

HUMAN Resource Management

B.B.A. IVth sem.

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Unit - I

Introduction of Human Resource Management

Organisations that are able to acquire, stimulate and keep outstanding workers will be both effective and efficient, human assets are probably the most critical and difficult to manage. Human Resource are the only activity resource at the disposal of every organisation and effective use of all other resources directly depends on efficient utilization of these resources.

① Meaning of HRM

Human Resource are the sum total of those factors, which people bring into an organisation such as experience, training, competence and attitude. It is of paramount importance for the success of any organisation.

Definition of HRM

According to Elipko, 'Human resource management is the planning, organising, directing, and controlling of the procurement, development, compensation, integration and reproduction of the human resources to the end that individual, organisational and societal objectives are accomplished.'

Nature of HRM

The following points highlight the nature of HRM:

1. Part of Management Discipline

HRM is embedded in the organisational structure of an enterprise. It is a field of study and not a discipline in itself.

2. Comprehensive Function

HRM is a comprehensive function which covers the all type of people, at all levels.

3. As a Process

HRM is a process. The process consists of several activities and sub activities.

4. Pervasive Function

HRM is a pervasive function. It is required in all type of organisations and also at all levels.

5. Based on Human Relations

HRM is directed for the improvement of human relations in the organisation.

6. Recent Origin

In contrast to the other fields of the management, human resource management is comparatively of recent origin.

Scope / Areas of Human Resource Management

The scope of HRM is very vast. The activities that comes under the purview of HRM are:—

1. Human Resource Planning
This element involves determining the organisations human resource needs, strategies and plans.

2. Organisational Development
This element ensures healthy inter and intra unit relationships. It helps work groups in initiating.

3. Career Development
It is a process of achieving an optimal match of individual and organisational needs.

4. Job Design
This element defines the tasks, authority and systems of a job.

5. Performance Management System
The performance management system ensure linkages between individual and organisational goals.

6. Compensation and Benefits
This element focuses on a fair, consistent, and equitable compensation and benefits to the work force.

7. Employee Assistance
The focus of this element is to provide problems solving to individual employees.

8. Labour Relations
This variable assures healthy union-organisation relationships. It aims at creating an environment of individual peace and harmony.

9. HR Research and Audit
This element ensure a reliable and full proof HR information base.

Functions of HRM

Following points highlight the functions of HRM:

1. The Inception Function
This function deals with recruitment and selection of human resource.
2. Development Function
This function involves formulating new employees to make them fully productive.
3. Motivation Function
This function aims at improving performance. This needs proper job designing, adoption of an effective performance.
4. Maintenance Function
The maintenance function deals with putting in place activities that will help maintain productive employees.

5. Employment Functions

The main thrust of this function is to promote the activities related to inception function by advertising the job effectively.

6. Development of Communication System

There is a need to develop the upward, downward and horizontal communication system in the organisation.

7. Compensation Function

This function aims is concerned with paying the employees and in administering their benefits package.

8. Creating Work Culture

HRM emphasises the development of employee's potentialities and using it for achieving organisation goals. This will improve the morale of the employees and they will concern for the welfare of people.

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Objectives of HRM

Personal Objectives
Functional Objectives
Organisational Objectives
Societal Objectives

1. Societal Objectives

- 1) Legal Compliance
- 2) Benefits
- 3) Union Management

2. Organisational Objectives

- 1) Human Resource Planning
- 2) Employee Relation
- 3) Selection
- 4) Training and Development
- 5) Placement

3. Functional Objectives

- 1) Placement
- 2) Assessment

4. Personal Objectives

- 1) Training
- 2) Development
- 3) Appraisal
- 4) Placement
- 5) Compensation
- 6) Assessment

Introduction of Policy

The policy means the art or manner of governing a nation, the line of conduct which rulers of a nation adopt on a particular question especially with regards to foreign country.

Definition

According to Terry, "Policy is a verbal, written, or implied overall guide, setting up boundaries that supply the general limits and direction in which managerial actions will take place."

Features of Policy

Guidelines

It provides the guidelines to the members of the firm for taking the

decision regarding the course of action.

2. Limit the Area

The policy limits the area of work within the managers are required to take their decisions. Through the policy the authority is delegated, but still the control is retained.

3. Relationship with Objectives

The policy is derived from the organisational objectives and also directed towards the achievement of the organisational objectives.

4. Qualitative Expression

The policy is expressed in the qualitative, conditional, or general way.

5. Broad Definition

A policy is stated in broad terms. The purpose of a policy statement

is to serve as a guide to practice now and in future.

6. Broad definition

Top management states the policy in the broadest possible term.

7. Long lasting

As the policy is the standing decision of the management, so, it is long lasting.

8. Participation

Formulation of HR policy calls for the serious thinking and participation of the top level management.

9. Written form

The HR policy is in the written form. It takes a concrete shape when it is put in writing.

Objectives of Human Resource Policy

The following points highlight the objectives of HR policies:

- i) To help the organisation in maintaining adequate, competent and trained personnel at all levels.
- ii) To help the subordinates in making quick decisions, which also save time and labour.
- iii) To develop the sense of cooperation and mutual trust between the employer and the employees in the organisation.
- iv) To ensure the interest of the employees is protected at all the levels.
- v) To develop the favourable employment conditions.
- vi) To provide job security to the employees.

