



UNIVERSITY OF CALICUT
SCHOOL OF DISTANCE EDUCATION

BBA
(III SEMESTER)

***HUMAN RESOURCE
MANAGEMENT***

(CORE COURSE : BB3B04)

316 B

CUCBCSS
**(2015 ADMISSION
ONWARDS)**

HUMAN RESOURCE MANAGEMENT

STUDY MATERIAL

**THIRD SEMESTER
CORE COURSE : BB3B04**

For

**BBA
(2015 ADMISSION ONWARDS)**



**UNIVERSITY OF CALICUT
SCHOOL OF DISTANCE EDUCATION**

Calicut University P.O, Malappuram, Kerala, India 673635

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**CORE COURSE:
BB3B04 : HUMAN RESOURCE MANAGEMENT**

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MODULE - 1

INTRODUCTION TO HUMAN RESOURCE MANAGEMENT

Human Resource Management is a relatively new approach to managing human beings in any organisation. Human beings are considered as the key resource in this approach. Since an organisation is a body of people, their acquisition, development of skills, motivation for higher levels of attainments, as well as ensuring maintenance of their level of commitment are all significant activities. All these activities fall in the domain of Human Resource Management.

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

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

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

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

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

FEATURES OF HRM

The features of human resource management can be highlighted as follows:

- 1. It is an inherent part of management:** Human resource management is inherent in the process of management. This function is performed by all the managers throughout the organisation rather than by the personnel department only. If a manager is to get the best of his people, he must undertake the basic responsibility of selecting people who will work under him.
- 2. It is a pervasive function:** Human Resource Management is a pervasive function of management. It is performed by all managers at various levels in the organisation. It is not a responsibility that a manager can leave completely to someone else. However, he may secure advice and help in managing people from experts who have special competence in personnel management and industrial relations.

3. **It is basic to all functional areas:** Human Resource Management permeates all the functional area of management such as production management, financial management, and marketing management. That is every manager from top to bottom, working in any department has to perform the personnel functions.
4. **It is people centered:** Human Resource Management is people centered and is relevant in all types of organisations. It is concerned with all categories of personnel from top to the bottom of the organisation. The broad classification of personnel in an industrial enterprise may be as follows: (i) Blue-collar workers (i.e. those working on machines and engaged in loading, unloading etc.) and white-collar workers (i.e. clerical employees), (ii) Managerial and non-managerial personnel, (iii) Professionals (such as Chartered Accountant, Company Secretary, Lawyer, etc.) and non-professional personnel.
5. **It involves Personnel Activities or Functions:** Human Resource Management involves several functions concerned with the management of people at work. It includes manpower planning, employment, placement, training, appraisal and compensation of employees. For the performance of these activities efficiently, a separate department known as Personnel Department is created in most of the organisations.
6. **It is a continuous process:** Human Resource Management is not a “one shot” function. It must be performed continuously if the organisational objectives are to be achieved smoothly.
7. **It is based on Human Relations:** Human Resource Management is concerned with the motivation of human resources in the organisation. The human beings can't be dealt with like physical factors of production. Every person has different needs, perceptions and expectations. The managers should give due attention to these factors. They require human relations skills to deal with the people at work. Human relations skills are also required in training performance appraisal, transfer and promotion of subordinates

Objectives of HRM

The primary objective of HRM is to ensure the availability of competent and willing workforce to an organization. The specific objectives include the following:

- 1) Human capital: assisting the organization in obtaining the right number and types of employees to fulfil its strategic and operational goals.
- 2) Developing organizational climate: helping to create a climate in which employees are encouraged to develop and utilize their skills to the fullest and to employ the skills and abilities of the workforce efficiently
- 3) Helping to maintain performance standards and increase productivity through effective job design; providing adequate orientation, training and development; providing performance-related feedback; and ensuring effective two-way communication.
- 4) Helping to establish and maintain a harmonious employer/employee relationship
- 5) Helping to create and maintain a safe and healthy work environment

- 6) Developing programs to meet the economic, psychological, and social needs of the employees and helping the organization to retain the productive employees
- 7) Ensuring that the organization is in compliance with provincial/territorial and federal laws affecting the workplace (such as human rights, employment equity, occupational health and safety, employment standards, and labour relations legislation) to help the organization to reach its goals.
- 8) To provide organization with well-trained and well-motivated employees
- 9) To increase the employees satisfaction and self-actualization
- 10) To develop and maintain the quality of work life
- 11) To communicate HR policies to all employees.
- 12) To help maintain ethical polices and behaviour.

The above stated HRM objectives can be summarized under four specific objectives:

- 1) Societal Objectives:** seek to ensure that the organization becomes socially responsible to the needs and challenges of the society while minimizing the negative impact of such demands upon the organization. The failure of the organizations to use their resources for the society's benefit in ethical ways may lead to restriction.
- 2) Organizational Objectives:** it recognizes the role of HRM in bringing about organizational effectiveness. It makes sure that HRM is not a standalone department, but rather a means to assist the organization with its primary objectives. The HR department exists to serve the rest of the organization.
- 3) Functional Objectives:** is to maintain the department's contribution at a level appropriate to the organization's needs. Human resources are to be adjusted to suit the organization's demands. The department's value should not become too expensive at the cost of the organization it serves.
- 4) Personnel Objectives:** it is to assist employees in achieving their personal goals, at least as far as these goals enhance the individual's contribution to the organization. Personal objectives of employees must be met if they are to be maintained, retained and motivated. Otherwise employee performance and satisfaction may decline giving rise to employee turnover.

Importance of HRM

Human Resource Management has a place of great importance. According to Peter F. Drucker,

The proper or improper use of the different factors of production depends on the wishes of the human resources. Hence, besides other resources human resources need more development. Human resources can increase cooperation but it needs proper and efficient management to guide it.

Importance of personnel management is in reality the importance of labour functions of personnel department which are indispensable to the management activity itself. Because of the following reasons human resource management holds a place of importance.

