pertinent to decisions involving specific employees.

These issues almost always reflect what is happening in the larger organization. How individuals are treated also is likely to have an effect on organizational issues.

For instance, if many key employees leave a firm to join its competitor, it will affect the competitive position of the firm.

The individual issues include

- matching people and organization,
- ethics and social responsibility,
- productivity,
- empowerment
- job insecurity

Productivity is a measure of how much value individual employees add to the goods or services that the organization produces. The greater the output per individual, the higher the organization's productivity.

Two important factors that affect individual productivity are ability and motivation.

Employee ability, competence in performing a job, can be improved through a hiring and placement process that selects the best individuals for the job.

It can also be improved through training and career development programs designed to sharpen employees' skills and prepare them for additional responsibilities.

Motivation also have significant impact on productivity, motivation refers to a person's desire to do the best possible job or to exert the maximum



◦ **Ethics and Social Responsibility –**

Corporate social responsibility refers to the extent to which companies should and do channel resources toward improving one or more segments of society other than the firm's owners or stockholders.

• **For example,** McDonald's established Ronald McDonald houses several years ago to provide temporary accommodation for families of sick children hospitalized away from home. Sears and General Electric support artists and performers, and many local merchants support local children's sports teams.

Job Insecurity – In this era of downsizing and restructuring, many employees fear for their jobs. For most workers, being able to count on a steady job and regular promotions is a thing of the past. Even the most profitable companies have laid off workers. Companies argue that regardless of how well the firm is doing, layoffs have become essential in an age of cutthroat competition

job insecurity is a major source of **stress** and can lead to lower **performance** and **productivity**



Empowerment

In recent years many firms have reduced employee dependence on superiors and placed more emphasis on individual control over (and responsibility for) the work that needs to be done. This process has been labeled empowerment because it transfers direction from an external source (normally the immediate supervisor) to an internal source (the individual's own desire to do well).

In essence, the process of empowerment entails providing workers with the skills and authority to make decisions that would traditionally be made by managers.

The goal of empowerment is an organization consisting of enthusiastic, committed people who perform their work ably because they believe in it and enjoys doing it (*internal control*).

This situation is in harsh contrast to an organization that gets people to work as an act of compliance to avoid punishment (for example, being fired) or to qualify for a paycheck (*external control*).



TRENDS THAT AFFECT HRM

TRENDS THAT AFFECT HRM

- Concern over productivity
- The need to be flexible in response to changing business environments
- Increasing international competition and the expanding global economy.
- Changing characteristics of the workforce

Corporate objective and human resource planning

- Corporate objective and human resource planning

Corporate objective does not mean that they only satisfy the organizational objectives as we know human resources, and organization will produce the products with the help of human resource. In order to satisfy the needs of the customers with the satisfaction of customer's fund will be generated by which organizational objectives will be achieved.

So, we can say that for fulfilling their own objectives the company will also consider the main parties who are helpful in achieving the objectives. Thus organization have these objectives which are as follows: -

1. Organizational
2. Human resource
3. Social objective

Organizational

- o Establishing strategy
- o Profit earning
- o International strategic
- o Organizational development

Human resource

- o Working condition
- o Fair wages
- o Empowerment
- o Industrial relation

Social objectives

- o Satisfy consumers
- o Offer right product
- o Increase employment
- o Environment management

Human resource planning

- The actual human resource process begun with estimation of the number and the type of people needed during the period. After this only people can be hired to fill the jobs. This all called human resource planning. This is the most crucial step in the overall human resource management process.

1. In simple word's human resource planning is the process of Forecasting an organization future demand of human resource. From it will be supplied. The right type of people in the right number.

2. after this human resource management department can initiate the process of recruitment and selection. Human resource planning is the sub-system in the total organization planning.

3. Organizational planning include managerial activities that sets the company objectives for the future and determine the appropriate mean's for achieving those objectives.

4. Human resource planning facilitates the realization of the company objectives by providing the right type and the right number of personal.

5. Human resource planning is also compared to material planning that estimate the type and quality of materials and supplies need to facilitate the manufacturing activities of the organization.

Definition of human resource planning

- 1. Human resource planning 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 equal personnel demands at the appropriate point in the future.
- 2. Specifically human resource planning is the process by which an organization ensures that it has the right number and kind of people, at the right place, at the right time, capable of effectively and efficiently completing those tasks will help the organization achieve its over all objectives.

Human resource planning translates the organizations objectives and plan's into the number of worker's need to meet those objectives without a clear cut planning, estimation of an organization human resource need is replace to mere guess work.

Importance of human resource planning

Determine the future personal needs.
Creating highly talented personnel.
Protection of weaker section.
Increase investment in human resource.
Foundation of personnel function.
International strategy.

Objectives of human resource planning

- To ensure optimum use of existing human resource.
- To forecast future requirements for human resource.
- To link human resource planning with organizational planning
- To assess the surplus and shortage of human resource.
- To determine the level of requirement of training.
- To estimate the cost of human resource and housing needs of employee.
- To provide a basis for management development programme.
- To facilitate productivity bargaining.
- To provide control measures to ensure that necessary human resource available as and when required.
- To anticipate the impact of technology on jobs and human resources.

Factors affecting human resource planning

Type and strategy of organization.
Organizational growth cycle and planning.

Environmental uncertainties

Time horizons.

Type and quality of forecasting information.

Nature of job being filled.

Off-loading the work.

- Type and strategy of organization
This factor effect the organization. Human resource planning will be influenced with the type of organization either it is manufacturing or rendering services. manufacturing concern will require more workers to complete the manufacturing activities. The strategy of organization will also effect acquisition, merger etc. will effect the human resource either need or termination of human resource. Human resource planning also effect by organization decisions like either they are proactive and reactive.
- Organizational growth cycle and planning
The stage of an organization growth can have considerable influence on human resource planning. Small organization may not have personnel planning. Planning will be need when the organization enter the growth stage. A mature organization experiences less flexibility and variable, they need Human resource planning as the work force will become old so new young people be hired. At the decline stage Human resource planning takes will different focus like layoffs, retrenchment and retirement.
- Environmental uncertainties
Human resource manager rarely have the privilege to operate in certain environment. All the external forces and the internal forces of the organization affect the human resource planning. Human resource manger have to deal with environmental uncertainties carefully and formulate their policy efficiently regarding recruitment, selection, training, retrenchment etc.

- Time horizons
It also affect the personnel planning on one hand there are short term's plane time spanning 6 months to 1 year and on other hand long term plan's whose time span is 3 to 20 years.
The companies which are depend on short term plan's- more uncertainty.
The companies depend on long term plan's – certainty is there.
- Type and quality of information
The human resource planning will be effected by type of information. It mean's that planning about human resource. It is necessary for human resource manager to know about information which effect the planning like organization structure, product mix, budget, marketing etc. with these information human resource planning will be effected in these area's like job analysis, retrenchment plan's, turnover data, retrenchment sources, training and development programme etc.
- Nature of jobs being filled
Personnel planners must consider the nature of jobs being filled in the organization. Job vacancies arise because of separation, promotion and the expansion strategies.
It is easy to employee shop-floor worker but managers require lot of sourcing for the requirement of managerial personnel.

- Off-loading the work
Several organizations off-load part of their work to outside parties either in the form of sub-contracting. Off-loading is a regular feature both in public as well as private sector. Most organizations have surplus labour and they do not want to solve the problem by hiring more people. Hence, the need of off-loading will be arises.

HR Planning Process

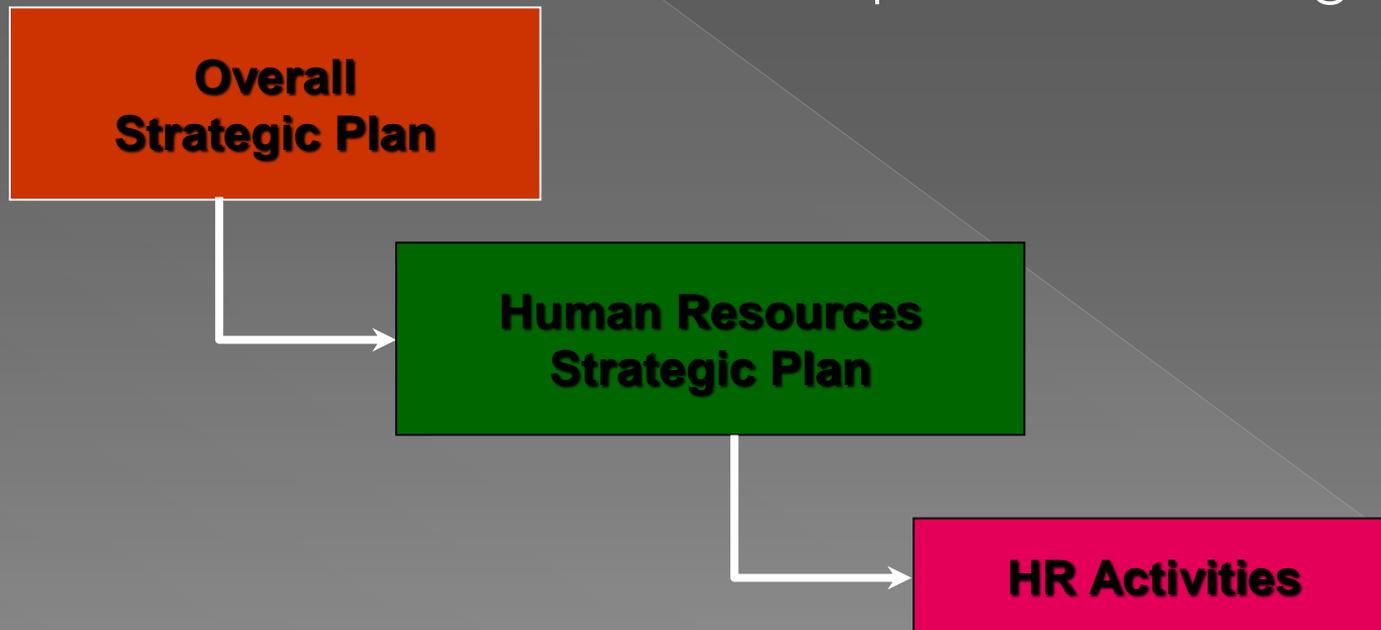


Figure 2-6

HR Planning Process

○ HR Strategies

- > The means used to anticipate and manage the supply of and demand for human resources.
 - Provide overall direction for the way in which HR activities will be developed and managed.



Scanning the External Environment

- ◉ Environmental Scanning
 - > The process of studying the environment of the organization to pinpoint opportunities and threats.
- ◉ Environment Changes Impacting HR
 - > Governmental regulations
 - > Economic conditions
 - > Geographic and competitive concerns
 - > Workforce composition

Internal Assessment of the Organizational Workforce

- ◉ Auditing Jobs and Skills
 - > What jobs exist now?
 - > How many individuals are performing each job?
 - > How essential is each job?
 - > What jobs will be needed to implement future organizational strategies?
 - > What are the characteristics of anticipated jobs?

Internal Assessment of the Organizational Workforce

- Organizational Capabilities Inventory
 - > HRIS databases—sources of information about employees' knowledge, skills, and abilities (KSAs)
 - > Components of an organizational capabilities inventory
 - Workforce and individual demographics
 - Individual employee career progression
 - Individual job performance data

Forecasting HR Supply and Demand

Forecasting

- > The use of information from the past and present to identify expected future conditions.