Process of Formulation of Personnel Policy

The following steps are followed in the process of formulation of the personnel policy of the organisation:—

1. Gathering Information
The work of collection the information from inside and outside the organisation is assigned to the specialists in this field.

2. Environment Study
The information is collected is then divided between the internal environment and external environment. This information is analysed.

3. Examination of Alternative Policies
The different alternative policies are analysed in terms of their contribution for the

achievement of the organisational objectives.

4. Getting Approval of Proposed Policy
Policy formulation committee shall report to the chief executive its considered opinion intengenerating the members' judgement and findings.

5. Adopting and Launching Policy
The authority to accept or reject the policy totally depends upon the top management. The top management alone can decide whether the policy represents the organisational objectives or not.

6. Appraising the Policy

The representative of management who are guided by organisation's policy and other employees affected by a given policy decision can develop needed to appraise.

HRM in Globally Competitive Environment

In the Knowledge Economy, human resources have to play a proactive role and have to become the strategic business partner of an enterprise. In the global arena, the human resources have to be at the core of the work force for attracting the best talent in the organisations.

HR Challenges in Globally Competitive Environment

1. Scarcity Amidst Plenty

Human talent pool is limited while the demand is far outstripping the supply. HR will be ideally at the core of the work force management.

2. Employee Retention

Employee retention offers the significant competitive advantage to the organisation. The globally companies obtain the complete the efficient performances.

3. Employer of choice

HR professionals will be required to increasingly play a role in making their company the "employer of choice."

4. Issue of Human Dignity

The issue of human dignity at the workplace assumes special significance in the 21st century.

Strategy

'Strategy' is one of those words that are bandied about on management courses, with sometimes not too much care as to the definition. It is derived from the military sphere and this is clear from the dictionary definitions. "Generalship or the art of conducting the Campaign". While the Oxford English Dictionary is equally direct.

Strategic Management

Strategic Management involves consideration of the following:

1. Mission and Strategy

An organisation always needs a reason for being, and a sense of how to display

materials, information, and people to carry it out.

2. Formal Structure

People and tasks are organised to implement the organization's strategy. The organization's formal structure includes the systems of financial accounting and information dissemination.

3. Human Resource System

People are recruited and developed to do jobs defined by the organization's formal structure. Their performance must be monitored and rewards should be allocated to maintain productivity.

Strategic Management Process

The following steps are included in the strategic management process:

1. Definition of the Business and its Mission

The fundamental strategic decisions which the managers face are, "Where we are now in terms of the business we're in, and what business we want to be in?"

2. Perform External and Internal Audits

The strategic plans of the managers are based on the methodical analysis of their external and internal situations.

3. Translate the Mission into Strategic Goals

The company's mission is then translated into the

specific goals. The firm's manager's need long term strategic goals.

4. Implement the Strategy

Strategy implementation means translating the strategies into actions and results — by actually hiring people, building or closing the plants and product line.

5. Evaluate Performance

Strategies don't always succeed. So, it becomes necessary to evaluate the performance after the strategy implementation. Strategy control keeps the company's strategy up to date.

Unit - II Human Resource Planning

Introduction

The importance of planning the material resources of an enterprise has never been in question, and much effort has been devoted to optimising the financial and capital resources.

Definition

"Human resource planning is the process by which a management determines how an organisation should move from its current manpower position to its desired manpower position."

— Eric W. Vetter.

Need/Purpose of Human Resource Planning

1. Determining Recruitment Needs

Human resource planning is needed for determining the recruitment needs so as to avoid the problems of unexpected shortages.

2. Determining Training Needs

This is fundamentally important to plan training programmes, for which it is access not only quantity but also quality in terms of the skills required by the organisation.

3. Industrial Relations

The business plan makes assumption about the productivity of the human resources which affect the industrial relations.

4. Replacement of Persons

There is always a need to replace persons for taking up new positions in case of contingencies. This is due to the reason that a large number of persons are to be replaced in the organisation.

5. Expansion Plans

Human resource Planning is essential for filling the new situation which are created in the organisations.

6. Labour Turnover

In every organisation, there is problem of labour turnover but the degree may vary from firm to firm.

Objectives of HR Planning

Following are the important objectives of HR Planning:-

- 1) To assess the requirement of skills in the future.
- 2) To determine the training and development needs of the employees.
- 3) To control the costs of wages and salaries.
- 4) To ensure the optimum use of human resource in the organisation.
- 5) To ensure career planning of every employee of the organisation and to make succession programmes.
- 6) To ensure higher labour productivity.
- 7) To maintain pleasant industrial relations by maintaining optimum level and structure of human resource.

Process of HR Planning

The following steps are involved in the process of HR Planning:-

Step 1: Definition of Organisational Objectives

The personnel involved in the process of human resource planning must be aware about the organisational goals. Human resource planning should be integrated into other areas of organisations' strategy and planning.