1. It helps management in the preparation adoption and continuing evolution of personnel programmes and policies.

2. It supplies skilled workers through scientific selection process.
3. It ensures maximum benefit out of the expenditure on training and development and appreciates the human assets.
4. It prepares workers according to the changing needs of industry and environment.
5. It motivates workers and upgrades them so as to enable them to accomplish the organisation goals.
6. Through innovation and experimentation in the fields of personnel, it helps in reducing casts and helps in increasing productivity.
7. It contributes a lot in restoring the industrial harmony and healthy employer-employee relations.
8. It establishes mechanism for the administration of personnel services that are delegated to the personnel department.

Thus, the role of human resource management is very important in an organisation and it should not be undermined especially in large scale enterprises. It is the key to the whole organisation and related to all other activities of the management i.e., marketing, production, finance etc. Human Resource Management is concerned with the managing people as organizational resources rather than as factors of production. It involves a system to be followed in business firm to recruit, select, hire, train and develop human assets. It is concerned with the people dimension of an organization. The attainment of organizational objectives depends, to a great extent, on the way in which people are recruited, developed and utilized by the management. Therefore, proper co-ordination of human efforts and effective utilisation of human and others material resources is necessary.

Scope of HRM

The scope of HRM is indeed vast. All major activities in the working life of a worker (from the time of his or her entry into an organization until he or she leaves the organizations) come under the purview of HRM.

The major HRM activities include HR planning, job analysis, job design, employee hiring, employee and executive remuneration, employee motivation, employee maintenance, industrial relations and prospects of HRM.

The scope of Human Resources Management extends to:

1. All the decisions, strategies, factors, principles, operations, practices, functions, activities and methods related to the management of people as employees in any type of organization.
2. All the dimensions related to people in their employment relationships, and all the dynamics that flow from it.
3. The scope of HRM is really vast. All major activities in the working life of a worker (from the time of his or her entry into an organization until he or she leaves it) come under the purview of HRM.

American Society for Training and Development (ASTD) conducted fairly an exhaustive study in this field and identified nine broad areas of activities of HRM.

These are given below:

a) Human Resource Planning: The objective of HR Planning is to ensure that the organization has the right types of persons at the right time at the right place. It prepares human resources inventory with a view to assess present and future needs, availability and possible shortages in human resource. Thereupon, HR Planning forecast demand and supplies and identify sources of selection. HR Planning develops strategies both long-term and short-term, to meet the man-power requirement.

b) Design of Organization and Job: This is the task of laying down organization structure, authority, relationship and responsibilities. This will also mean definition of work contents for each position in the organization. This is done by “job description”. Another important step is “Job specification”. Job specification identifies the attributes of persons who will be most suitable for each job which is defined by job description.

c) Selection and Staffing: This is the process of recruitment and selection of staff. This involves matching people and their expectations with which the job specifications and career path available within the organization.

d) Training and Development: This involves an organized attempt to find out training needs of the individuals to meet the knowledge and skill which is needed not only to perform current job but also to fulfil the future needs of the organization.

e) Organizational Development: This is an important aspect whereby “Synergetic effect” is generated in an organization i.e. healthy interpersonal and inter-group relationship within the organization.

f) Compensation and Benefits: This is the area of wages and salaries administration where wages and compensations are fixed scientifically to meet fairness and equity criteria. In addition labour welfare measures are involved which include benefits and services.

g) Employee Assistance: Each employee is unique in character, personality, expectation and temperament. By and large each one of them faces problems every day. Some are personal some are official. In their case he or she remains worried. Such worries must be removed to make him or her more productive and happy.

h) Union-Labour Relations: Healthy Industrial and Labour relations are very important for enhancing peace and productivity in an organization. This is one of the areas of HRM.

i) Personnel Research and Information System: Knowledge on behavioral science and industrial psychology throws better insight into the workers expectations, aspirations and behaviour. Advancement of technology of product and production methods have created working environment which are much different from the past. Globalization of economy has increased competition many fold. Science of ergonomics gives better ideas of doing a work more conveniently by an employee. Thus, continuous research in HR areas is an unavoidable requirement. It must also take special care

for improving exchange of information through effective communication systems on a continuous basis especially on moral and motivation. HRM is a broad concept; personnel management (PM) and Human resource development (HRD) are a part of HRM.

Evolution of HRM

The evolution of the concept of Human Resource Management can be analysed as follows:

Period before industrial revolution – The society was primarily an agriculture economy with limited production. Number of specialized crafts was limited and was usually carried out within a village or community with apprentices assisting the master craftsmen. Communication channel were limited.

Period of industrial revolution (1750 to 1850) – Industrial revolution marked the conversion of economy from agriculture based upon industry. Modernization and increased means of communication gave way to industrial setup. A department was set up to look into workers wages, welfare and other related issues. This led to emergence of personnel management with the major task as

- Worker's wages and salaries
- Worker's record maintenance
- Worker's housing facilities and health care

An important event in industrial revolution was growth of Labour Union (1790) the works working in the industries or factories were subjected to long working hours and very less wages. With growing unrest, workers across the world started protest and this led to the establishment of Labour unions. To deal with labour issues at one end and management at the other Personnel Management department had to be capable of politics and diplomacy, thus the industrial relation department emerged.

Post Industrial revolution – The term Human resource Management saw a major evolution after 1850. Various studies were released and many experiments were conducted during this period which gave HRM altogether a new meaning and importance.

A brief overview of major theories release during this period is presented below

- Frederick W. Taylor gave principles of scientific management (1857 to 1911) led to the evolution of scientific human resource management approach which was involved in
 - Worker's training
 - Maintaining wage uniformity
 - Focus on attaining better productivity.
- Hawthorne studies, conducted by Elton Mayo & Fritz Roethlisberger (1927 to 1940). – Observations and findings of Hawthorne experiment shifted the focus of Human resource from increasing worker's productivity to increasing worker's efficiency through greater work satisfaction.

- Douglas McGregor Theory X and Theory Y (1960) and Abraham Maslow's Hierarchy of needs (1954) – These studies and observations led to the transition from the administrative and passive Personnel Management approach to a more dynamic Human Resource Management approach which considered workers as a valuable resource.