Forecasting Methods

> Judgmental

- Estimates—asking managers' opinions, top-down or bottom-up
- Rules of thumb—using general guidelines
- Delphi technique—asking a group of experts
- Nominal groups—reaching a group consensus in open discussion

Forecasting HR Supply and Demand

Forecasting Methods (cont'd)

> Mathematical

- Statistical regression analysis—
- Simulation models
- Productivity ratios—units produced per employee
- Staffing ratios—estimates of indirect labor needs

Forecasting Periods

- > Short-term—less than one year
- > Intermediate—up to five years
- > Long-range—more than five years

Forecasting Methods

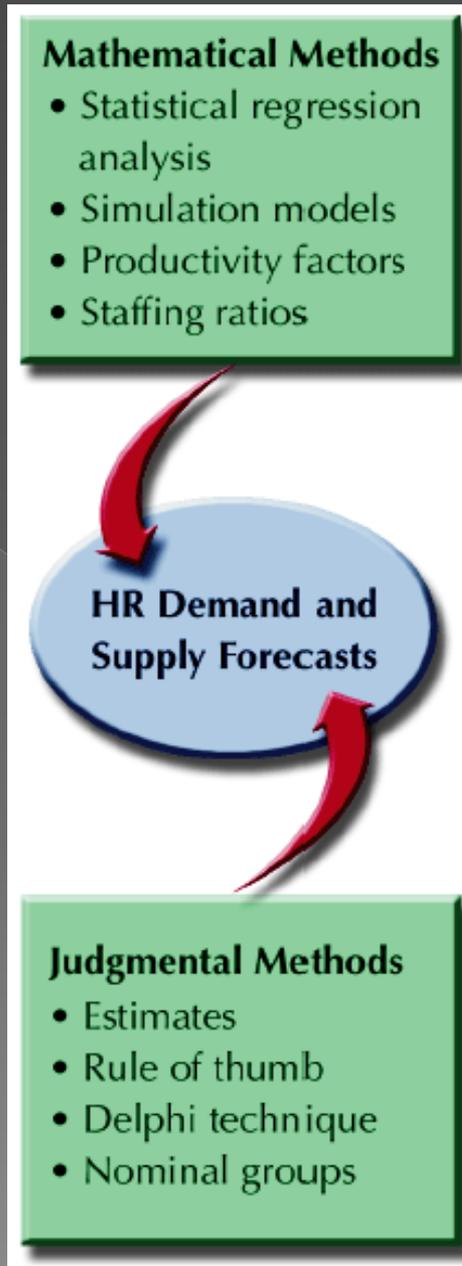


Figure 2–8

Forecasting HR Supply and Demand

- Forecasting the Demand for Human Resources
 - > Organization-wide estimate for total demand
 - > Unit breakdown for specific skill needs by number and type of employee
 - Develop decision rules (“fill rates”) for positions to be filled internally and externally.
 - Develop additional decision rules for positions impacted by the chain effects of internal promotions and transfers.
- Forecasting the Supply for Human Resources
 - > External Supply
 - > Internal Supply

Forecasting HR Supply and Demand

- Forecasting External HR Supply
 - > Factors affecting external
 - Net migration for an area
 - Individuals entering and leaving the workforce
 - Individuals graduating from schools and colleges
 - Changing workforce composition and patterns
 - Economic forecasts
 - Technological developments and shifts
 - Actions of competing employers
 - Government regulations and pressures
 - Other factors affecting the workforce

Forecasting HR Supply and Demand

- Forecasting Internal HR Supply
 - Effects of promotions, lateral moves, and terminations
 - Succession analysis
 - Replacement charts
 - Transition matrix (Markov matrix)

	Exit	Manager	Supervisor	Line Worker
<i>Manager</i>	.15	.85	.00	.00
<i>Supervisor</i>	.10	.15	.70	.05
<i>Line Worker</i>	.20	.00	.15	.65

Estimating Internal Labor Supply for a Given Unit

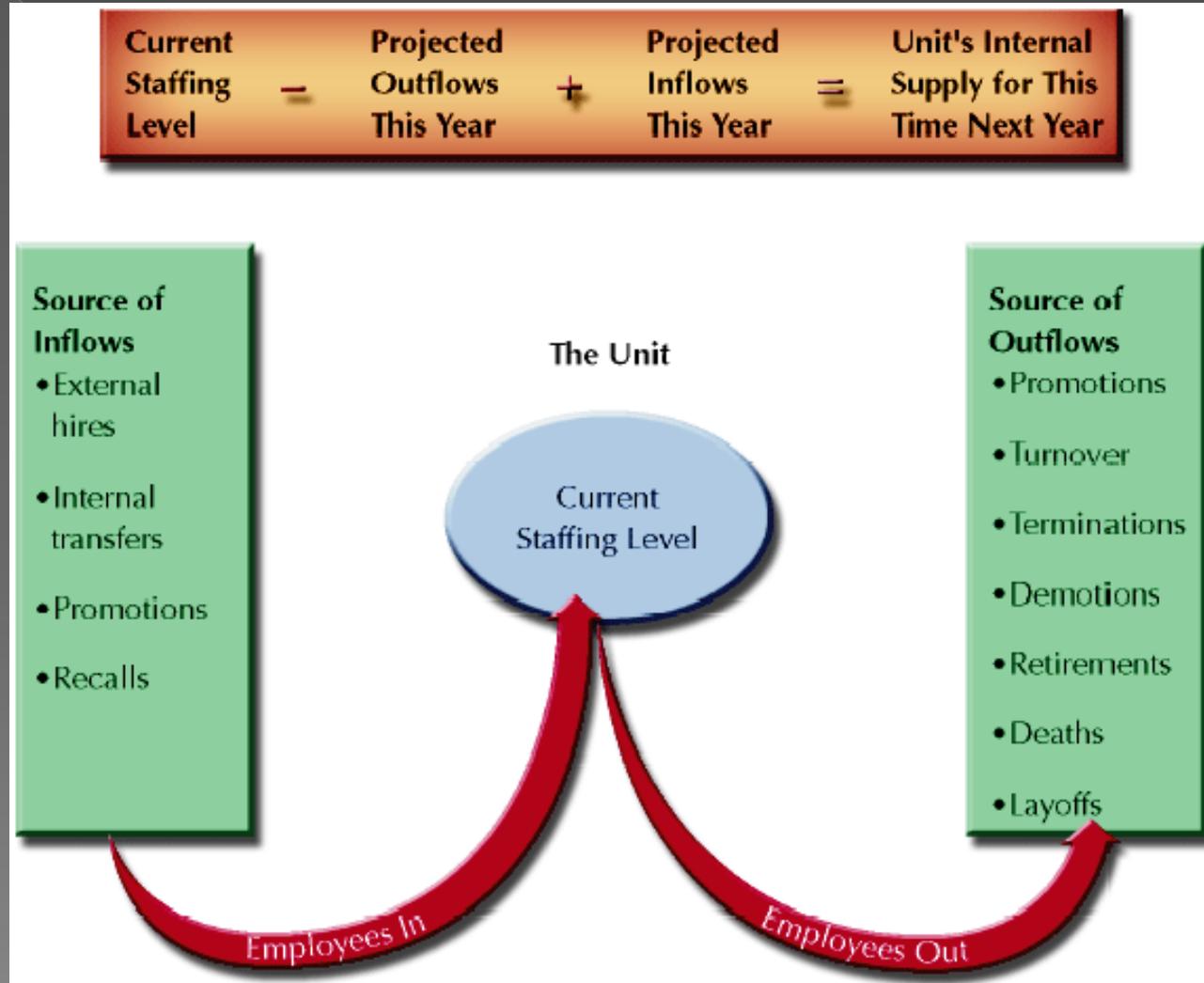


Figure 2-9

Managing Human Resource Surplus or Shortage

◉ Workforce Reductions

- > Identifies employer requirements for layoff advance notice.
 - 60-day notice to employees and the local community before a layoff or facility closing involving more than 50 people.
 - Does not cover part-time or seasonal workers.
 - Imposes fines for not following notification procedure.
 - Has hardship clauses for unanticipated closures or lack of business continuance capabilities.

Managing Human Resource Surplus or Shortage

◉ Workforce Realignment

- > “Downsizing”, “Rightsizing”, and “Reduction in Force” (RIF) all mean reducing the number of employees in an organization.
- > Causes
 - Economic—weak product demand, loss of market share to competitors
 - Structural—technological change, mergers and acquisitions

Managing Human Resource Surplus or Shortage

- ◉ Workforce Realignment (cont'd)
 - > Positive consequences
 - Increase competitiveness
 - Increased productivity
 - > Negative consequences
 - Cannibalization of HR resources
 - Loss of specialized skills and experience
 - Loss of growth and innovation skills
 - > Managing survivors
 - Provide explanations for actions and the future
 - Involve survivors in transition/regrouping activities

Managing Human Resource Surplus or Shortage

- Downsizing approaches
 - > Attrition and hiring freezes
 - Not replacing departing employees and not hiring new employees/
 - > Early retirement buyouts
 - Offering incentives that encourage senior employees to leave the organization early.
 - > Layoffs
 - Employees are placed on unpaid leave until called back to work when business conditions improve.
 - Employees are selected for layoff on the basis of their seniority or performance or a combination of both.

Managing Human Resource Surplus or Shortage

- ◉ Downsizing approaches (cont'd)
 - > Outplacement services provided to displaced employees to give them support and assistance:
 - Personal career counseling
 - Resume preparation and typing services
 - Interviewing workshops
 - Referral assistance
 - Severance payments
 - Continuance of medical benefits
 - Job retraining

Dealing with Downsizing

- ◉ Investigate alternatives to downsizing
- ◉ Involve those people necessary for success in the planning for downsizing
- ◉ Develop comprehensive communications plans
- ◉ Nurture the survivors
- ◉ Outplacement pays off

Importance of HRP

- 1. Smooth expansion and diversification of needs
- 2. Helps to formulation of budget
- 3. Helps in checking labour imbalance
- 4. Helpful in training and development of employees
- 5. Serves as reservoir of talent.

Limitation of HRP

- 1. Inaccuracy of forecasts
- 2. Identity crisis
- 3. Resistance from employees
- 4. Lack of technical support
- 5. Inefficient information system
- 6. Uncertainties
- 7. Expensive and time consuming
- 8. Lack of coordination and support
- 9. Unbalanced focus
- 10. Competition

Assessing HR Effectiveness

- Diagnostic Measures of HR Effectiveness
 - > HR expense per employee
 - > Compensation as a percent of expenses
 - > HR department expense as a percent of total expenses
 - > Cost of hires
 - > Turnover rates
 - > Absenteeism rates
 - > Worker's compensation per employee