Step 2: Assessment of Future Requirement

The task is concerned with estimating the quality and quantity of human resource needed to meet the objectives of the organisation. In submitted assessments, managers should include explanations.

Step 3: Assessment of Current Resource and availability of Resource in the future

As a basis for estimating the future supply of people, a detailed and accurate account of the current situation is needed. Employees are categorised according to occupational groups.

Step 4: Identification of Human Resource Gap

Forecasting needs of human Resource and forecasting supply of human resources, both taken together help to identify the gap between human resources needed and their availability. This gap may be either surplus or shortage of human resources.

Job Analysis

Introduction

Developing an organisational structure results in jobs which have to be staffed.

Staffing is an organisation's primary function. Things are concerned with setting up, provision, working, operating, controlling, driving, handling. HR planning is concerned with the number of personnel required in the organisation. This knowledge is provided through the process of job analysis.

Definition

According to **Edwin B. Flippo** "Job analysis is the process of studying and collecting information relating to the operations and responsibilities of the specific job."

Objectives of Job Analysis

The important objectives of job analysis are :-

1. Simplification of work

Job analysis is done to simplify the process and the methods involved in the work, i.e. redesigning the job in the simple form.

2. Establishing Performance Standards

It is necessary to determine the standards of performance in advance so as to compare them with the applications at the time of selecting the personnel.

3. Supporting Personnel Activities

Other personnel activities like recruitment, selection, training, development etc. are supported by job analysis.

Job Design

Giving a logical sequence to the job analysis is called job design. It includes the conscious efforts for organising the tasks, duties, and responsibilities into a unit of work for the achievement of certain objectives. It is the total task to be performed into the manageable and efficient units - positions, development and divisions - and to provided for their proper integration.

Meaning

Job design is the deliberate and systematic attempt to structure the technical and social aspect of the work so as to improve technical efficiency and job satisfaction.

Methods of Job Design

1. Job Simplification

In this method, a given job is broken in small subparts, and each subpart is assigned to each employee. It is a technique through which jobs are simplified or specialised.

2. Job Rotation

In this method, the employee is shifted from one job to another job within a group so that there is some variety and relief from the boredom of routine work.

3. Job Enlargement

Job enlargement is the process of expanding the number of related tasks in the job.

Employee Involvement

Introduction

Employee involvement is regarded as the powerful behavioural tool for managing the industrial relations system. This is being viewed differently by different people.

Features of Employee Involvement

- 1) Involvement means emotional and mental involvement and not only the physical involvement.
- 2) Involvement is done through the representatives of the employees.
- 3) Involvement can be formal and informal.
- 4) Collective bargaining and employee involvement is different.

Objectives

The objectives of the Employee involvement are:

1. To make worker's Role Important

For successful attaining the objectives and goals of the organisation, it is essential to make employee involved in the achievement of goal because without it is not possible to achieve the goals.

2. To Increase Productivity

When employee are involved in the design decision making with the management, this motivates them and their morale increases. This leads to increase in their efficiency which brings increase in the level of productivity.

3. To Develop Human Personality

The employee's involvement in management gives them opportunity to express themselves. They express their views freely at various levels and their hidden comes out. Thus they get an opportunity to develop their personality.

4. To Satisfy the Needs of the Employees

Every employee wants to be recognised for his capabilities, so participation in management makes them feel recognized and they will be motivated to perform hard work. And moreover, employees social and esteem needs will also be satisfied.

Flexible Work Schedule

Introduction

Flexibility has been a buzzword in the 1990s referring to both the need of the organisation to structure them so they are highly responsive to the changing environment and this has affected the nature of employment. Currently around 99 per cent of UK employees work part time or in some other form of flexible working pattern.

Definition

Workplace Flexibility 2010 defines "Flexible work schedule as any one of the spectrum of work structures that alters the time and for place that work gets done on a regular basis."

Forms of Flexible Work Arrangements

The main forms of flexible work schedule which are followed these days are:—

- 1) Flexitime
- 2) Flexiwork

Flexitime

The number of hours in a day, number of days in a week and work schedule when the workers has to perform the job is normally stated in the job description. There are number of instance where and when the number of working hours has undergone a number of changes from time to time. There is a move towards five day week in industries in India and four day week in advanced countries.

Flexiwork

Flexiwork is a programme that allow flexibility in handling the type of work in the various departments of the organisations in a systematic way by the employee during his tenure of employment in the organisation.

Need and importance of Flexible Work Schedule

- 1) Flexibility in meeting family needs, personal obligations and life responsibilities conveniently.
- 2) Reduced flexibility has been found to be highly associated with job satisfaction.
- 3) Avoid traffic and the stresses of commuting time and fuel costs.
- 4) Reduces employee burnout due to overload.

Recruitment

Introduction

Recruitment is another important function of human resource management. After estimating the manpower requirements, the next process is the procurement function.

Meaning

The term 'recruitment' applies to the process of attracting potential employees towards the organisation.

Definition

According to Davis, "Recruitment is the process of finding and attracting capable applicants for employment."