As a result of these principles and studies, Human resource management became increasingly line management function, linked to core business operations. Some of the major activities of HR department are listed as-

1. Recruitment and selection of skilled workforce.
2. Motivation and employee benefits
3. Training and development of workforce
4. Performance related salaries and appraisals.

Strategic Human Resource Management Approach

With increase in technology and knowledge base industries and as a result of global competition, Human Resource Management is assuming more critical role today . Its major accomplishment is aligning individual goals and objectives with corporate goals and objectives. Strategic HRM focuses on actions that differentiate the organization from its competitors and aims to make long term impact on the success of organization.

Functions of HRM

The main functions of human resource management are classified into two categories: (a) Managerial Functions and (b) Operative Functions

(a) Managerial Functions: Following are the managerial functions of Human Resource Management

1. Planning: The planning function of human resource department pertains to the steps taken in determining in advance personnel requirements, personnel programmes, policies etc. After determining how many and what type of people are required, a personnel manager has to devise ways and means to motivate them.

2. Organisation: Under organisation, the human resource manager has to organise the operative functions by designing structure of relationship among jobs, personnel and physical factors in such a way so as to have maximum contribution towards organisational objectives. In this way a personnel manager performs following functions: (a) preparation of task force; (b) allocation of work to individuals; (c) integration of the efforts of the task force; (d) coordination of work of individual with that of the department.

3. Directing: Directing is concerned with initiation of organised action and stimulating the people to work. The personnel manager directs the activities of people of the organisation to get its function performed properly. A personnel manager guides and motivates the staff of the organisation to follow the path laid down in advance.

4. Controlling: It provides basic data for establishing standards, makes job analysis and performance appraisal, etc. All these techniques assist in effective control of the qualities, time and efforts of workers.

(b) Operative Functions: The following are the Operative Functions of Human Resource Management:

1. Procurement of Personnel: It is concerned with the obtaining of the proper kind and number of personnel necessary to accomplish organisation goals. It deals specifically with such subjects as the determination of manpower requirements, their recruitment, selecting, placement and orientation, etc.

2. Development of Personnel: Development has to do with the increase through training, skill that is necessary for proper job performance. In this process various techniques of training are used to develop the employees. Framing a sound promotion policy, determination of the basis of promotion and making performance appraisal are the elements of personnel development function.

3. Compensation to Personnel: Compensation means determination of adequate and equitable remuneration of personnel for their contribution to organisation objectives. To determine the monetary compensation for various jobs is one of the most difficult and important function of the personnel management. A number of decisions are taken into the function, viz., job-evaluation, remuneration, policy, incentive and premium plans, bonus policy and co-partnership, etc. It also assists the organisation for adopting the suitable wages and salaries, policy and payment of wages and salaries in right time.

4. Maintaining Good Industrial Relation: Human Resource Management covers a wide field. It is intended to reduce strifes, promote industrial peace, provide fair deal to workers and establish industrial democracy. If the personnel manager is unable to make harmonious relations between management and labour industrial unrest will take place and millions of man-days will be lost. If labour management relations are not good the moral and physical condition of the employee will suffer, and it will be a loss to an organisation vis-a-vis a nation. Hence, the personnel manager must create harmonious relations with the help of sufficient communication system and co-partnership.

5. Record Keeping: In record-keeping the personnel manager collects and maintains information concerned with the staff of the organisation. It is essential for every organisation because it assists the management in decision making such as in promotions.

6. Personnel Planning and Evaluation : Under this system different type of activities are evaluated such as evaluation of performance, personnel policy of an organisation and its practices, personnel audit, morale, survey and performance appraisal, etc.

APPROACHES TO HRM

John Storey (1989) distinguished two approaches that describe the concept of Human Resources Management.

Hard HRM

- ∅ The hard version of HRM traces its roots from the concept of scientific management postulated by Fredrick W Taylor in the early 20th century.

- Ø Basically scientific management advocated for the adoption of a set of management techniques that would increase Organizational efficiency and productivity.
- Ø The management techniques mainly involved the scientific measurement of work through time and method studies, standardization of work tools, functional foremanship, differential pay-rate systems, cost containment and instructional cards for workers etc.
- Ø The humane side of scientific management was that it embraced the concept of the worker as a “rational economic man whose individualistic nature required motivation to gain the best out of him.
- Ø **NB:** The Hard HRM version resembles in many ways the characteristics of scientific management mentioned above.
- Ø The fundamental point to note is that Hard HRM like scientific management seeks to achieve organizational efficiency through the organization’s human resources.
- Ø This is achieved through utilitarian instrumentalism, which entails that organizations must use their human resources to achieve its desired goals.
- Ø Thus Hard HRM is quantitative in nature as it focuses on the strategic needs of the organization in terms of the amount of human resources it requires and which must be treated with rationality like any other factor of production.
- Ø Hard HRM is purely market driven and it adopts a business-oriented philosophy as it aims to manage people in a way that adds value and one which brings competitive advantage.
- Ø The hard version of HRM is more common in a capitalist set up where people are regarded as human capital, which can bring profit after investing in it.
- Ø Also the worker is regarded as a commodity, which can be exchanged.

Soft HRM

- Ø The soft version of HRM traces its roots to the human relations school of thought led by Elton Mayo in the Hawthorne studies from 1927-1932 at the Western Electric Company in Chicago.
- Ø Human Relations emphasized the human dimension of workers through the demonstration of the importance of group pressures, social relations, and attitudes towards supervision as determinants of productivity.
- Ø The organization is a social system as well as a techno - economic system with emphasis on the importance of both the formal and the informal group.
- Ø Similarly soft HRM is premised on the need to treat employees as ‘whole men’, valued assets, and the most important source of competitive advantage as opposed to treating them as objects.