Overview of the HR Evaluation Process

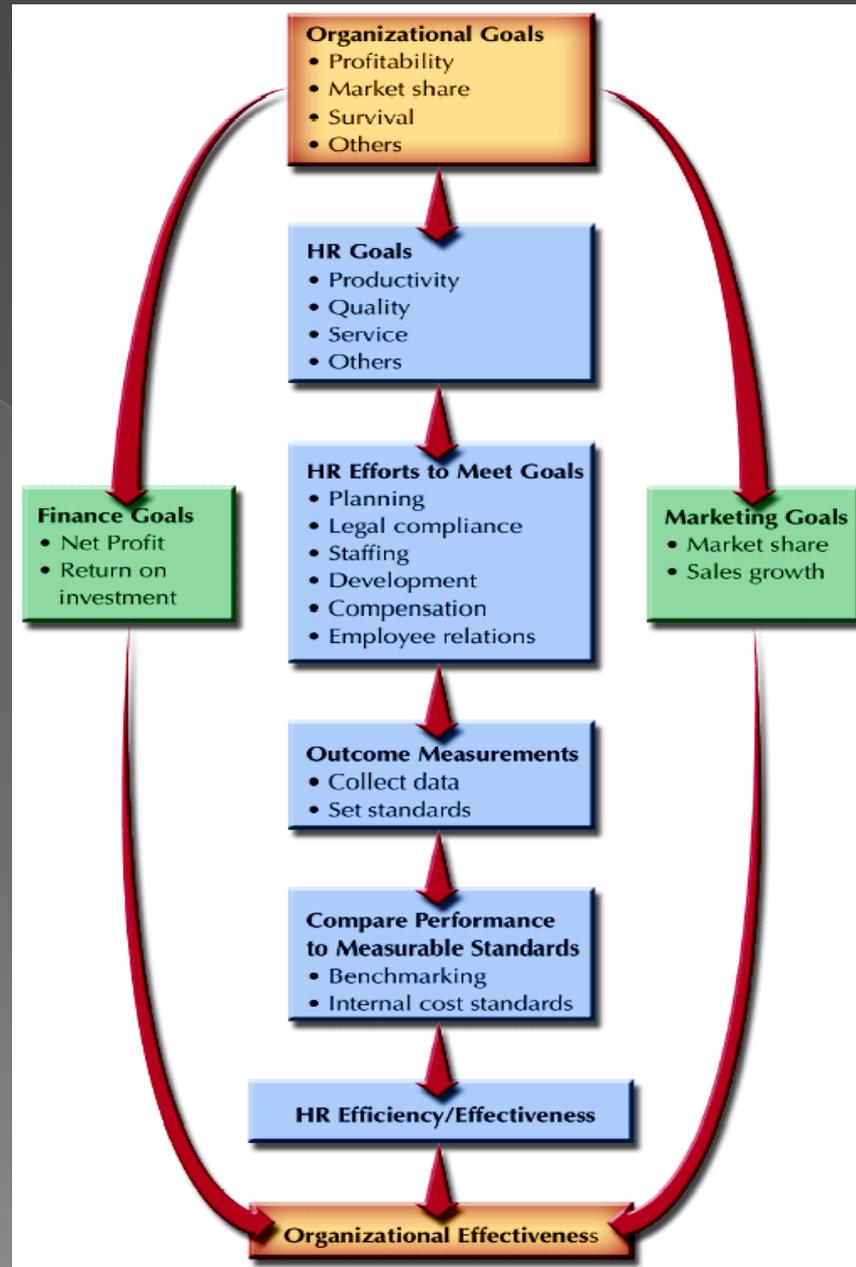


Figure 2-10

Assessing HR Effectiveness

◎ HR Audit

- > A formal research effort that evaluates the current state of HR management in an organization
- > Audit areas:
 - Legal compliance (e.g., EEO, OSHA, ERISA, and FMLA)
 - Current job specifications and descriptions
 - Valid recruiting and selection process
 - Formal wage and salary system • Benefits
 - Employee handbook
 - Absenteeism and turnover control
 - Grievance resolution process
 - Orientation program • Training and development
 - Performance management system

Using HR Research for Assessment

- HR Research
 - > The analysis of data from HR records to determine the effectiveness of past and present HR practices.
- Primary Research
 - > Research method in which data are gathered first-hand for the specific project being conducted.
- Secondary Research
 - > Research method using data already gathered by others and reported in books, articles in professional journals, or other sources.

HR Performance and Benchmarking

○ Benchmarking

- > Comparing specific measures of performance against data on those measures in other “best practice” organizations

○ Common Benchmarks

- > Total compensation as a percentage of net income before taxes
- > Percent of management positions filled internally
- > Dollar sales per employee
- > Benefits as a percentage of payroll cost

Doing the Benchmarking Analysis

- Return on Investment (ROI)
 - > Calculation showing the value of expenditures for HR activities.

$$\text{ROI} = \frac{C}{A + B}$$

A = Operating costs for a new or enhance system for the time period

B = One-time cost of acquisition and implementation

C = Value of gains from productivity improvements for the time period

HR Business Performance Calculations

HR Performance Area	Method of Calculation
1. CEO's priority numbers	Whatever CEO sees as linked to organizational strategic goals
2. Human value added	$\begin{aligned} & \text{Revenue} \\ & - \text{Operating expense} \\ & - \underline{\text{Pay and benefits}} \\ & = \text{Adjusted profit} \div \text{Full-time-equivalent employees} \end{aligned}$
3. Return on human capital invested	$\begin{aligned} & \text{Revenue} \\ & - \text{Operating expense} \\ & - \underline{\text{Pay and benefits}} \\ & = \text{Adjusted profit} \div \text{Pay and benefits} \end{aligned}$
4. Time to fill openings	Total calendar days from each requisition to accepted offer/Number of openings filled
5. Turnover cost	$\begin{aligned} & \text{Cost to terminate} \\ & + \text{Cost to hire} \\ & + \text{Vacancy cost} \\ & + \underline{\text{Productivity loss}} \\ & = \text{Total} \div \text{Employees lost} \end{aligned}$

Source: Adapted from Jac Fitz-Enz, "Top 10 Calculations for Your HRIS," *HR Focus*, April 1998, S-3.

Figure 2-11a

HR Business Performance Calculations

6. <i>Volunteer turnover rate</i>	<i>Total voluntary employee separations ÷ Total employees</i>
7. <i>Return on training</i>	<i>(Dependent upon type of training done)</i>
8. <i>Cost per employee hired</i>	<i>Advertising expenses</i> <i>+ Agency fees</i> <i>+ Employee referral bonuses</i> <i>+ HR recruiters pay and benefits</i> <i>+ <u>10% misc. costs</u></i> <i>= Total ÷ Total number of employees hired</i>
9. <i>Pay and benefits as % of operating expense</i>	<i>Total pay and benefits expenditures ÷ Total operating expenses</i>
10. <i>Healthcare costs per employee</i>	<i>Total healthcare benefits expenses ÷ Total number of employees</i>

Doing the Benchmarking Analysis

- ◉ Economic Value Added (EVA)
 - > A firm's net operating profit after the cost of capital (minimum rate of return demanded by the shareholders) is deducted.
 - > Cost of capital is the benchmark for returns for all HR activities.
- ◉ Utility analysis
 - > Analysis in which economic or other statistical models are built to identify the costs and benefits associated with specific HR activities

○ UNIT II

- Career and Succession Planning; Job analysis and Role Description, Methods of Manpower Search; Attracting and Selecting Human Resources.

Meaning of Career Planning

- Career planning is a process of systematic matching career goals and individual capabilities with opportunities.
- Process of aware of self, opportunities, constraints, choices, consequences, goals, work, education, development, direction, timing

Significance of career planning

- ◉ Participative process
- ◉ Involve employees' abilities and attitudes
- ◉ Developmental process
- ◉ Continuous process
- ◉ Life long learning process

Objectives of C.P.

- To attract and retain right type of persons
- To develop awareness of uniqueness
- To provide guidance and motivation
- To anticipate future vacancies
- To facilitate expansion and growth of org.
- To utilize managerial talent at all levels
- To integrate, improve morale

Importance of career planning

- Employees –career path, focused self development, increased productivity
- Organization- assured availability of talent, attracting and retaining talent, promoting org. image, protecting interest of special group of employees.

Limitations of career planning

- ◉ Time consuming
- ◉ Unsuitable for large workforce
- ◉ Lack of objectivity
- ◉ External interventions
- ◉ Lack of knowledge and awareness
- ◉ Lack of flexibility
- ◉ Difficulty in measuring career success

Steps in Career Planning Process

1. A Starting Point – Who are you?
2. Identify careers related to interest, abilities and preferences
3. Learn more about these specific careers
4. Narrow your choices to a few careers for continued exploration
5. Get the right training and preparation for your career
6. Begin the job search and start your career

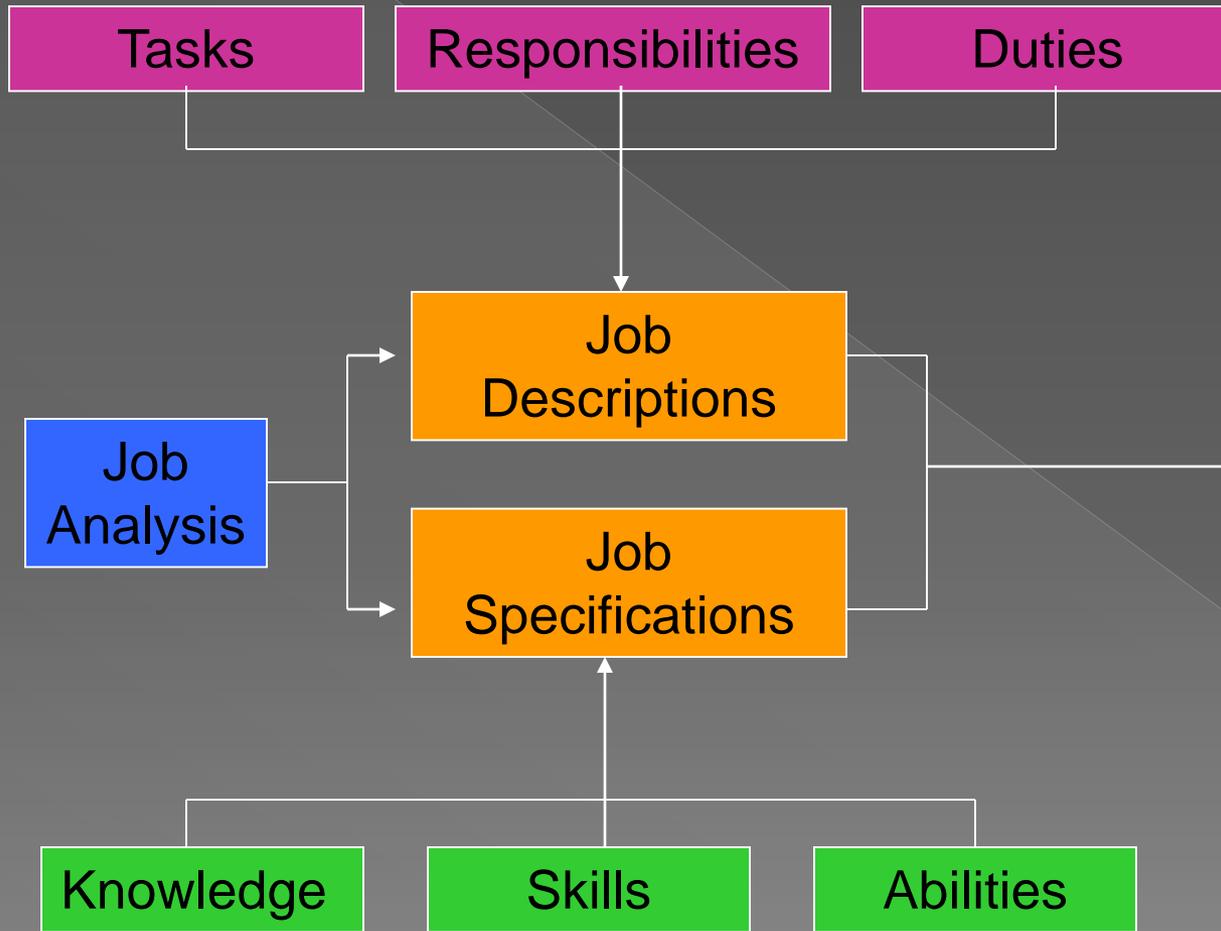
Succession Plan

- The process of developing a systematic approach to building replacement workers to ensure continuity, by identifying potential successors in *critical* work processes.

Succession Management

- The integrated approach to workforce recruitment, development, and retention to ensure that the organization has candidates whose present and future potential contribute to their individual success and the success of the organization.