Factors Affecting Recruitment

Recruitment is affected by the following factors:—

- 1) Size of the organisation.
- 2) Organisational Policy regarding Local Candidates.
- 3) Influence of Trade Unions.
- 4) Reservation Policy of Government.
- 5) Working Conditions.
- 6) Promotion Opportunities.
- 7) Image of the organisation.

Recruitment Policy

- 1) Recruitment should be made according to the vacant posts in the organisation.
- 2) It should be made according to the based on the competence and ability of the candidates.
- 3) It should provide the employees with job security.
- 4) It should be in conformity with the general personnel policy.

Process

1. Requisition of Employees

The heads of various departments provides the information to the personnel manager regarding their requirement for the employees in their departments.

2. Identification of Sources

Various sources are analysed keeping in view their positive and negative aspects.

3. Inviting the applicants

Once the source of recruitment are decided, the next step is to invite the interested applicants for the job in the company.

4. Preparation of the list

The applications are verified and classified into two groups.

Selection

Introduction

Selection involves the problem of matching a man to the job. A well devised selection process is very essential for the organisation because if an employee is once selected, he will remain in the company for a number of years.

Meaning

Selection is the process by which candidates for employment are distinguished between suitable and unsuitable.

Definition

According to Dale Yoder
"Selection is the process in which candidates are divided into two classes, those who are to be offered employment, and those who are not."

Process of Selection

1. Screening of Applications

The first step in this process is screening, i.e. sifting of applicants to avoid further consideration of those who are obviously unsuitable.

2. Primary Interview

This interview often takes place at the reception counter of the organisation. It is generally short.

3. Application Blank

This application form relieves the interviewer from the burden of recording factual data. It should provide information which is relevant to the job.

4. Employment Test

A wide variety of tests have been developed for practice employees of different categories. These are Intelligence test, Personality test, aptitude test, interest test etc.

5. Employment Interview

The objective of the interview is to measure the applicant against the specific requirement of the job and to decide whether these will be good fit.

6. Reference Checking

An investigation into a promising candidate's background is too often overlooked by the employing organisation. These provides very useful information.

7. Selection Decision

Views of the concerned managers are taken for the final selection regarding the candidates who pass employment test, employment interview and reference checks.

8. Job Offer

On completion of the selection procedure, candidates are finally selected and letters of the appointment are issued to them.

9. Contract of Employment

If the candidate accepts the job, often he becomes an employee of the organisation. He has to sign various documents with the organisation.

Placement

Introduction

A candidate who passes all the steps in selection process is then offered the job. The placement problem arises when the selected candidate comes to the organisation for joining the job.

Definition

According to Cosico, "Placement is the assignment of jobs to the individuals."

Principles of Placement

1. Job first man Next.

Job should not be adjusted according to the qualification and the requirement of the employee.

2. Placement According to Qualification

Employee should be offered the job according to his qualification.

3. Familiarization

The employee should be made familiar with the working conditions prevailing to the organization.

4. Ready Placement

Placement should be ready before the joining date of the selected person.

5. Temporary Placement

Placement may be temporary as changes are required after the completion of the training.

Induction

Introduction

The introduction of new employee has to be regarded as comprehensive and systematic programme continuously monitored and evaluated. Induction or orientation familiarizes the new employee with the organization, its mission and goals, culture, systems and expectations from the employees.

Definition

According to Edwin B. Fiske, "Induction is the welcoming process to make the new employee feel at home and generate in him a feeling of belongingness to the organization."

Objectives

Following points highlights the objectives of the induction:-

- 1) To provide new recruits with information.
- 2) To develop new employee's confidence in the organisation.
- 3) To increase the understanding of the employee regarding the functions, aims and objectives.
- 4) To make the new employee aware of the specific objectives.
- 5) To develop the feeling of belongingness.
- 6) To provide the new employees information regarding the company.
- 7) To develop the feeling of loyalty.
- 8) To introduce the new employee with his superiors.

Introduction

In today's constantly changing world, corporate are often forced to take through decision which may at times includes closing down a particular business process.

This poses an equally challenging situation where the manager has to right size the organisation as well as the survivor's syndrome. In the process of right sizing, the organisation should first look at market needs and trends in technologies, alternative approaches and new ideas.

Definition

According to the

Free Dictionary, "Right sizing is a process of bringing an organisation to an optimal size."

Right sizing

Unit - III

Training

Introduction

Every company must have a systematic training programme for the growth and development of employees. Training is the most important activities of the management.

Meaning

Training is that process by which the efficiency of the employees increases and develops. It is a specialised knowledge which is required to perform a specific job.

Definition

According to Holloman, "Training is a process of transmitting and receiving information related to problem solving."

Need of Training

Training bridges the gap between the job requirements and employee's present capabilities. Training is required for both, employer and the employees.

Benefits of training to Employer / Organisation

- 1) Increased Productivity.
- 2) Reduced Supervision.
- 3) Reduced Accidents.
- 4) Economy in Operations.
- 5) Reduced Turnover.

Benefits for the employees

- 1) Increase in Morale of Employees.
- 2) More Employment Opportunity.
- 3) More adaptability.
- 4) Compensates Incomplete Education.

Methods of Training

The most widely used training methods take place on the job. These methods are popular due to their simplicity and the impression that they are less costly to use.