- Ø It emphasizes more on effective communication, training and development, motivation, culture, values and involvement as sources of employee commitment, which is crucial for gaining competitive advantage.
- Ø The thrust of soft HRM is thus based on mutuality of purpose, which renders it unitarist in nature.
- Ø **NB:** Soft HRM can be said to embrace developmental humanism as opposed to utilitarian instrumentalism in hard HRM

H R Management Vs. Personnel Management

HRM	Personnel Management
HRM is the latest development in the evaluation of management of man	Personnel management precedes HRM
It gives more importance to the abilities of employees rather than evaluating them as per rules.	Performance is evaluated within the framework of rules.
It works on the basis of integrated initiative	It works on the basis of piecemeal initiative
Process of decision making is fast	Process of decision making is slow
It supports performance related remuneration	It supports fixed remuneration
It uses latest techniques of training and development	It uses outdated techniques of training and development
It practices division of work along with team work	It practices only division of work
It favours all round development of employees	It favours contractual employment based on written agreement

Differences Between Traditional HRM And Strategic HRM

Traditional Human Resource Management:

1. It focuses on employee relations, to partnership with internal and external groups.
2. Transformation in nature, in that it helps the people and the organisation to adapt, learns and act quickly.
3. Is proactive and consider various time frames in a flexible manner.

Strategic Human Resource Management:

1. It realises that people can made or break an organisation because all decisions regarding finance, marketing, operations or technology are made by an organisation's people.
2. It compels people at all levels to focus more on strategic issues rather than operational issues.
3. It believes that there is no best way to manage people in any given organisation.

Future Challenges before the Managers

Because of continuous changing socio-economic, technological and political conditions, the human resource managers of the future shall have to face more problems in the management of labour. The human resource managers of today may find themselves obsolete in the future due to

changes in environment if they do not update themselves some of the important challenges which might be faced by the managers in the management of people in business and industry are discussed below:

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

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

3. Technological Advances: With the changes coming in the wake of advanced technology, new jobs are created and many old jobs become redundant. There is a general apprehension of immediate unemployment. In the competitive world of today, industry cannot hope to survive for long with old technology. The problem, of unemployment resulting from modernisation will be solved by properly assessing manpower needs and training of redundant employees in alternate skills.

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

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

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

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

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

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

10. Management of Human Relations: On the 'industrial relations' front, things are not showing much improvement even after so many efforts by the government in this direction. Though a large number of factors are responsible for industrial unrest but a very significant cause is the growth of multi unions in industrial complexes having different political affiliations. Under the present conditions, it appears that inter-union rivalries would grow more in the coming years and might create more problems in the industry. Management of human relations in the future will be more complicated than it is today. Many of the new generation of employees will be more difficult to motivate than their predecessors. This will be in part the result of a change in value systems coupled with rising educational levels.

New Role of Human Resource Management

Human Resource Management in the "New Millenium" has undergone a great revolution by questioning the accepted practices and re-inventing the organisations as well as structures. Many traditional practices have been thrown out. As an example, it can be seen that hierarchies are vanishing and there is greater emphasis on flat organisations. It means a great deal of specialisation and skills. It also means upgrading the norms and standards of work as well as performance. The new role of human resource management is much more strategic than before.

Some of the new directions of the role of HRM can be summed up as follows:

1. A Facilitator of Change: To carry people through upheaval requires the true management of human resources.

2. An Integrated Approach to Management: Rather than being an isolated function, human resource is regarded as a core activity, one which shapes a company's values. In particular, this can have an impact on customer service.

3. A Mediator: Establishing and balancing the new and emerging aspirations and requirements of the company and the individual.

Functions of a Human Resource Manager

A human resource manager, charged with fulfilling the objectives of an organisation, should be a leader with high intellectual powers, a visionary and a philosopher who provides the initiative to shape the future in terms of leading the human beings in an organisation towards more prosperous and progressive policies.

1. As an Intellectual: The basic skill in the human resource field as compared to technologists or financial experts is the skill to communicate, articulate, understand and above all, to be an expert when it comes to putting policies and agreements in black and white. The personnel man's skill lies in his command over the language. A personnel man has to deal with employees and he must possess the skills of conducting fruitful and systematic discussions and of communicating effectively. He should also be in a position to formulate principles and foresee the problems of the organisation. This means that he would require the mental ability to deal with his people in an intelligent manner as well as to understand what they are trying to say.

2. As an Educator: It is not enough that a human resource man has command-over the language, which, however, remains his primary tool. He should be deeply interested in learning and also in achieving growth. Basically, human beings like to grow and realise their full potential. In order to harmonise the growth of individuals with that of the organisation, a personnel administrator must not only provide opportunities for his employees to learn, get the required training and assimilate new ideas but also he himself should be a teacher. A personnel man who simply pushes files and attends labour courts for conciliation purposes and other rituals of legal procedure for the settlement of industrial disputes is not a personnel administrator of the future.

3. As a Discriminator: A human resource administrator must have the capacity to discriminate between right and wrong, between that which is just and unjust and merit and non-merit. In other words, he should be a good judge when he sits on a selection board, a fair person when he advises on disciplinary matters and a good observer of right conduct in an organisation.

4. As an Executive: The human resource man must execute the decisions of the management and its policies with speed, accuracy and objectivity. He has to streamline the office, tone up the administration and set standards of performance. He has to coordinate the control functions in relation to the various other divisions and, in doing so he should be in a position to bring unity of purpose and direction in the activities of the personnel department. He must ask relevant questions and not be merely involved in the office routine whereby the status quo is maintained. He should have the inquisitiveness to find out causes of delay, tardy work and wasteful practices, and should be keen to eliminate those activities from the personnel functions which have either outlived their utility or are not consistent with the objectives and purposes of the organisation.

5. As a Leader : Being basically concerned with people or groups of people, and being placed in the group dynamics of various political and social functions of an organisation, a Human resource man must not shirk the role of leadership in an organisation. He, by setting his own example and by working towards the objectives of sound personnel management practices, must inspire his people and motivate them towards better performance. He should resolve the conflicts of different groups and build up teamwork in the organisation.

6. As a Humanist: Deep faith in human values and empathy with human problems, especially in less developed countries, are the sine qua non for a Human resource man. He has to deal with people who toil at various levels and partake of their joys and sorrows. He must perform his functions with sensitivity and feeling.