Job Analysis: A Basic Human Resource Management Tool



- Human Resource Planning
- Recruitment
- Selection
- Training and Development
- Performance Appraisal
- Compensation and Benefits
- Safety and Health
- Employee and Labor Relations
- Legal Considerations
- Job Analysis for Teams

Definitions

- **Job** - Consists of a group of tasks that must be performed for an organization to achieve its goals
- **Position** - Collection of tasks and responsibilities performed by one person; there is a position for every individual in an organization

Definitions (Continued)

- ◉ **Job analysis** - Systematic process of determining the skills, duties, and knowledge required for performing jobs in an organization
- ◉ **Job description** – document providing information regarding tasks, duties, and responsibilities of job
- ◉ **Job specification** – minimum qualifications to perform a particular job

Types Of Job Analysis Information

Considerable information is needed, such as:

- ◉ Worker-oriented activities
- ◉ Machines, tools, equipment, and work aids used
- ◉ Job-related tangibles and intangibles
- ◉ Work performance
- ◉ Job content
- ◉ Personal requirements for the job

Sources of job analysis information

- ◉ **Manager**
- ◉ **Incumbent**
- ◉ **SME**
- ◉ **Job analyst**
- ◉ **DOT**
- ◉ **O*NET**

Job Analysis Methods



- ◉ Questionnaires
 - > PAQ
 - > Functional job analysis
- ◉ Observation
 - > Critical incident technique
- ◉ Interviews
- ◉ Employee recording
- ◉ Combination of methods

ROLE DESCRIPTION

- Role description is a comprehensive, yet precise, currently relevant description of an employee's assigned role in the organisation, which must form a basis for planning the performance and development of employees. It is concerned with elements such as which groups or areas the position serves, the end accountabilities of the role, and the overall skills and abilities required for the specific type of work.

- When viewed from this perspective, a number of jobs can usually be grouped into a role because, while tasks and specific goals may differ, the overall purpose, elements, and skills or competencies required are very similar. If these are ambiguous or improperly spelt out, planning will flop; results in inappropriate goals, targets and priorities, resulting in failure experience and consequent frustration for the employee, the manager, as well as for the organisation.

CONTENTS OF ROLE DESCRIPTION

1. Role Purpose
2. Position in the Organogram
3. Role Responsibilities
4. Role tasks
5. Performance Indicators
6. Decision-Making Function
7. Network of Key Role Relationships
8. Work Context
9. Academic Levels
10. Previous Experience
11. Competencies

RECRUITMENT

- Recruitment is the process of searching for prospective employees and stimulating them to apply for jobs in the organisation.
- Primary purpose of identifying and attracting potential employees.
- Process to discover the sources of manpower to meet the requirements of the staffing schedule.

Significance of Recruitment

- ◉ Positive function
- ◉ Continuous process
- ◉ Pervasive function
- ◉ Two way process
- ◉ Complex job

Factors affecting Recruitment

- External – supply and demand, unemployment rate, market, goodwill, political, social, legal, environment, competitors
- Internal - HR planning, recruitment policy, size or org., costing etc.

Process of recruitment

- ① 1. recruitment planning
- ② 2. identifying sources of recruitment
- ③ 3. contacting sources
- ④ 4. application pool
- ⑤ 5. selection process
- ⑥ 6. evaluation and control

Methods of Manpower search

- Internal methods – transfer and promotion, job posting, employee referrals, former employees, previous applicants
- External methods -Direct methods(campus, factory gate, scouting), indirect methods (Advertisements, clubs, trade asso.), third party methods (employment agencies, school, colleges, computer data bank, professional institute etc.

Importance of Recruitment

- Determine present and future requirements
- Creates and increases applicants pool
- Meets organisation requirements.
- Reduces employees turnover

Problems of recruitment

- ◉ Image of organisation
- ◉ Internal policy
- ◉ Cost and time consuming
- ◉ Government interference

Selection- selecting H.R.

- Selection is the process of screening job applications to ensure that the most appropriate candidates are hired

Factors affecting selection

- ◉ Size of organisation
- ◉ Type of the organisation
- ◉ Nature of organisation
- ◉ Applicant pool
- ◉ Speed of decision making
- ◉ Nature of labour market
- ◉ Trade unions
- ◉ Government regulations.

Process of selection

- 1. screening of applicants forms
- 2. selection tests
- 3. selection interviews
- 4. medical examination
- 5. reference check and verification
- 6. hiring decisions by authority

Types of selection tests

- 1. aptitude tests – intelligence , mechanical , psychomotor, clerical test
- 2. Achievement tests – job knowledge, work sample test
- 3. situational tests – group discussion, in basket test
- 4. Interest test
- 5. personality test- objectives and projective tests

Importance of selection

- ◉ Selects suitable candidate
- ◉ Determines applicant's capabilities
- ◉ Places right candidate at right job
- ◉ Acquires information about candidates
- ◉ Saves time and money of organisation

Problems of selection

- ◉ Diversity of opinion
- ◉ Changed environment
- ◉ Time and money consuming
- ◉ Fairness
- ◉ Reliability
- ◉ Validity
- ◉ Wrong perception and attitude
- ◉ Pressure of politics and undue elements

UNIT - III

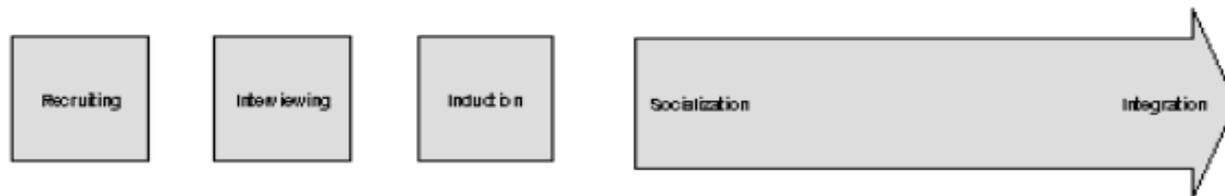
- Induction and Socialization; Manpower Training and Development

INDUCTION and SOCIALIZATION

Introduction

- The Induction and Socialization phases begin when the new employee receives the Welcome Packet.

The Phases of Orientation





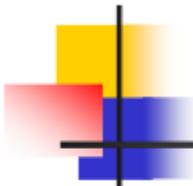
Induction

- Induction is the process of receiving & welcoming an employee when he first joins a company & giving him basic information.
- Lecture, handbook ,film, group seminar are used to impart information to new employees about the environment of the job & organisation.



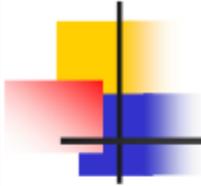
Objective of Induction

- Putting the new employee at ease.
- Creating interest in his job & the company.
- Providing basic information about working arrangements.
- Indicating the standards of performance & behaviour expected of him.
- Informing him about training facilities.
- Creating the feeling of social security.



How to make Induction effective?

- Feed forward of the possible problems & solutions of them.
- A warm & friendly welcome will reduce possible problems.
- A phased induction program would place new employee at ease & learn slowly.
- Attaching a colleague to new employee for a month would reduce his anxiety.



Advantages

- First impression matters a good deal & results in less turnover.
- Newcomer adjusts himself to work quickly.
- Reduce employee dissatisfaction & grievances.
- Develops a sense of belongingness & commitment.



Socialization

- Socialisation is a process of indoctrinating the new employee into the organisation culture.



Functions of Socialisation

- It creates uniform behaviour in members & increases understanding.
- It reduces role ambiguity of employee as they will come to know what is expected of them.



Process of Socialisation

- It has three stages in process of Socialisation:
 - 1:Pre-arrival
 - 2:Encounter
 - 3:Transformation

What is training

- **Training is basically a systematic procedure for transferring technical know-how to the employees so as to increase their knowledge and skills for doing a particular job.**
- **Training is the process of altering employee behavior & attitudes in a way that increases their probability of goal attainment .” It involves changing of- skill, knowledge , attitude**

Definitions-

According to “Edwin B. Flippo;

”Training is the act of increasing knowledge and skill of an employee for doing a particular job.”

According to Michael Armstrong;

”Training is the systematic development of the knowledge, skills and attitudes required by an individual to perform adequately a given task or job.”

TRADITIONAL AND MODERN APPROACH OF TRAINING AND DEVELOPMENT

- ◎ *Traditional Approach* – Most of the organizations before never used to believe in training. They were holding the traditional view that managers are born and not made. There were also some views that training is a very costly affair and not worth.
- ◎ *Modern approach*- Organizations have realized the importance of corporate training. Training is now considered as more of retention tool than a cost. The training system in has been changed to create a smarter workforce and yield the best results.

“ In future, the success of enterprises will depend upon the revolutionary training and development system in human resource management.” Ajit Kulkarni GM – HR fidelity India

“As we live and work in the world of knowledge and skill, every human activity need up-to-date knowledge and required skills to perform it.”

Rohit Bajaj- Head Corporate Affairs – Max New York Life

Features-

- Training enhances the **skills and capabilities**
- The need for training can be emphasized in various work situations, such as in **harnessing skills for existing jobs, planning out one's future job profile, elevating employees performance** and so on.
- For training to be successful, the employees have to be convinced of its utility and effectiveness.
- A successful training program improves the performance of an employee which in turn enhances organizational performance.
- Training program should attempt to bring about positive changes in the-knowledge ,skills and attitude of the workforce.

Training policy

TRAINING POLICY INCLUDES

- This policy depicts the top management's philosophy regarding training of employees.
- This training policy includes the rules and regulations, procedure, budget, standards and conditions regarding training.
- This policy depicts the intention of the company to train and develop its personnel.
- It provide guidelines for training programme.

Components of Training-



Some important points regarding training
The Do's of Training

- In the organization employee training and development is essential part of planning activity so that learning and growth can take place in the organization.
- Employees should get opportunity of training. It should not be based on favoritism.
- There should be sufficient budget for training and development programme.
- It should be an endless activity for all.
- It should be structured and be managed in such a way that learning takes place properly.

- Its importance should be recognized and never be underestimated as sheer waste of time.
- The learner should be motivated
- From time to time, review meetings should be to measure the gain through training and development schemes.
- It should be evaluated in terms of practicality, acquiring of skills, usefulness in job, in terms of cost, time , in terms of effectiveness and changed behavior.

Purpose of training programmes...

1. Improving employee performance- As it bridges the gap between the actual and expected performance of the employees.
2. Updating employee skills-to adopt any technological advances.
3. Avoiding managerial obsolescence
5. Creating an efficient and effective organization
6. It helps organization to absorb changes taking place in the environment and reduce resistance to change.

- **Creating a pool of readily available and adequate replacements for personnel who may leave or move up in the organization.**
- **Building a more efficient, effective and highly motivated team, which enhances the company's competitive position and improves employee morale.**
- **Ensuring adequate human resources for expansion into new programs.**

Training Benefits

- **Benefits to organisation**
 - Improved profit
 - Improves productivity
 - Reduces Turnover
 - Increased efficiency resulting in financial gains.
 - Decreased need for supervision
 - Helps in effective decision making and problem solving
 - Helps create a better corporate image
 - Helps keep cost down in many area

Training Benefits Contd...

Benefits to Individual

- **Develop a sense of growth & learning**
- **Improves skills**
- **Minimize stress, tension, frustration and conflict**
- **Aids in achieving self-development and self-confidence**
- **Helps in making better decisions and effective problem solving**
- **Recognised qualification to add to CV**

Training methods

● **On-the-job Training**- These methods are generally applied on the workplace while employees is actually working.

- Job rotation, Job instruction training JIT
- Coaching, Mentoring
- Action learning
- Apprenticeships
- Internships and Assistantships

Advantages of On-the-Job Training:

- It is directly in the context of job
- It is most effective because it is learning by experience
- It is least expensive
- Trainees are highly motivated
- It is free from artificial classroom situations

Disadvantages of On-the-Job Training:

- Trainer may not be experienced enough to train
- It is not systematically organized

- ❖ **Coaching**-The trainee works directly with a senior manager or the person he or she has to replace., the latter is responsible for trainee coaching.
It may involve simply acquiring skills by simply observing or first show & then make the trainee do the work.
- ❖ **Job Rotation**
- ❖ **Action Learning**- give managers a chance to work & solve problems in departments other than their own. The basics include carefully selected teams of 5 to 25 people, who are sent to do a project & give recommendation on it.
GE & Samsung use action learning as a training programme.