The following types of training methods are generally used :-

1. On-the-Job Training

This is the most effective method of development applicable at all levels to a wide range of semi-skilled, skilled and technical jobs, as well as supervisory and management development programmes.

2. Vestibule Training

This term is used to designate training in classrooms for

skilled production and clerical jobs. Under this method, employees are trained in a special training centre within the plant. This method is essential where OJT might result in serious injury or a costly event.

3. Apprenticeship Training

In this method, the trainee works as apprentices under the direct supervision of experts for a long period and some stipend is paid to them during the training period.

4. Job Rotation

In this method, the trainee moves from one job to another, so that he can know how to work on all the seats. This type of training is common for the

employees of general management positions. Under this method, trainee understands the problems of the other on seats while working on that seat.

5. Internship Training

This training is basically provided to bring a balance between the theoretical knowledge and the practical skills required to do the job. Internship training is the combined effort of the educational institutions and business organisations.

Other Methods

- 1) Orientation and Induction training.
- 2) Off-the-job Training
- 3) Refresher Training.
- 4) Case Study.

Need for Evaluation

- 1) To determine whether the specific training objectives are achieved or not.
- 2) To determine the cost effectiveness of the training programme.
- 3) To explain the reasons of the programme failure.

Principles of Evaluation

- 1) The goals and purposes of evaluation should be clear to the evaluation specialists.
- 2) Evaluation must be continuous.
- 3) Evaluation should be based on objective methods and standards.
- 4) Evaluation should be specific.

Techniques of Evaluation

1. Experimental and Control groups

In this method, two groups are randomly selected - one experimental group which is provided training and the other, control group which is not provided with training.

2. Time Series Analysis

In this method, the measurement is taken before the programme begins and is continued during the program.

3. Cost-Benefit Analysis

In this method, the costs and benefits of the programme are computed and then compared with each other.

Cross-Cultural Training

When companies go global and enter into international markets, the need for training of employees for international assignments arises. The reasons for Cross-cultural training are: -

- i) Variations in habits and practices in relation to work motivation, benefit motivation.
- ii) Variation in negotiating skills and gift giving customs.
- iii) Differences in eating and dressing.
- iv) Differences in body gestures, holidays, interpenetration of colours.

It is essential that the employees are trained to handle the nuances before being posted across countries.

Executive Development

Meaning

Executive development is considered as a systematic process of learning and growth through which executive gain and apply the knowledge, skills, and attitude to their jobs in the organisations effectively.

Definition

According to Michael J. Jucious, "Executive development is the programme by which executive capabilities to achieve desired objectives are increased."

Features

1. Continuous Process

Executive development is a continuous process because there is no fixed time limit for learning.

2. Long Process

It is a long process and takes time. It is time consuming because the skills of the managers cannot be developed overnight.

3. Planned Activity

It is a well planned, organized, and systematic activity. It is not a haphazard and random approach.

4. Involves stresses and strains

It does not take place in the total peaceful and relaxed atmosphere.

5. Conducive Environment

It needs conducive environment which should be encouraging and stimulating.

Objectives

- 1) Knowledge to New Entrants.
- 2) Improving Performance.
- 3) Preparing Managers for future positions.
- 4) Preventing Obsolescence.
- 5) Developing latest management technique.
- 6) Opportunities to executives.
- 7) Optimum utilization of Managerial Resources.
- 8) Introducing Changes.

Need an Importance

- i) Increase in complexities and size of the organization.
- ii) Shortage of Trained Personnel.
- iii) Technological changes.
- iv) Socio cultural changes.
- v) Increased Competition.
- vi) Changes in Labour Management Relations.
- vii) Increased Professionalism.

Methods / Techniques of Executive Development

The methods of Executive Development are broadly classified into two categories:-

1. On the Job Techniques.
2. Off the Job techniques.

On the Job Techniques

The following methods are used under the job training:-

1. Coaching

In this method the immediate supervisor guides and instructs his subordinates as a coach. It is the process of learning by doing.

Under Study

The person who is designed as the heir apparent is

known as an under study. In this method the trainee is prepared for performing the work on filling the position of his supervisor.

3. Job Rotation

It is a method of development which involves the movement of the manager from one position to another on the planned basis.

4. Special Projects Assignment

In this method a trainee is assigned a project which is closely related to his job. The trainee studies the assigned problem and formulates the recommendations on it.

5. Committee Assignment

Under this method the special committee is constituted and is

assigned the problem to discuss and to provide the recommendations. Interpersonal skills of the trainees are also developed.

6. Multiple Management

This method involves the constitution of the junior board of young executives. This junior board evaluates the major problems and makes the recommendations to the board of Directors.

7. Selective Readings

Under this method the executive reads the journal, books, article, magazine, and notes and exchange the news with others.

Diff. the Job Training Programme

The main methods under off the job training programme are:—

1. Social Course

Under this method the executive attend the special course organised by the organisation with the help of the experts from the education field.

2. Case Studies

Under this method a problem is presented in writing to a group. Under this the trainees are provided with the opportunity to apply their skills.