7. As a Visionary: While every leading function of an organisation must evolve its vision of the future, the primary responsibility for developing the social organisation towards purposive and progressive action falls on the personnel man. He should be a thinker who sets the pace for policy-making in an organisation in the area of human relations and should gradually work out new patterns of human relations management consistent with the needs of the organisation and the society. He must ponder on the social obligations of the enterprise, especially if it is in the public sector, where one has to work within the framework of social accountability. He should be in close touch with socio-economic changes in the country. He should be able to reasonably forecast future events and should constantly strive to meet the coming challenges.

MODULE - II

HUMAN RESOURCE PLANNING

Introduction

Human Resource Planning is concerned with the planning the future manpower requirements are the organisation. Human Resource manager ensures that the company has the right type of people in the right number at the right time and place, who are trained and motivated to do the right kind of work at the right time. Obviously, human resource planning primarily makes appropriate projections for future manpower needs of the organisation envisages plan for developing the manpower to suit the changing needs of the organisation from time to time, and foresees how to monitor and evaluate the future performance. It also includes the replacement plans and managerial succession plans. 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. Through planning a management strives to have the right number and the right kinds of people at the right places, at the right time, to do things which result in both the organisation and the individual receiving the maximum long-range benefit.

Definitions of Human Resource Planning:

According to Wikstrom, Human Resource Planning consists of a series of activities, viz.,

- (a) Forecasting future manpower requirements, either in terms of mathematical projections of trends in the economic environment and developments in industry, or in terms of judgemental estimates based upon the specific future plans of a company;
- (b) Making an inventory of present manpower resources and assessing the extent to which these resources are employed optimally;
- (c) Anticipating manpower problems by projecting present resources into the future and comparing them with the forecast of requirements to determine their adequacy, both quantitatively and qualitatively; and
- (d) Planning the necessary programmes of requirements, selection, training, development, utilisation, transfer, promotion, motivation and compensation to ensure that future manpower requirements are properly met.

Coleman has defined Human Resource Planning as “the process of determining manpower requirements and the means for meeting those requirements in order to carry out the integrated plan of the organisation”.

Human resource planning is a double-edged weapon. If used properly, it leads to the maximum utilisation of human resources, reduces excessive labour turnover and high absenteeism; improves productivity and aids in achieving the objectives of an organisation. Faultily used, it leads to disruption in the flow of work, lower production, less job satisfaction, high cost of production and constant headaches for the management personnel. Therefore, for the success of an enterprise, human resource planning is a very important function, which can be neglected only at its own peril.

Objectives of HR Planning

The major objectives of Human Resource Planning in an organisation are to:

- (i) ensure optimum use of human resources currently employed;
- (ii) Avoid imbalances in the distribution and allocation of human resources;
- (iii) assess or forecast future skill requirements of the organisation's overall objectives;
- (iv) Provide control measure to ensure availability of necessary resources when required;
- (v) Control the cost aspect of human resources;
- (vi) Formulate transfer and promotion policies.

Steps in Human Resource Planning

Human resource planning refers to a process by which companies ensure that they have the right number and kinds of people at the right place, at the right time; capable of performing diverse jobs professionally. Planning the use of human resources is an important function in every organisation. A rational estimate to various categories of personnel in the organisation is an important aspect of human resource planning. HRP involves the following steps:

- 1. Analysis of Organisational Plans and Objectives:** Human resource planning is a part of overall plan of organisation. Plans concerning technology, production, marketing, finance, expansion and diversification give an idea about the volume of future work activity. Each plan can further be analysed into sub-plans and detailed programmes. It is also necessary to decide the time horizon for which human resource plans are to be prepared. The future organisation structure and job design should be made clear and changes in the organisation structure should be examined so as to anticipate its manpower requirements.
- 2. Forecasting Demand for Human Resources:** Human resource planning starts with the estimation of the number and type of personnel required at different levels and in different departments. The main steps involved in HRP process are (a) to determine and to identify present and prospective needs of human resource, (b) to discover and recruit the required number of persons. (c) to select the right number and type from the available people. (d) to hire and place in the positions for which they are qualified, (e) to provide information to the selected people about the nature of work assigned to them, (f) to Promote or to transfer as per the needs and the performance of employees, (g) to denote if the employees are disinterested or their performance is not up to the mark, (h) to terminate if they are not needed or their performance is below standard and shows no hopes of improvement. It is the most crucial and critical area of HRD. This HRD manager must pay attention to place right man to the right job through recruitment selection Training and Placement of employees. This calls for the adoption of a systematic procedure to complete recruitment and selection.
- 3. Forecasting Supply of Human Resources:** One of the important areas of human resources planning is to deal with allocation of persons to different departments depending upon the workload and requirements of the departments. While allocating manpower to different departments,

care has to be taken to consider appointments based on promotions and transfers. Allocation of human resource should be so planned that available manpower is put to full use to ensure smooth functioning of all departments.

4. **Estimating Manpower Gaps:** Net human resource requirements or manpower gaps can be identified by comparing demand and supply forecasts. Such comparison will reveal either deficit or surplus of human resources in future. Deficits suggest the number of persons to be recruited from outside whereas surplus implies redundant to be redeployed or terminated. Similarly, gaps may occur in terms of knowledge, skills and aptitudes. Employees deficient in qualifications can be trained whereas employees with higher skills may be given more enriched jobs.
5. **Matching Demand and Supply :** It is one of the objectives of human resource planning to assess the demand for and supply of human resources and match both to know shortages and surpluses on both the side in kind and in number. This will enable the human resource department to know overstaffing or understaffing. Once the manpower gaps are identified, plans are prepared to bridge these gaps. Plans to meet the surplus manpower may be redeployment in other departments and retrenchment in consultation, with the trade unions. People may be persuaded to quit through voluntarily retirement. Deficit can be met through recruitment, selection, transfer, promotion, and training plans. Realistic plans for the procurement and development of manpower should be made after considering the macro and micro environment which affect the manpower objectives of the organisation.

Importance of Human Resource Planning

HRP is the subsystem in the total organizational planning. Organizational planning includes managerial activities that set the company's objective for the future and determines the appropriate means for achieving those objectives. The importance of HRP is elaborated on the basis of the key roles that it is playing in the organization.