- **Apprenticeships:** Generally fresh graduates are put under the experience employee to learn the functions of job.
- **Internships and Assistantships:** An intern or an assistants are recruited to perform a specific time-bound jobs or projects during their education. It may consist a part of their educational courses.

Off the Job Trainings

- These are used away from work places while employees are not-working like classroom trainings, seminars etc.

Advantages of Off-the-Job Training:

- Trainers are usually experienced enough to train
- It is systematically organized
- Efficiently created programs may add lot of value

Disadvantages of Off-the-Job Training:

- It is not based on experience
- It is expensive
- Trainees may not be highly motivated

Off – the – job training methods

- Lectures
- Simulations(present real life situation,
- Case study
- Role playing, computer based training (CBT)
- Conferences, seminar
- Vestibule training (duplicate on job situation)S
- Sensitivity training(T-group training laboratory-group activity method)
- Syndicates(group combined or making a joint efforts

LECTURES

This approach is widely used for helping the employees understand the rules, procedures & policies of an organization. The method works well , when made interactive & when audio visuals are used.

Lectures with Demonstration

- ◎ **This method is a visual display of how something works or how to do something. Example, trainer shows the trainees how to perform or how to do the tasks of the job.**
- ◎ **Helps the focusing their attention on critical aspects of the task**

Lectures with Discussion

- ◎ This method uses a lecturer to provide the learners with context that is supported, elaborated, explains, or expanded on through interactions both among the trainees and between the trainer and the trainees.

Discussion method is a two-way flow of communication

- ◎ knowledge in the form of lecture is communicated to trainees
- ◎ Then understanding is conveyed back by trainees to trainer.

SIMULTATIONS

- ◎ **In this method the trainee is exposed to an artificial work situation that closely resembles the actual work situation it includes**
 - a. Case studies**
 - b. Role Plays**
 - c. Sensitivity training**

Role plays

- **Role playing is to create realistic situation & then have the trainees assume the parts or roles of specific persons in the situation.**
- **Information is given to Trainees related to:**
 - **description of the role**
 - **concerns**
 - **objectives**
 - **responsibilities**
 - **emotions,**

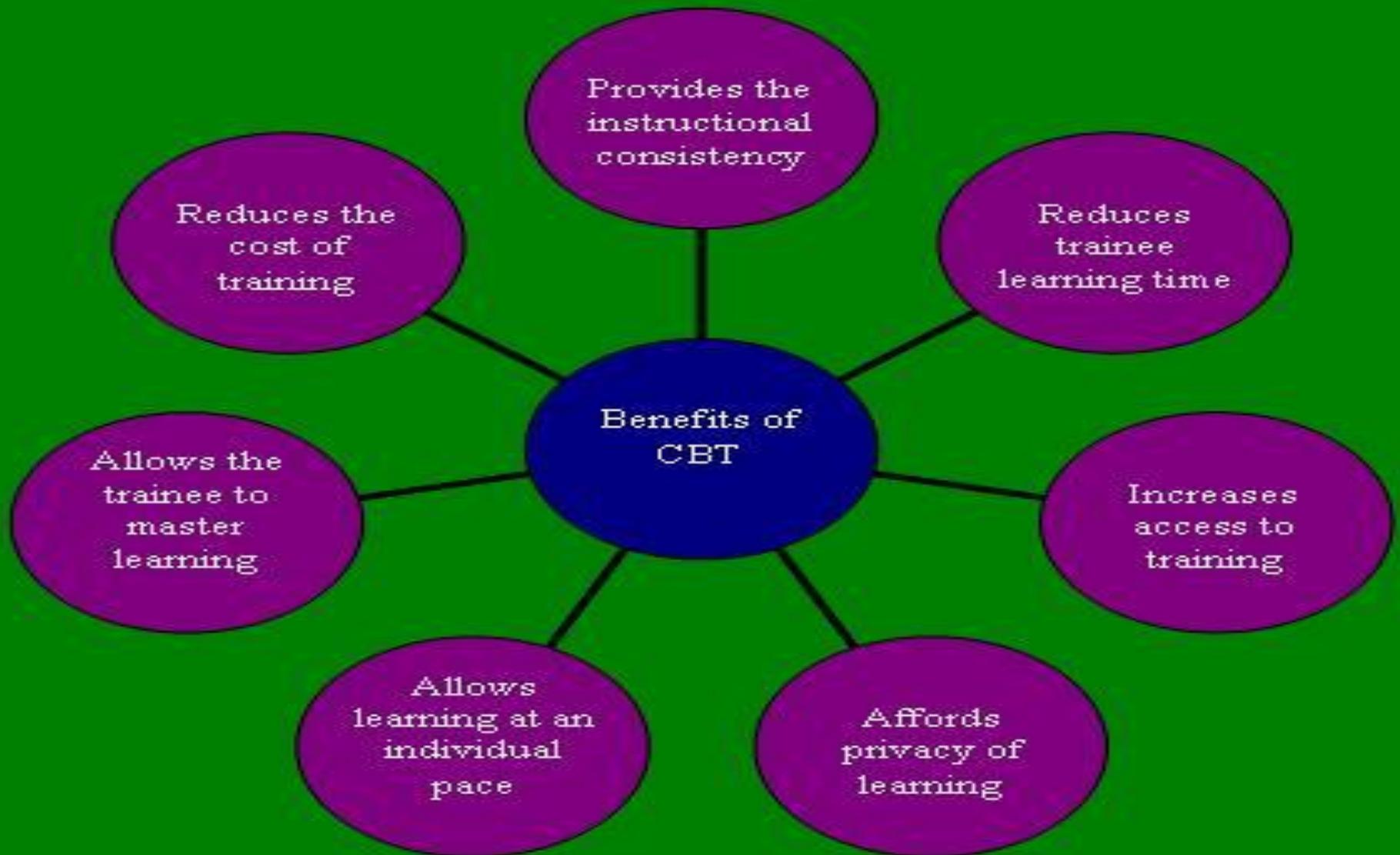
Sensitivity Trainings

- This is more from the point of view of behavioural assessment, under different circumstances how an individual will behave himself and towards others.
- Advantages – increased ability to empathize, listening skills, openness, tolerance, and conflict resolution skills.
- Disadvantage – Participants may resort to their old habits after the training.

Computer Based Training (CBT)

- ◎ **Providing training to employees through Intranet or Internet.**
- ◎ **CBT does not require face-to-face interaction with a human trainer.**

BENEFITS OF CBT



Contd...

- ◎ Then, a general description of the situation, and the problem that each one of them faces, is given. example,
- ◎ Situation could be strike in factory,
- ◎ Managing conflict between two parties

Training evaluation is.....

- The process of examining a training program is called training evaluation. Training evaluation checks whether training has had the desired effect. Training evaluation ensures that whether candidates are able to implement their learning in their respective workplaces, or to the regular work routines.

Purpose of Training evaluation

- ❑ **Control:** It helps in controlling the training program because if the training is not effective, then it can be dealt with accordingly.
- ❑ **Feedback:** It helps in giving feedback to the candidates by defining the objectives and linking it to learning outcomes.
- ❑ **Research**
- ❑ **Intervention:** It helps in determining that whether the actual outcomes are aligned with the expected outcomes.

The various methods of training evaluation are:

- Observation
- Questionnaire
- Interview
- Self diaries
- recording of specific incidents

management development

- it is generally agreed that management development refers to the process by which individuals improve their capabilities and learn to perform effectively in managerial roles

Management Development

“The process of creating and enhancing the competences of managers and potential managers. Management development is usually thought of as a planned process, focusing on a long-term development program to increase managerial effectiveness, but it also incorporates informal and unplanned elements such as learning from day-to-day experience. Management development programs within an organization work to identify and recruit potential managers, and develop their knowledge and skills to meet organizational needs. They also equip managers for more senior posts. Management development activities include short courses, management education programs, management training, coaching, and mentoring.”

UNIT - IV

- Performance Appraisal and Potential Evaluation; Job Evaluation & Wage Determination

PERFORMANCE APPRAISAL/ Performance Evaluation

INDEX

About Performance appraisal

Definition

Meaning

Objectives

Process of Performance Appraisal

Methods / Techniques of Performance Appraisal

Traditional

Modern

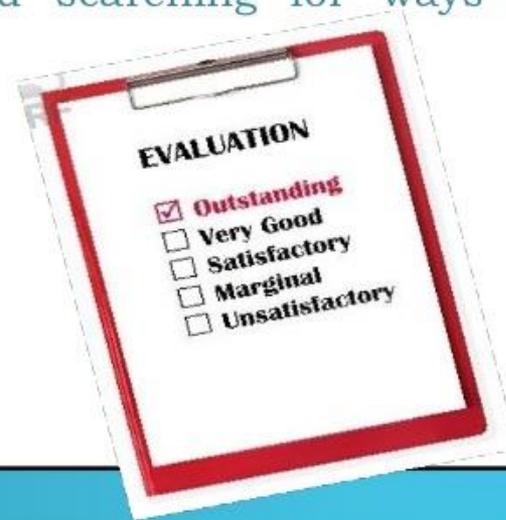
Issues in Performance Appraisal

Advantages of Performance Appraisal

Disadvantages of Performance Appraisal

DEFINITIONS

According to Newstrom, “It is the process of evaluating the performance of employees, sharing that information with them and searching for ways to improve their performance”.



MEANING

Performance appraisal is the step where the management finds out how effective it has been at hiring and placing employees .

A “Performance appraisal” is a process of evaluating an employee’s performance of a job in terms of its requirements.



PERFORM

Purpose

Empowerment

Relationship

Flexibility

Optimal
Performance

Recognition and
Rewards

Morale

OBJECTIVES OF PERFORMANCE APPRAISAL

According to:

Employee

Organization

- concrete and tangible particulars about their work
- assessment of performance

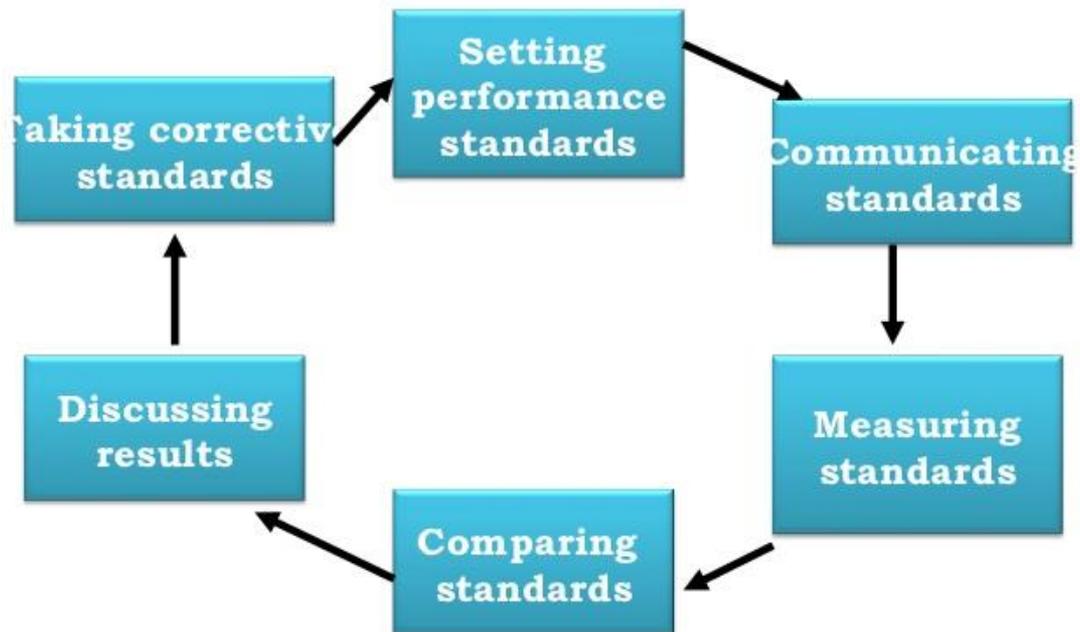
- measuring the efficiency
- maintaining organizational control.