3. Role playing

In role playing the conflicting situation is created and two or more trainees are

assigned different roles to play on the spot.

4. Syndicate Method

Syndicate refers to the group of trainees and involves the analysis of the problem by different groups. Thus in this method, 5 or 6 groups consisting of 10 members are formed.

5. Management Games

A management game is a classroom exercise, in which teams of students compete each other to achieve certain common objectives.

available

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"unemployed person" and

Career Planning

Introduction

A career is a sequence of positions occupied by a person during the course of her life. It is a sequence of separate but related work activities that provides the course continuity.

Meaning

Career planning essentially mean helping the employees plan their career in terms of their capabilities within the context of organisational needs.

Definition

Career Development is a process in which personnel experience,

concept and publicly observable aspect of career interact to precipitate each successive stage of occupational status.

— Mansfield

Nature of Career Planning

Following points highlight the nature of career planning:-

1. Process

Career planning is not an event, rather it is a process of developing human resources.

2. Dynamic

Due to changes in the business environment, career planning becomes dynamic in nature.

Individuals change and update their career plan.

3. Upward Movement

Career planning is concerned with the upward movement of the individual in his career and in the organisational hierarchy.

4. Mutuality of Interest

Career planning fulfils the interest of both, the individuals and the organisation. Through, career planning an individual is able to fulfil his career needs.

Objectives of Career Planning

Following points highlight the objectives of the career planning:—

1. Offering Careers

The purpose of the career planning is to

offer careers, not jobs to the employees so that efficient talent can be attracted.

2. Providing Professional Environment

The objective career planning is to provide environment for the effectiveness, efficiency and growth of its employees.

3. To meet Manpower Needs

The objective of the career planning is to meet the immediate and future human resources needs of the organisation on a timely basis.

4. To Reduce Labour Turnover

Career planning by reducing labour turnover and absenteeism for more stable workforce.

Career Development

Meaning

Career development is essential for the implementation of career planning. It is the process through which the action plans are implemented. Development activities include all of the off-the-job and on-the-job training techniques.

Career development provides a supply of talent and abilities.

Stages In Career Development

We can identify five career stages that most of us will go through:—

1. Exploration

Many of critical choices individuals make

about their careers are made prior to entering the workforce on the paid basis. The exploration period ends for most of us as we make transition from formal educational programmes to work.

2. Establishment

The establishment period comes with the search for work and includes getting your first job, being accepted by superiors, learning the job and gaining first tangible evidence of success and failures.

3. Mid Career

Many people do not face their first career dilemmas until they reach the mid-career stage. This is

Unit - IV

Performance Appraisal

Introduction

Organisations are managed by men. It is through men power that goals are set and objectives are achieved. The performance of an organisation is, thus, dependent upon the sum total of the performance of its employees.

Meaning

Performance appraisal refers to all those procedures that are used to evaluate the personality, the performance and the potential of the employees in the organisation.

Definition

According to Edward Flippo, 'Performance appraisal is the systematic,

the time when individuals can continue their personal improvements in performance.

4. Late Careers

For those who continue to grow through mid-career stage, the late career stage is usually a pleasant time when one is allowed luxury to relax a bit and enjoy playing the part of elder statesperson.

5. Decline

Decline stage is difficult for just about everyone but ironically, is probably hardest on those who had continuous successes in their earlier stages.

periodic and an impartial rating of an employee's excellence in matters pertaining to his present job and his potential for the present job.

Objectives of Performance Appraisal

Following points highlight the objectives of the performance appraisal :-

1. Organisational Objectives

- i) To serve as the basis for the transfers.
- ii) To provide the basis for the promotions.
- iii) To provide the basis for planning the training.

2. Work-Related Objectives

- i) To increase the efficiency

of the employees at work.
ii) To perform job evaluation.
iii) To assess the performance of the employees.

3. Communication Objectives

- i) To provide career planning, motivation, coaching to the employees.
- ii) To establish career goals.
- iii) To reduce grievances by developing positive superior-subordinate relations.

4. Career Development Objectives

- i) To assess the career potential of the employees.
- ii) To determine the strengths and weakness.
- iii) To plan for the promotions and transfer of the employees.
- iv) To plan the career goals.

Process of Performance Appraisal

This process includes the following steps :-

1. Establishing Standards of Performance

Job descriptions may be used to set up goals and targets and standards are of performance. These standards works as yardsticks for evaluating the performance of the employees.

2. Communication of the Standards to Employees

The performance standards set in the first step should be communicated to the employees, so that the employees know what is expected

from them.

3. Measuring the Actual Performance

The next step in the process of performance appraisal is to measure the actual performance of the employees at work.

This measurement of the performance can be done through statistical reports, personal observation, written reports, oral reports etc.

4. Comparison of Actual Performance with the Standards

The actual performance of the employees is compared with the fixed standards for the purpose of finding the stand of the employees. Deviations in the performance of the employees (to improve theirs) are also noted at this stage.

5. Discussing Reports with Employees

The assessment reports are discussed with the concerned employees. For helping the employees to improve their performance, their weak points, good points, etc.

In this way their attitudinal performance are influenced for the achievement of the organisational goals.