1. Future Personnel Needs: Human resource planning is significant because it helps to determine the future personnel needs of the organization. If an organization is facing the problem of either surplus or deficiency in staff strength, then it is the result of the absence of effecting HR planning. All public sector enterprises find themselves overstaffed now as they never had any planning for personnel requirement and went of recruitment spree till late 1980's. The problem of excess staff has become such a prominent problem that many private sector units are resorting to VRS 'voluntary retirement scheme'. The excess of labour problem would have been there if the organization had good HRP system. Effective HRP system will also enable the organization to have good succession planning.

2. Part of Strategic Planning: HRP has become an integral part of strategic planning of strategic planning. HRP provides inputs in strategy formulation process in terms of deciding whether the organization has got the right kind of human resources to carry out the given strategy. HRP is also necessary during the implementation stage in the form of deciding to make resource allocation decisions related to organization structure, process and human resources. In some organizations HRP play as significant role as strategic planning and HR issues are perceived as inherent in business management.

3. Creating Highly Talented Personnel: Even though India has a great pool of educated unemployed, it is the discretion of HR manager that will enable the company to recruit the right person with right skills to the organization. Even the existing staff hope the job so frequently that organization face frequent shortage of manpower. Manpower planning in the form of skill development is required to help the organization in dealing with this problem of skilled manpower shortage

4. International Strategies: An international expansion strategy of an organization is facilitated to a great extent by HR planning. The HR department's ability to fill key jobs with foreign nationals and reassignment of employees from within or across national borders is a major challenge that is being faced by international business. With the growing trend towards global operation, the need for HRP will as well will be the need to integrate HRP more closely with the organizations strategic plans. Without effective HRP and subsequent attention to employee recruitment, selection, placement, development, and career planning, the growing competition for foreign executives may lead to expensive and strategically descriptive turnover among key decision makers.

5. Foundation for Personnel Functions: HRP provides essential information for designing and implementing personnel functions, such as recruitment, selection, training and development, personnel movement like transfers, promotions and layoffs.

6. Increasing Investments in Human Resources: Organizations are making increasing investments in human resource development compelling the increased need for HRP. Organizations are realizing that human assets can increase in value more than the physical assets. An employee who gradually develops his/ her skills and abilities become a valuable asset for the organization. Organizations can make investments in its personnel either through direct training or job assignment and the rupee value of such a trained, flexible, motivated productive workforce is difficult to determine. Top officials have started acknowledging that quality of work force is responsible for both short term and long term performance of the organization.

7. Resistance to Change: Employees are always reluctant whenever they hear about change and even about job rotation. Organizations cannot shift one employee from one department to another without any specific planning. Even for carrying out job rotation (shifting one employee from one department to another) there is a need to plan well ahead and match the skills required and existing skills of the employees.

8. Succession Planning: Human Resource Planning prepares people for future challenges. The 'stars' are picked up, trained, assessed and assisted continuously so that when the time comes such trained employees can quickly take the responsibilities and position of their boss or seniors as and when situation arrives.

9. Other Benefits: (a) HRP helps in judging the effectiveness of manpower policies and programmes of management. (b) It develops awareness on effective utilization of human resources for the overall development of organization. (c) It facilitates selection and training of employees with adequate knowledge, experience and aptitudes so as to carry on and achieve the organizational objectives (d)

HRP encourages the company to review and modify its human resource policies and practices and to examine the way of utilizing the human resources for better utilization.

Factors affecting HRP

HRP is influenced by several factors. The most important of the factors that affect human resource planning are:

1. Type and Strategy of the Organization: Type of the organization determines the production processes involve, number and type of staff needed and the supervisory and managerial personnel required. If the organization has a plan for organic growth then organization need to hire additional employees. On the other hand if the organization is going for mergers and acquisition, then organization need to plan for layoffs.

2. Organizational Growth Cycles and Planning: All organizations pass through different stages of growth from the day of its inception. The stage of growth in which an organization is determines the nature and extends of HRP. Small organizations in the earlier stages of growth may not have well defined personnel planning. But as the organization enters the growth stage they feel the need to plan its human resource. At this stage organization gives emphasis upon employee development. But as the organization reaches the mature stage it experience less flexibility and variability resulting in low growth rate. HR planning becomes more formalized and less flexible and less innovative and problem like retirement and possible retrenchment dominate planning. During the declining stage of the organization HRP takes a different focus like planning to do the layoffs, retrenchment and retirement.

3. Environmental Uncertainties: Political, social and economic changes affect all organizations and the fluctuations that are happening in these environments affect organizations drastically. Personnel planners deal with such environmental uncertainties by carefully formulating recruitment, selection, training and development policies and programmes.

4. Time Horizons: HR plans can be short term or long term. Short term plans spans from six months to one year, while long term plans spread over three to twenty years. The extent of time period depends upon the degree of uncertainty that is prevailing in an organizations environment.

5. Type and Quality of information: The quality and accuracy of information depend upon the clarity with which the organizational decision makers have defined their strategy, structure, budgets, production schedule and so on.

6. Nature of Jobs Being Filled: Personnel planners need to be really careful with respect to the nature of the jobs being filled in the organization. Employees belonging to lower level who need very limited skills can be recruited hastily but, while hiring employees for higher posts, selection and recruitment need to be carried out with high discretion

7. Outsourcing: Many of the organizations have surplus labour and hence instead of hiring more people they go for outsourcing. Outsourcing determines HRP.

Barriers to Human Resource Planning

Human Resource Planners face significant barriers while formulating an HRP. The major barriers are elaborated below:

1) HR practitioners are perceived as experts in handling personnel matters, but are not experts in managing business. The personnel plan conceived and formulated by the HR practitioners when enmeshed with organizational plan, might make the overall strategic plan of the organization ineffective.

2) HR information often is incompatible with other information used in strategy formulation. Strategic planning efforts have long been oriented towards financial forecasting, often to the exclusion of other types of information. Financial forecasting takes precedence over HRP.