Aims at:

- Personal development
- work satisfaction
- involvement in the organization.

- mutual goals of the employees & the organization.
- growth & development
- increase harmony & enhance effectiveness

PROCESS



METHODS OF PERFORMANCE

APPRAISAL

Traditional Methods

1. Paired comparison
2. Graphic Rating scales
3. Forced choice Description method
4. Forced Distribution Method
5. Checks lists
6. Free essay method
7. Critical Incidents
8. Group Appraisal
9. Field Review Method
10. Confidential Report
11. Ranking

Modern Methods

1. Assessment Center
2. Appraisal by Results or Management by Objectives
3. Human Asset Accounting
4. Behaviorally Anchored Rating scales

RANKING EMPLOYEES BY PAIRED COMPARISON METHOD

For the Trait "Quality of work"

Person rated

As compared to	A	B	C
A	+	-	+
B	-	+	-
C	+	-	+

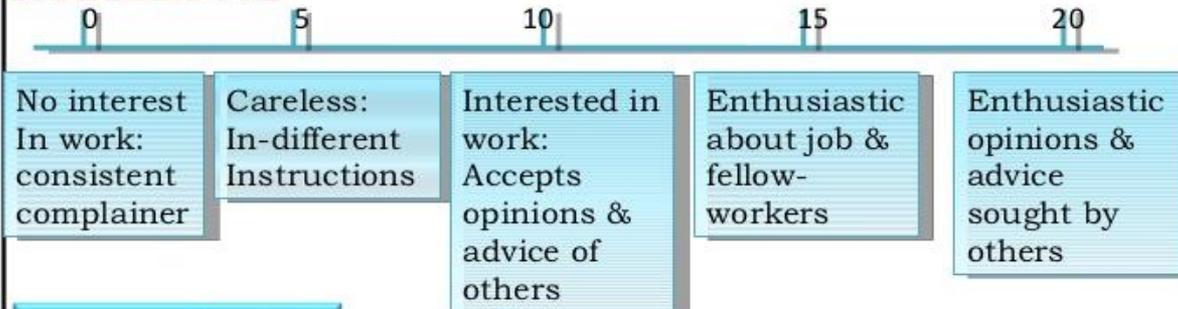
For the Trait "Creativity"

Person rated

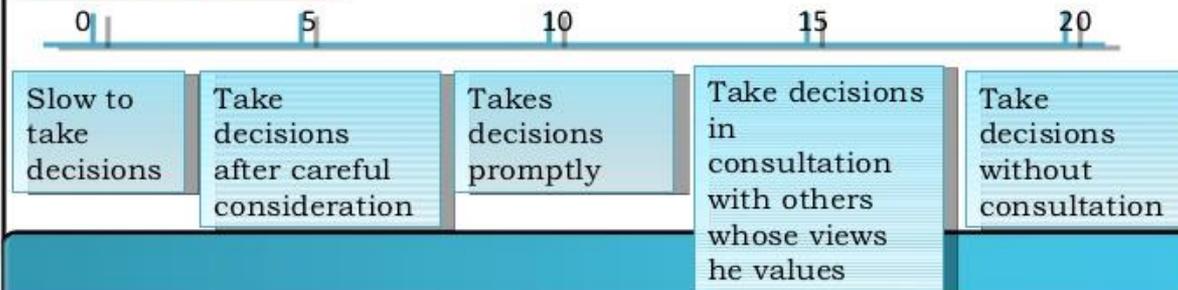
As compared to	A	B	C
A	+	-	+
B	-	+	-
C	+	-	-

GRAPHIC OR LINEAR RATING

ATTITUDE



DECISIVENE



FORCED CHOICE METHOD

Criteria

Rating

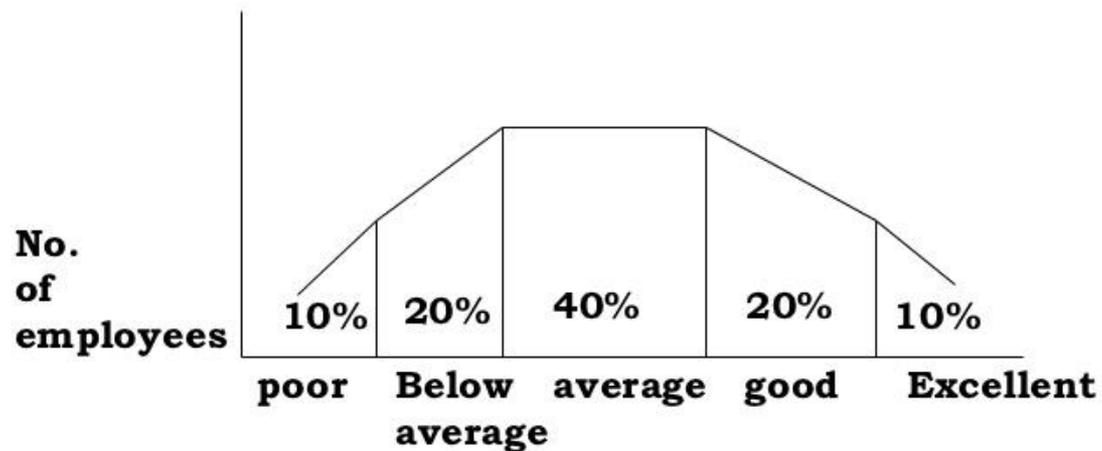
1. Regularity on the job

Most

Least

- Always regular
- Inform in advance for delay
- Never regular
- Remain absent
- Neither regular nor irregular

FORCED DISTRIBUTION METHOD



Force distribution curve

CRITICAL INCIDENT METHOD

Ex: A fire, sudden breakdown, accident

Workers	Reaction	scale
A	Informed the supervisor immediately	5
B	Become anxious on loss of output	4
C	Tried to repair the machine	3
D	Complained for poor maintenance	2
E	Was happy to forced test	1

FIELD REVIEW METHOD

Performance Dimension	subordinate	peers	superior	customer
Leadership	^			^
Communication	^	^		
Interpersonal skills	^	^		
Decision making		^	^	^
Technical skills		^	^	^
Motivation		^	^	^

GROUP APPRAISAL METHOD



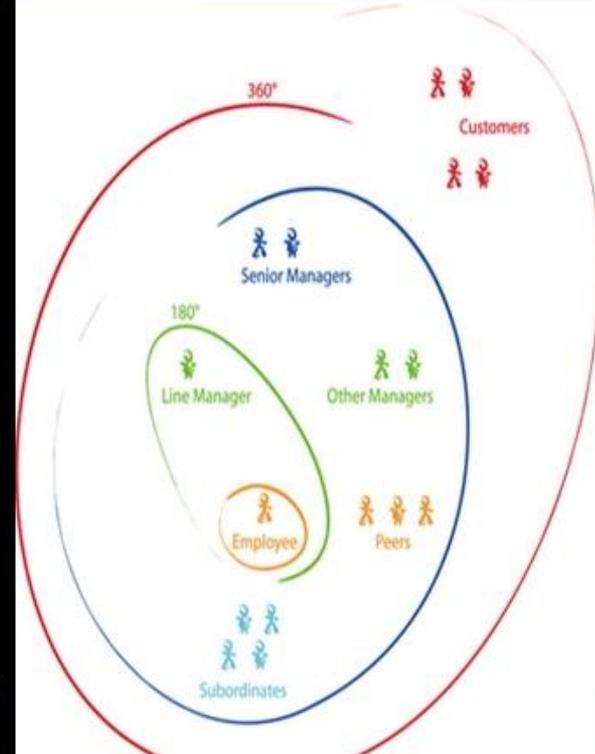
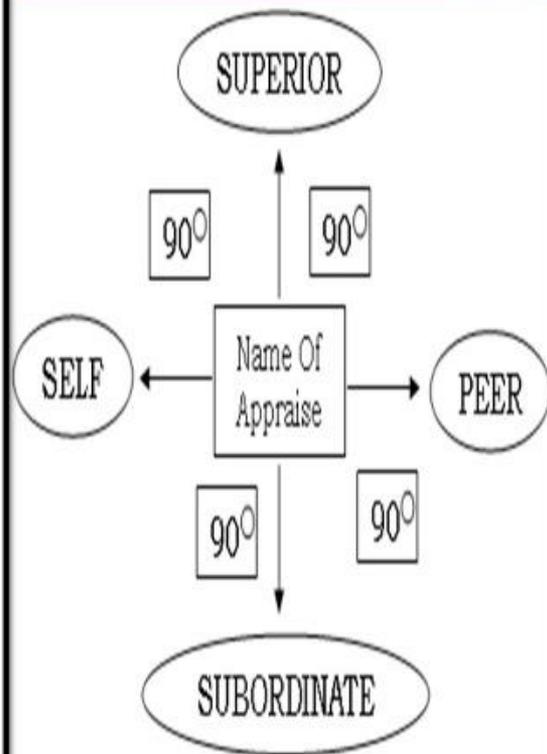
MBO PROCESS

- Set organizational goals
- Defining performance target
- Performance review
- feedback

BEHAVIORAL ANCHORED RATING SCALES

Performance	Points	Behavior
Extremely good	7	Can expect trainee to make valuable suggestions for increased sales and to have positive relationships with customers all over the country.
Good	6	Can expect to initiate creative ideas for improved sales.
Above average	5	Can expect to keep in touch with the customers throughout the year.
Average	4	Can manage, with difficulty, to deliver the goods in time.
Below average	3	Can expect to unload the trucks when asked by the supervisor.
Poor	2	Can expect to inform only a part of the customers.
Extremely poor	1	Can expect to take extended coffee breaks & roam around purposelessly.

360 DEGREE PERFORMANCE APPRAISAL



EXAMPLES OF 360 DEGREE PERFORMANCE APPRAISAL METHOD

These companies are using 360 Degree Performance Appraisal Method

- Wipro
- Infosys
- Reliance Industries
- Maruti Udyog
- HCL Technologies
- Wyeth Consumer Health (WCH)

ISSUES IN APPRAISAL SYSTEM

Formal and informal

What methods?

Whose performance?

When to evaluate?

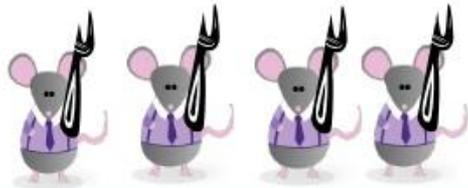
**APPRAISAL
DESIGN**

Who are the raters?

What to evaluate?

What problems?

How to solve?



ADVANTAGES

provide a record of performance over a period of time.

Can be motivational with the support of a good reward and compensation

provide an opportunity for a manager to meet & discuss performance

Provide an opportunity for an employee to discuss issues and to clarify expectations

Provide the employee with feedback about their performance

DISADVANTAGES

If not done appropriately, can be a negative experience.

very time consuming, especially for a manager

subject to rater errors & biases.

If not done right can be a complete waste of time.

Can be stressful for all involved

POTENTIAL EVALUATION

Potential evaluation refers to the appraisal i.e. identification of the hidden talents and skills of a person. The person might or might not be aware of them. It is future-oriented appraisal whose main objective is to identify and evaluate the potential of the employees. The time for a potential appraisal is not fixed. It is under the discretion of the manager to hold the assessment activity. Many organisations consider and use potential appraisal as a part of the performance processes.