6. Taking Corrective Action

Performance appraisal process is useful only if corrective action is taken on the basis of the reports. This corrective action can be in the form of advise, counsel, warning, training, coaching etc.

Reward System / Essentials of an Equitable

In order to understand the essentials of an equitable and ideal compensation system, it will be necessary to consider following factors:

1. Demand and Supply Position

Each job demands certain (and ideal compensation system) skills, personal qualities and technical education, experience to perform the job.

2. Nature of Business

If the product and service is having the nature of yielding high profit, naturally the compensation paid is relatively higher than what is paid for in order low profit yielding businesses.

3. Size of Business

Large organisations like multinational companies pay higher compensation than small industries.

4. Government Rules

In India, there are State and Central Acts for minimising the disparity in wages levels.

5. Current State of Industry

Many units producing the similar product form an industry. It is an unwritten rule that different units falling under the industry follow the current wage level in the industry.

6. Management Thinking

Every management has its own philosophy. Every organisation has its own values and beliefs. Some organisations have great concern about the (organisation) employees and show higher sense of social responsibility.

Characteristics of a Good Compensation System

The principles and characteristics are as follows:—

- i) The compensation should be in direct proportion to efficiency and results.
- ii) The standards of efficiency should not be too high.
- iii) The compensation should be based on job evaluation.
- iv) The system should be fair to both the employer and the employee.
- v) The system of compensation should be well defined.
- vi) Skilled employees should be paid more as compared to the unskilled employees.
- vii) The system should ensure the equal pay for equal work.
- viii) Exceptions to the system should be bare minimum.

Nature/Purpose of Wage and Salary Administration

- i) The basic purpose of wage and salary administration is to establish and maintain an equitable wage and salary structure.
- ii) The wage and salary administration is concerned with the financial aspects of needs, motivation and rewards.
- iii) To minimise the chances of favouritism.
- iv) To establish the job sequence and lines of production whenever they are applicable.
- v) To increase the employees' morale.
- vi) To motivate the employees.
- vii) Employees should be paid according to the requirements.

Meaning of Wage

In simple words wages means reward for the labourer for his services rendered to the industry. These can be paid on per unit, per hour, daily, weekly and monthly basis. Labourers render services of both types i.e. mental and physical.

Definition of Wage

According to Prof. Storerhoff, "Wages is the reward of that labour which creates utility."

According to McCannell "Wages are the price paid for the use of labour."

Characteristics of Wage

- 1) Payment of wages is in accordance with the terms of contract between the employer and the worker.
- 2) The wages are determined on the basis of time-rate system or piece rate system.
- 3) Wages changes with the change in the time spent by the labourer.
- 4) Wages create utility.
- 5) Wages may be paid weekly, fortnightly, hourly or on monthly basis.
- 6) Wage is the reward paid to the workers for the services rendered by them.
- 7) Wages can be paid in cash or in kind.
- 8) All kinds of allowances are included in wages.

Methods of Wage Payment

Wages can be paid to the employees either on the basis of time or on the basis of production done by them. Thus, there are two methods of wage payment:

1. Time Rate System
2. Piece Rate System

Time Rate System

Time rate system is the oldest system of wage payment.

Under this method the employee is paid on the basis of time worked for example a day, a week, a fortnight or a month irrespective of quantity produced. It must be remembered here that wages are paid after the time fixed for work is

Completed irrespective of output on completion of the work.
Formula :-

$$\text{Wages} = \text{Number of hours worked} \times \text{Rate per hour}$$

Types of Time Rate Systems

1. Flat Time Rate

Under this system workers are paid at the flat basis on the basis of time they are employed. It may be per hour, per day, per week, per month etc.

2. Right Pay Rate

Under this method overtime is not allowed and workers are encouraged to achieve the target within time. It is also requires proper setting of standards

3. Measured Pay Rate

Under this workers are given a specified work and rate is fixed according to the level of performance. Higher wages will be given for higher performance.

4. Graded Time Rate

Under this method the wage rate is fixed for different workers with cost of living index changes.

5. Differential Time Rate

Under this system different wages are fixed for different workers as per their personal abilities. Higher wages are paid to meritorious workers and incentives are given to workers for their performance.

Piece Rate System

Under this system the workers are paid on the basis of output i.e. amount of work done. The earnings of the workers are governed by the production quantities and wage rate per piece. The rate of wages is fixed in advance. Though the time is not important in this system, it is assumed that the workers will not take more than the average time to complete a job.

Formula :-

$$\text{Wages} = \text{Number of units produced} \times \text{Rate per unit}$$

Types of Piece Rate System

There are four types of piece rate system :-

1. Straight Piece Rate System

It is simple method of payment under which payment is made to workers according to the units produced at fixed rate.

2. Taylor Differential Piece Rate System

The differential piece rate system makes the correlation between the increase in the efficiency of the workers and the increase in wage rates.

3. Merrick Multiple Piece Rate System

Under this system three piece rates are applied to workers with different level of performance.

4. Gantt's Task and Bonus Plan

Under this the standard time is fixed for doing particular task and then worker's actual performance is compared with the standard time. If the worker takes more time than the standard time then he is given wage for the time taken by him.