3) Conflict may exist between short term and long term HR needs. For example, there can be a conflict between the pressure to get the work done on time and long term needs, such as preparing people for assuming greater responsibilities. Many managers are of the belief that HR needs can be met immediately because skills are available on the market as long as wages and salaries are competitive. Therefore, long times plans are not required, short planning are only needed.

4) There is conflict between quantitative and qualitative approaches to HRP. Some people view HRP as a number game designed to track the flow of people across the department. Others take a qualitative approach and focus on individual employee concerns such as promotion and career development. Best result can be achieved if there is a balance between the quantitative and qualitative approaches.

6) Non-involvement of operating managers renders HRP ineffective. HRP is not strictly an HR department function. Successful planning needs a co-ordinated effort on the part of operating managers and HR personnel.

Job analysis

Developing an organizational structure, results in jobs which have to be staffed. Job analysis is the procedure through which you determine the duties and nature of the jobs and the kinds of people (in terms of skills and experience) who should be hired for them. Some of the definitions of job analysis are:

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

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

Information provided by Job Analysis

Job analysis provides the following information:

- 1. Job Identification :** Its title, including its code number;
- 2. Significant Characteristics of a Job:** It location, physical setting, supervision, union jurisdiction, hazards and discomforts;

3. What the Typical Worker Does : Specific operation and tasks that make up an assignment, their relative timing and importance, their simplicity, routine or complexity, the responsibility or safety of others for property, funds, confidence and trust;

4. Which Materials and Equipment a Worker Uses: Metals, plastics, grains, yarns, milling machines, punch presses and micrometers;

5. How a Job is Performed: Nature of operation - lifting, handling, cleaning, washing, feeding, removing, drilling, driving, setting-up and many others;

6. Required Personal Attributes: Experience, training, apprenticeship, physical strength, co-ordination or dexterity, physical demands, mental capabilities, aptitudes, social skills;

7. Job Relationship: Experience required, opportunities for advancement, patterns of promotions, essential co-operation, direction, or leadership from and for a job.

Sources of Information for Job Analysis

According to George R. Terry, “the make-up of a job, its relation to other jobs, and its requirements for competent performance are essential information needed for a job analysis”.

Information on a job may be obtained from three principal sources:

- (a) From the employees who actually perform a job;
- (b) From other employees such as supervisors and foremen who watch the workers doing a job and thereby acquire knowledge about it; and
- (c) From outside observers specially appointed to watch employees performing a job. Such outside persons are called the trade job analysts.

Methods of Job Analysis

Four methods or approaches are utilised in analysing jobs. They are:

- 1. Personal Observation:** The materials and equipment used, the working conditions and probable hazards, and an understanding of what the work involves are the facts which should be known by an analyst.
- 2. Sending out of Questionnaires:** Properly drafted questionnaires are sent out to job-holders for completion and are returned to supervisors.
- 3. Maintenance of Long Records:** The employee maintains a daily record of duties he performs, marking the time at which each task is started and finished.
- 4. Critical Incidents:** In this method, job holders are asked to describe incidents concerning the job on the basis of their past experience. The incidents so collected are analyzed and classified according to the job areas they describe
- 5. Personal Interviews:** Personal interviews may be held by the analyst with the employees, and answers to relevant questions may be recorded. But the method is time-consuming and costly.

6. Technical Conference Method: This method utilizes supervisors with extensive knowledge of the job. Here, specific characteristics of a job are obtained from the “experts.”

7. Functional Job Analysis: Functional job analysis (FJA) is employee- oriented analytical approach of job analysis. This approach attempts to describe the whole person on the job.

Purposes and Uses of Job Analysis

The information provided by job analysis is useful in almost every phase of employee relations. Its purposes and uses can be understood from the following points:

1. Organisation and Manpower Planning: It is helpful in organisational planning for it defines labour needs in concrete terms and coordinates the activities of the work force, and clearly divides duties and responsibilities.

2. Recruitment and Selection: By indicating the specific requirements of each job (i.e., the skills and knowledge), it provides a realistic basis for hiring, training, placement, transfer and promotion of personnel.

3. Wage and Salary Administration: By indicating the qualifications required for doing specified jobs and the risks and hazards involved in its performance, it helps in salary and wage administration. Job analysis is used as a foundation for job evaluation.

4. Job Re-engineering: Job analysis provides information which enables us to change jobs in order to permit their being manned by personnel with specific characteristics and qualifications.

5. Employee Training and Management Development: Job analysis provides the necessary information to the management of training and development programmes.

6. Performance Appraisal: It helps in establishing clear-cut standards which may be compared with the actual contribution of each individual.

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

Process of Job Analysis

Following are the important steps in the process of job analysis:

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

2. Collection of Background Information: According to Terry, “The make-up of a job, its relation to other jobs, and its requirements for competent performance are essential information needed for a job evaluation. This information can be had by reviewing available background information such as organization charts and the existing job descriptions.

3. Selection of Jobs for Analysis: Job analysis is a costly and time consuming process. Hence, it is necessary to select a representative sample of jobs for the purposes of analysis. Priorities of various jobs can also be determined.

4. Collection of Job Analysis Data: Job data on features of the job, required employee qualification and requirements, should be collected either from the employees who actually perform a job; or from other employees who watch the workers, or from the outside persons.

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

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

7. Developing Job Specifications: Job specifications are also prepared on the basis of information collected. It is a statement of minimum acceptable qualities of the person to be placed on the job. It specifies the standard by which the qualities of the person are measured.

Job Description

Job description is a written record of the duties, responsibilities and requirements of a particular job. It is concerned with the job itself and not with the work. It is a statement describing the job in such terms as its title, location, duties, working conditions and hazards. In other words, it tells us what is to be done and how it is to be done and why. It is a standard of function, in that it defines the appropriate and authorised contents of a job.