Objectives of POTENTIAL EVALUATION

Use of potential evaluation

1. Promotions
2. Confirmations
3. Training and Development
4. Compensation reviews
5. Competency building
6. Improve communication
7. Evaluation of HR Programs
8. Feedback & Grievances

PROCESS OF GOOD POTENTIAL EVALUATION

Steps required to be followed while introducing a potential evaluation system are:

1. **Role Description:** Organisational roles and functions must be defined clearly. To this end, job description must be prepared for each job.
2. **Qualities needed to Perform Roles:** based on job descriptions, the roles to be played by people must be prepared(i.e., technical, managerial jobs and behavioural dimensions.)
3. **Rating mechanisms:** Besides listing the functions and qualities, the potential appraisal system must list mechanisms of judging the qualities of employees

4. Organising the System: After covering the above preliminaries, the HR manager must set up a system that will allow the introduction of the scheme smoothly incorporating answers to some complex questions.
5. Feedback: The system must provide an opportunity for every employee to know the results of his assessment

JOB EVALUATION

- ◉ Job evaluation is a formal and systematic approach to analysing jobs and categorising them in regard to their relative worth in an organisation.
- ◉ According to Edwin B. Flippo - “The systematic and orderly process of measuring the worth of job within an organisation is called job evaluation.”

Process Of Job Evaluation

The process of job evaluation involves the following steps:

- **Gaining acceptance:** Before undertaking job evaluation, top management must explain the aims and uses of the programme to managers, emphasizing the benefits. [Employees](#) and unions may be consulted, depending on the legal and employee relations environment and company culture. To elaborate the program further, presentations could be made to explain the inputs, process and outputs/benefits of job evaluation.
- **Creating job evaluation committee:** It is not possible for a single person to evaluate all the key jobs in an organization. Often a job evaluation committee consisting of experienced employees, union representatives and [HR](#) experts is created to set the ball rolling.
- **Finding the jobs to be evaluated:** Every job need not be evaluated. This may be too taxing and costly. Certain key jobs in each department may be identified. While picking up the jobs, care must be taken to ensure that they represent the type of work performed in that department, at various levels.
- **Analysing and preparing [job description](#):** This requires the preparation of a [job description](#) and also an analysis of job specifications for successful performance.

- **Selecting the method of evaluation:** The method of evaluating jobs must be identified, keeping the job factors as well as organisational demands in mind. Selecting a method also involves consideration of company culture, and the capacity of the compensation and benefits function or job evaluation committee.
- **Evaluating jobs:** The relative worth of various jobs in an organisation may be determined by applying the job evaluation method. The method may consider the "whole job" by ranking a set of jobs, or by comparing each job to a general level description. Factor-based methods require consideration of the level of various compensable factors (criteria) such as level and breadth of responsibility, knowledge and skill required, complexity, impact, accountability, working conditions, etc. These factor comparisons can be one with or without numerical scoring. If there is numerical scoring, weights can be assigned to each such factor and scores are associated with different levels of each factor, so that a total score is determined for the job. All methods result in an assigned grade level.

WAGE DETERMINATION

- Wage determination or wage fixation may be defined as the process of discovering those wage rates, and related terms of employment, which the employer will make available and at which employees will work in the immediate future. Wage determination is when an industrial tribunal will establish an appropriate wage level for workers, rather than letting workers and their employer work it out themselves through enterprise bargaining.

Wage Determination Process

- ◉ Job Analysis
- ◉ Job Evaluation
- ◉ Wage Survey
- ◉ Group Similar Jobs into Pay Grades
- ◉ Price Each Pay Grade
- ◉ Fine-Tune Pay Rates
- ◉ Development of Wage Administration Rule

● UNIT V

- Employee Welfare; Industrial Relations & Trade Unions; Dispute Resolution & Grievance Management; Employee Empowerment

EMPLOYEE WELFARE

- Employee or Labour Welfare is a comprehensive term including various services, benefits and facilities offered to employees by the employer.
- According to Arthur James Todd- “ Labour Welfare means anything done for the comfort and improvement, intellectual or social, of the employees over and above the wages paid which is not necessity of the industry.”

Nature of Employee welfare

- Dynamic Concept: It is a flexible and ever-changing concept as new welfare measures are added to the existing measures from time to time.
- Complementary in Nature: Welfare measures are in addition to regular wages and other economic benefits available to employees under legal provisions and collective bargaining.
- Essential Part Of Social Welfare: Employee welfare is an Essential Part Of Social Welfare. It involves adjustment of an employee's work life and family life to the community or social life.
- Dual Aspect: Welfare measures may be both voluntary and statutory.

Principles of Employee Welfare Service

Following are generally given as the principles to be followed in setting up a employee welfare service:

- The service should satisfy real needs of the workers. This means that the manager must first determine what the employee's real needs are with the active participation of workers.
- The service should such as can be handled by cafeteria approach. Due to the difference in Sex, age, marital status, number of children, type of job and the income level of employees there are large differences in their choice of a particular benefit. This is known as the cafeteria approach. Such an approach individualises the benefit system though it may be difficult to operate and administer.
- The employer should not assume a benevolent posture.
- The cost of the service should be calculate and its financing established on a sound basis.
- There should be periodical assessment or evaluation of the service and necessary timely on the basis of feedback.

Types of employee welfare

Employee welfare can be categorized as statutory or non-statutory, meaning as required by the law or by the will of the management respectively. Welfare activities can also be classified as either intra-mural (inside the workplace) or extra-mural (outside the workplace).

- Intramural welfare facilities are those within the working environment and include condition of the working environment (safety, cleanliness, and safety measures), employee convenience (bathrooms, drinking water), health services (first aid and treatment center, ambulance, counseling) and women and child welfare (family planning services, maternity aid).
- Extramural welfare activities are diverse with many of them being sponsored by government acts. Some include comfortable residences, proper roads and infrastructure and sanitation while constitutional acts such as the factories act of 1948 and contract labor act of 1970 are examples of governmental welfare activities.

Advantages or Benefits of Employee Welfare Measures:

- **1. High efficiency:** The [employee welfare schemes act](#) as a morale booster. When the employees get an appreciation for what they do, it helps in increasing the work efficiency of the employees. When the work is done lauded by the organization, it proves lucrative to both the company as well as the employees. If the work done by the employees is not appreciated, the output might not come as expected. So, it is essential to have employee welfare schemes.
- **2. Boost the morale of employees:** The employees work only when they are motivated to work. If the company wishes to get 100% output, then it is the company which has to put in little efforts to encourage the employees. No one else would deliver the expected results. So, in order to boost the morale of the employees, it is essential to offer employee welfare measures.
- **3. To build a competitive edge:** Competition is must if the company wants employees to work well. In order to form a competitive environment in the office, it must provide employees with opportunities. The competitive edge in the work environment can only help in getting the required work from the employees. So, if the healthy work environment or the healthy competition is required within the organization, it is vital to provide employees with welfare schemes.
- **4. To get timely result:** If the companies want the employees to give the result on time or deliver the work in time, there needs to be some extra effort by the company so as to encourage the employees to give timely work. This can be done only when the employees are encouraged apart from praising their work and given some welfare schemes. If the extra work is expected from the employees, they should also be given extra benefits by the company. Only then the timely results could be expected by the company.
- **5. Improved industrial relations:** The employees when benefited, results in good industrial relations too. Not just the work output is good, but also the amiable relations are built by the employees when encouraged through various schemes. So, various employee schemes are essential to make employees work in a better manner in the company.

Industrial Relations

In the words of Lester:

"Industrial relations involve attempts at arriving at solutions between the conflicting objectives and values; between the profit motive and social gain; between discipline and freedom, between authority and industrial democracy; between bargaining and co-operation; and between conflicting interests of the individual, the group and the community"

Features of Industrial Relations

- Industrial relations are born out of **employment relationship** in an industrial setting.
- Without the existence of two parties i.e. labour and management, this relationship cannot exist. It is the industry, which provides the environment for industrial relations.
- Industrial relations are characterized by both **conflict** and **co-operation**. So the focus of industrial relations is on the study of the attitudes, relationships, practices and procedures developed by the contending parties to resolve or at least minimize conflicts.
- As the labour and management do not operate in isolation but are a part of the large system, so the study of industrial relations also includes vital **environmental issues** like technology of the workplace, country's socio-economic and political environment, nation's labour policy, attitude of trade unions, workers and employers.
- Industrial relations also involve the study of **conditions conducive to the labour, management co-operation** as well as the practices and procedures required to elicit the desired co-operation from both the parties.
- Industrial relations also study the laws, rules, regulations, agreements, awards of court, customs and traditions, as well as **policy framework** laid down by the government for eliciting co-operation between labour and management. Besides this, it makes an in-depth analysis of the **intervening patterns** of the executive and judiciary in the regulation of labour-management relations.

Main Parties in Industrial Relations

In simple words, industrial relations are the outcome of the 'employment relationships' in industry, i.e. between employers and labour. The government of a nation or state influences these relations to a great extent. Thus, there are three main parties in industrial relations:

- **Workers and their Organisations i.e. Trade Union :** The personal characteristics of workers, their culture, educational attainments, qualifications, skills, attitude towards work, etc. play an important role in industrial relations.
- **Employers and their Organisation:** The employers are a very important variable in industrial relations. They provide employment to workers and try to regulate their behaviour for getting high productivity from them.

In order to increase their bargaining power, employers in several industries have organised employers' associations. These associations put pressure on the trade unions and the Government.

- **Government:** The Government or State exerts an important influence on industrial relations through such measures as providing employment, intervening in working relationships. and regulating wages, bonus and working conditions through various laws relating to labour.

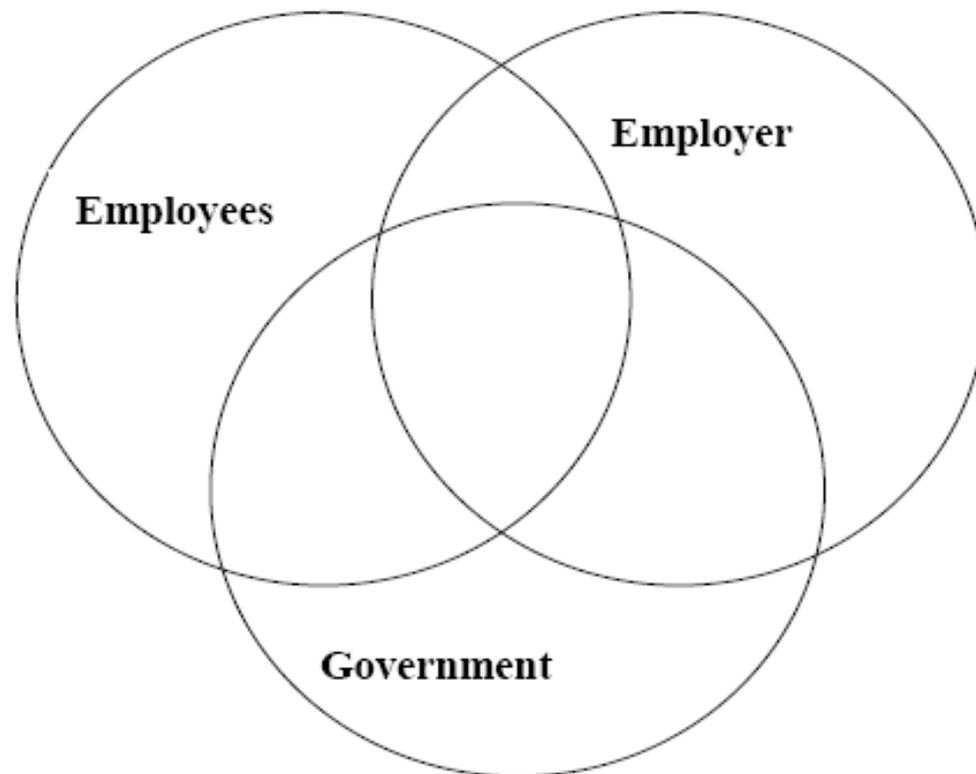
The Government keeps an eye on. Both the trade unions and employers' organisations to regulate their behaviours in the interest of the nation.