Advantages

- 1) Increased Production.
- 2) Simple.
- 3) Better Employer Employee Relations.
- 4) Proper use of Tools
- 5) Benefits to Consumers.
- 6) Less Supervision
- 7) Reduction of Idle Time.

Employee Benefits

Introduction

Organisational rewards are powerful incentives for improving employees' performance. In addition to pay and promotions, organisations provide a variety of other extrinsic rewards in the form of benefits, such as paid vacations, health insurance etc. Organisations are increasingly using the benefits to attract and retain good employees, to help them better integrate work with the home life, and to improve the quality of work life.

Definition of Fringe Benefits

According to D. Belcher, "Fringe benefits are any wage not directly connected with the employees' productive effort, performance, service, or sacrifice."

Objectives

The followings are the objectives of fringe benefits:

- 1) To develop the sense of belongingness and loyalty among the workers.
- 2) To ensure the health, safety and welfare of the employees and workers.
- 3) To enhance the motivation and morale of the employees.
- 4) To satisfy the demands of the trade union.
- 5) To improve the public image of the organisation.
- 6) To recruit and retain the best employees.
- 7) To protect the employees from unexpected hazards.
- 8) To meet the statutory requirement.

Types of Benefits

There are various types of benefits which are provided to the employees.

1. Employee Welfare

The various types of benefits offered to the employees under employee welfare scheme are within the industrial establishment, these are known as internal and the benefits outside the industrial establishment are known as external.

2. Social Security

Social security is related to the high ideals of the social security and human dignity.

3. Payments for Time Not Worked

It includes the provision for the payment to the workers

for the days not worked.

These category includes
Paid holidays, shift premium,
paid vacation, holiday pay etc.

4. Employee Security

The continuous and minimum wages or salary given a sense of security to the employees.

5. Health Benefits

Various medical facilities are provided by the organisation to the employees and their family members.

6. Retirement Benefits

The benefits like provident fund scheme, pension scheme, gratuity etc. are provided at the time of retirement.

Safety

In order to avoid accidents on the job, industrial safety is of utmost important. As already discussed accidents results in fatal or permanent disability or even death of an employee involving good amount of cost and social hazards, therefore safety is needed for: —

i) Preventing suffering of employee.

ii) Increasing efficiency in production.

iii) Reducing cost of production.

A safety policy should be based on the fact that the well being of employees is a major concern

of an organisation, that people are its most valuable assets and their safety is the greatest responsibility.

Safety Consciousness

1. Technical Side

- i) Design and construction of plant and workplace be safe.
- ii) Machines and equipments should be kept in good working conditions.
- iii) Good working environment - free from noise, pollutions, and other hazards should be ensured.

2. Training And Placement Side

- i) Safety rules must keep pace with changing environment and conditions.
- ii) Safety rules should be small, well defined, acceptable to all employees.
- iii) Safety rules should be publicized among workers.

Legal Provisions Regarding the Safety of Workers

Section 21: Fencing of Machinery
Section 22: Work on or Near Machinery in Motion.
Section 23: Employment of young persons on Dangerous Machine.

Section 24: Stopping Green and Device for Cutting off Power.

Section 25: Self Acting Machine.

Section 26: Casing of New Machine.

Section 27: Prohibition of employment of women and children near cotton openers.

Section 28: Hoists and Lifts.

Section 29: Lifting Machines, Ropes and Lifting Tackles.

Section 30: Revolving Machinery.

Section 31: Pressure Plant

Section 32: Floors, Stairs and Means of Access.

Section 33: Pits, Sumps, opening in floors.

Section 34: Excessive Weight.

Section 35: Protection of eyes.

Section 36: Precautions against dangerous fumes etc.

Section 37: Explosive.

Section 38: Precautions in case of fire.

Section 39: Power to require Specification of Defective Parts

Section 40: Safety of Building and Machinery.

Section 41: Power to make Rules.

Health

Professional efficiency and productivity both are directly related with the good health. The well being of the employee in an industrial establishment is affected by accidents and by ill health - physical as well as mental.

Meaning of Health

Health is not merely the absence of any disease but it is a stage of complete physical, mental, and social well being.

If a person is well adjusted to the environment in which he works, he is considered to be healthy.

Definition

According to W.H.O., Health is a stage of complete physical, mental and social well being and not merely an absence of disease.

Objectives of Industrial Health

Following objectives of the industrial health are stated by Claude Weill:

- 1) The promotion and maintenance of the highest degree of physical, mental and social well being of workers.
- 2) The adaptation of each work to man and each man on his job.
- 3) The prevention of factors which make for ill health in their working conditions.
- 4) The placing and maintenance of workers in an occupational environment which is adapted to his psychological and physical equipment.

Statutory Provisions Regarding The Industrial Health

Section 11: Cleanliness

Section 12: Disposal of Wastes and Effluents.

Section 13: Ventilation and Temperature

Section 14: Dust and Fumes

Section 15: Artificial Humidification

Section 16: Over Crowding

Section 17: Lighting

Section 18: Drinking Water

Section 19: Latrines and Urinals

Section 20: Spittoons.