INDUSTRIAL SCENARIO

NATIONAL ENVIRONMENT

SOCIO-ECONOMIC FACTORS

TECHNOLOGICAL
FACTORS



POLITICAL
FACTORS

MARKET FACTORS

Scope of Industrial Relations

1) **Development of Healthy Labour-Management Relations:** The promotion of healthy labour management relations pre-supposes:

The existence of strong, well-organized, democratic and responsible trade unions and associations of employers.
This can lead to:

- > Job security of employees
- > Increased workers' participation in management
- > Negotiations, consultations and discussions
- > Good labour-management relations.

2) Maintenance of Industrial Peace:

Industrial peace pre-supposes the absence of industrial strife. Industrial peace is essential for increased productivity and harmonious labour-management relations.

The industrial peace can be largely nurtured through the following means:

- Machinery should be set up for the prevention and settlement of industrial disputes
- The industrial peace can also be attained by the creation and maintenance of implementation cells and evaluation committees which have the power to look into implementation of agreements, settlements and awards and also violations of statutory provisions laid down under various labour laws.

(iii) Development of Industrial Democracy: The idea of industrial democracy states that the labour should have the right to be associated with the management of an industry. To achieve this objective, the following techniques are usually employed:

- ◉ **Establishment of the Shop Councils and Joint Management Councils** at the floor and plant level. These councils aim at:
 - Improving the working and living conditions of employee
 - Improving productivity, encourage suggestions from employees
 - Assisting the administration of laws and agreements
 - Serve as a channel of communication between the management and employees
 - Creating among the employees a sense of participation in the decision-making process and
 - Sense of belonging to the industry.

Trade Union

Section 2(h) of the Trade Unions Act, 1926 has defined a trade union as

“Any combination, whether temporary or permanent, formed primarily for the purpose of regulating the relations between workmen and employers, or between workmen and workmen, or between employers and employers, or for imposing restrictive conditions on the conduct of any trade or business, and includes any federation of two or more trade unions.”

Then this definition talks about three relationships. They are relationship between the:

- Workmen and workmen
- Workmen and employers
- Employers and employers.

Features of trade unions

- It is an organisation formed by employees or workers.
- It is formed on a continuous basis. It is a permanent body and not a casual or temporary one.
- It is formed to protect and promote all kinds of interests –economic, political and social- of its members. The dominant interest with which a union is concerned is, however, economic.
- It includes federations of trade unions also.
- It achieves its objectives through collective action and group effort

Objectives of Trade Union

- To improve the economic lot of employees by securing for them better wages.
- To secure better working conditions for the workers.
- To secure bonus for the employees from the profit of the concern,
- To resist schemes of the management which reduce employment, e.g., rationalisation and automation.
- To secure welfare of employees through group schemes which give benefit to every employee.
- To protect the interests of employees by taking active participation in the management.
- To secure social welfare of the employees.
- To secure organisational stability, growth, and leadership.

Functions of Trade Unions

Broadly speaking, trade unions perform two types of functions, viz.,

- **Militant Functions.** One set of activities performed by trade unions leads to the betterment of the position of their members in relation to their employment.
- The aim of such activities is to ensure adequate wages, secure better conditions of work and employment, get better treatment from employers, etc.
- When the unions fail to accomplish these aims by the method of collective bargaining and negotiations, they adopt an approach and put up a fight with the management in the form of so-slow, strike, boycott, gherao, etc.
- Hence, these functions of the trade unions are known as militant or fighting functions.

○ Fraternal Functions.

- Another set of activities performed by trade unions aims at rendering help to its members in times of need, and improving their efficiency.
- Trade unions try to foster a spirit of cooperation and promote friendly relations and diffuse education and culture among their members.
- They also arrange for legal assistance to its members, if necessary.
Besides, these, they undertake many welfare measures for their members, e.g., school for the education of children, library, reading-rooms, in-door and out-door games, and other recreational facilities.
- Some trade unions even undertake publication of some magazine or journal.
- These activities, which may be called fraternal functions, depend
on the availability of funds, which the unions raise by subscription from members and donations from outsiders, and also on their competent and enlightened leadership.

Functions of Trade Unions

Another broad classification of the functions of unions may be as follows

- **Intra-mural activities.** These consist of those functions of the unions that lead to the **betterment of employment conditions** such as ensuring adequate wages and salaries, etc. for which the methods adopted may be collective bargaining, negotiations, strikes, etc.
- **Extra-mural activities.** These activities help the employees to **maintain and improve their efficiency or productivity**, e.g., measures intended to foster a spirit of cooperation, promote friendly relations, and diffuse education among members and various other types of welfare measures.
- **Political activities.** Modern trade unions also take up **political activities** to achieve their objectives. Such activities may be related to the formation of a political party or those reflecting an attempt to seek influence on public policy relating to matters connected with the interests of working class.

DISPUTE RESOLUTION

- Disputes resolution is the process of resolving or managing a dispute by sharing each side's needs and adequately addressing their interest so that they are satisfied with the outcomes. The procedure for resolution of industrial disputes involve two types of machinery. These are as follows:
 - Preventive or non-statutory machinery, and
 - Settlement or statutory machinery.

DISPUTE RESOLUTION METHODS

Dispute Resolution Methods

- Avoidance
- Negotiation
- Early Neutral Expert Evaluation
- Mediation
- Ombudsperson
- Peer Review Panel
- Conciliation
- Med-Arb
- Concilio-Arbitration
- Judicial Dispute Resolution
- Arbitration
- Tribunal
- Litigation

Legal dispute resolution

- The [legal system](#) provides resolutions for many different types of disputes. Some disputants will not reach agreement through a collaborative process. Some disputes need the coercive power of the state to enforce a resolution. Perhaps more importantly, many people want a professional advocate when they become involved in a dispute, particularly if the dispute involves perceived legal rights, legal wrongdoing, or threat of legal action against them.
- The most common form of judicial dispute resolution is litigation. Litigation is initiated when one party files suit against another. In the United States, litigation is facilitated by the government within federal, state, and municipal courts. The proceedings are very formal and are governed by rules, such as rules of evidence and procedure, which are established by the legislature. Outcomes are decided by an impartial [judge](#) and/or [jury](#), based on the factual questions of the case and the application law. The verdict of the court is binding, not advisory; however, both parties have the right to appeal the judgment to a higher court. Judicial dispute resolution is typically adversarial in nature, for example, involving antagonistic parties or opposing interests seeking an outcome most favorable to their position.
- Retired judges or private lawyers often become arbitrators or mediators; however, trained and qualified non-legal dispute resolution specialists form a growing body within the field of [alternative dispute resolution](#) (ADR). In the United States, many states now have mediation or other ADR programs annexed to the courts, to facilitate settlement of lawsuits.

Extrajudicial dispute resolution

- Some use the term *dispute resolution* to refer only to alternative dispute resolution (ADR), that is, extrajudicial processes such as arbitration, collaborative law, and mediation used to resolve conflict and potential conflict between and among individuals, business entities, governmental agencies, and (in the public international law context) states. ADR generally depends on agreement by the parties to use ADR processes, either before or after a dispute has arisen. ADR has experienced steadily increasing acceptance and utilization because of a perception of greater flexibility, costs below those of traditional litigation, and speedy resolution of disputes, among other perceived advantages. However, some have criticized these methods as taking away the right to seek redress of grievances in the courts, suggesting that extrajudicial dispute resolution may not offer the fairest way for parties not in an equal bargaining relationship, for example in a dispute between a consumer and a large corporation. In addition, in some circumstances, arbitration and other ADR processes may become as expensive as litigation or more so

GRIEVANCE MANAGEMENT

- Grievance management indicates potential problems within the workforce and without it management may be unable to respond to employee concerns because managers are unaware of them
- According to Dale Yoder- “ Grievance is a written complaint filed by an employee and claiming unfair treatment.”
- According to Keith Davis- “ Grievance is any real or imagined feeling of personal injustice which an employee has, concerning his employment relationship.”

Nature Of Grievances

Nature of grievances is as follows:

- Grievance is any form of discontent or dissatisfaction with an aspect of the organisation.
- Grievance may arise out of not one cause but multifarious causes.
- A grievance may be written or verbal and voiced or unvoiced.
- A grievance may be valid or invalid, legitimate or irrational, justifiable or ridiculous.
- Grievances may relate to either one employee or group of employees.

Causes of Grievances:

Grievances may occur due to a number of reasons:

- 1. Economic:** Employees may demand for individual wage adjustments. They may feel that they are paid less when compared to others. For example, late bonus, payments, adjustments to overtime pay, perceived inequalities in treatment, claims for equal pay, and appeals against performance-related pay awards.
- 2. Work environment:** It may be undesirable or unsatisfactory conditions of work. For example, light, space, heat, or poor physical conditions of workplace, defective tools and equipment, poor quality of material, unfair rules, and lack of recognition.
- 3. Supervision:** It may be objections to the general methods of supervision related to the attitudes of the supervisor towards the employee such as perceived notions of bias, favouritism, nepotism, caste affiliations and regional feelings.

- 4. Organizational change:** Any change in the organizational policies can result in grievances. For example, the implementation of revised company policies or new working practices.
- 5. Employee relations:** Employees are unable to adjust with their colleagues, suffer from feelings of neglect and victimization and become an object of ridicule and humiliation, or other inter-employee disputes.

Effects of Grievance:

Grievances, if not identified and redressed, may adversely affect workers, managers, and the organization.

The effects are the following:

1. On the production:

- a. Low quality of production
- b. Low productivity
- c. Increase in the wastage of material, spoilage/leakage of machinery
- d. Increase in the cost of production per unit

2. On the employees:

- a. Increase in the rate of absenteeism and turnover
- b. Reduction in the level of commitment, sincerity and punctuality
- c. Increase in the incidence of accidents
- d. Reduction in the level of employee morale.

3. On the managers:

- a. Strained superior-subordinate relations.
- b. Increase in the degree of supervision and control.
- c. Increase in indiscipline cases
- d. Increase in unrest and thereby machinery to maintain industrial peace

EMPLOYEE EMPOWERMENT

- Individual is one of critical elements in large-scale organizational change.
- Central to Empowerment.
 - > Delegation of power and decision-making to lower levels.
 - > Promulgation of shared vision of future.
 - > Engaging employees so they develop pride and responsibility.

Empowerment

- Employees more proactive and self-sufficient.
- Individual one of most critical elements in change.
- Purpose is to have individual's purpose and vision congruent with organization's.
- For many organizations, empowerment is basic cornerstone of change.
- GE has company wide vision they call *work-out*.
- Empowerment concepts interwoven through OD interventions including:
 - > Team and system interventions.
 - > Total quality management.
 - > Self-managed work teams, learning organizations.
 - > High-performance systems.

Importance of Employee Empowerment:

- 1. The investment in employees can improve productivity, which can reduce the costs.
- 2. Individual employees experience a feeling of self-esteem, self-efficacy and self-confidence.
- 3. Employee empowerment also helps in making employees more self-reliant.
- 4. It allows independent decision-making by the employees.
- 5. Empowerment of employees helps a firm to assign different projects to hone the competence of employees.

Advantages to Employee Empowerment

- Employee empowerment provides some distinct advantages. Employee empowerment should lead to increased organizational responsiveness to issues and problems. Another advantage of employee empowerment should be an increase in productivity. It should also lead to a greater degree of employee commitment to organizational goals since employees can take some degree of ownership in the decisions made toward goal achievement.

Disadvantages to Employee Empowerment

- Employee empowerment is not without some disadvantages. It can lead to decreased efficiency because decisions may not be uniform and optimized for organizational goals. It can also create problems with coordination throughout the organization because decisions are decentralized and not managed at the top. Manager and employee relationships can become tense as the boundaries of authority can be blurred. Finally, according to the critical perspective, attempts at employee empowerment can be counterproductive, actually creating greater controls over employees. For example, empowering employees through the use of teams may create peer pressure.