A job description contains the following:

- 1. Job identification**, which includes the job title, alternative title, department, division, plant and code number of the job. The job title identifies and designates the job properly.
- 2. Job Summary** serves two important purposes. First it provides a short definition which is useful as additional identification information when a job title is not adequate. Second, it serves as a summary to orient the reader.
- 3. Job duties** give us a comprehensive listing of the duties together with some indication of the frequency of occurrence or percentage of time devoted to each major duty. It is regarded as the heart of a job.
- 4. Relation to other jobs:** This helps us to locate the job in the organisation by indicating the job immediately below or above it in the job hierarchy. It also gives us an idea of the vertical relationships of work flow and procedures.
- 5. Supervision:** Under it is given the number of persons to be supervised along with their job titles, and the extent of supervision involved – general, intermediate or close supervision.

6. Working conditions usually give us information about the environment in which a job holder must work.

Job Specification

The job specification states the minimum acceptable qualifications that the incumbent must possess to perform the job successfully. Based on the information acquired through job analysis, the job specification identifies the knowledge, skills, and abilities needed to do the job effectively.

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

A Job Specification should include:

- (i) Physical characteristics, which include health, strength, endurance, age, height, weight, vision, voice, eye, hand and foot co-ordination, motor co-ordination, and colour discrimination.
- (ii) Psychological and social characteristics such as emotional stability, flexibility, decision making ability, analytical view, mental ability, pleasing manners, initiative, conversational ability etc.
- (iii) Mental Characteristics such as general intelligence, memory, judgement, ability to concentrate, foresight etc.
- (iv) Personal Characteristics such as sex, education, family background, job experience, hobbies, extracurricular activities etc.

Job Design

Job design is of comparatively recent origin. The human resource managers have realized that the poorly designed jobs often result in boredom to the employees, increased turnover, job dissatisfaction, low productivity and an increase in overall costs of the organization. All these negative consequences can be avoided with the help of proper job design. According to Jon Werner and DeSimone, “Job design is the development and alteration of the components of a job (such as the tasks one performs, and the scope of one’s responsibilities) to improve productivity and the quality of the employees’ work life.”

Principles of Job Design

Principles are the bases of the approach used in job design. Robertson and Smith (1985) have suggested the following five principles of job design:

- To influence skill variety, provide opportunities for people to do several tasks and combine tasks.
- To influence task identity, combine tasks and from natural work units.
- To influence task significance, form natural work units and inform people of the importance of their work.
- To influence autonomy, give people responsibility for determining their own working systems.

- To influence feedback; establish good relationship and open feedback channels.

Methods or Techniques of Job Design

The various techniques of job design and redesign are as follows:

- 1. Job Simplification:** In job simplification, the complete job is broken down into small subparts; this is done so that employee can do these jobs without much specialized training. For job simplification, generally time and motion studies are used.
- 2. Job Rotation:** Another technique designed to enhance employee motivation is job rotation, or periodically assigning employees to alternating jobs or tasks.
- 3. Job Enlargement:** Another means of increasing employee's satisfaction with routine jobs is increasing the number of tasks performed (i.e. increasing the scope of the job). This is called job enlargement.
- 4. Job Enrichment:** The concept of job enrichment has been derived from Herzberg's two-factor theory of motivation in which he has suggested that job content is one of the basic factors of motivation. If the job is designed in such a manner that it becomes more interesting and challenging to the job performer and provides him opportunities for achievement, recognition, responsibility, advancement and growth, the job itself becomes a source of motivation to the individual.

According to *P. Robbins*, "Job enrichment refers to the vertical expansion of the jobs. It increases the degree to which the worker controls the planning, execution and evaluation of his work."

Job Enlargement Vs. Job Enrichment

Job enlargement and job enrichment are two techniques of job design in order to enhance productivity and satisfaction of the employees. However, they differ from each other in the following respects:

- 1. Nature of Job:** The major difference between job enrichment and enlargement lies in the nature of additions to the job. Enlargement involves a horizontal loading or expansion, or addition of tasks of the same nature. Enrichment involves vertical loading of tasks and responsibility of the job holder; it improves the quality of the job in terms of its intrinsic worth.
- 2. Purpose:** The purpose of job enlargement is to reduce the monotony in performing repetitive jobs by lengthening the cycle of operation. On the other hand, the purpose of job enrichment is making the job lively, challenging and satisfying. It satisfies the higher level needs such as ego satisfaction, self expression, sense of achievement and advancement of Job holders.
- 3. Skill Requirement:** Job enlargement may not necessarily require the use of additional skills which the job holder was using in performing the job before the enlargement. This is due to similarity of additional tasks. Enrichment calls for development and utilization of higher skills, initiative, and innovation on the part of the job holder in performing the job.

4. Direction and Control: Job enlargement requires direction and control from external sources, say supervisor. In fact, the job holder may require more direction and control because of enlargement of his responsibility. Enrichment does not require external direction and control as these come from the job holder himself. He requires only feedback from his supervisor.

Job Evaluation

Job Evaluation is a system wherein a particular job of an enterprise is compared with its other jobs. In the present industrial era, there are different types of jobs which are performed in every business and industrial enterprise. Comparative study of these jobs is very essential because on the basis of such study the structure of wages for different types of jobs is prepared. The comparison of jobs may be made on the basis of different factors such as duties, responsibilities, working conditions, efforts, etc. In nut shell, it may be said that job evaluation is a process in which a particular job of a business and industrial enterprise is compared with other jobs of the enterprise.

Kimball and Kimball define job evaluation as “an effort to determine the relative value of every job in a plant to determine what the fair basic wage for such a job should be.”

According to Wendell French, job evaluation is a process of determining the relative worth of the various jobs within the organisation, so that differential wages may be paid to jobs of different worth. The relative worth of a job means relative value produced.

We may define job evaluation as a process of analysing and describing positions, grouping them and determining their relative value of comparing the duties of different position in terms of their different responsibilities and other requirements.

Objectives of Job Evaluation

The following are the objectives of job evaluation:

- (i) To secure and maintain complete, accurate and impersonal descriptions of each distinct job or occupation in the entire plant;
- (ii) To provide a standard procedure for determining the relative worth of each job in a plant;
- (iii) To determine the rate of pay for each job which is fair and equitable with relation to other jobs in the plant, community or industry?
- (iv) To ensure that like wages are paid to all qualified employees for like work;
- (v) To promote a fair and accurate consideration of all employees for advancement and transfer;
- (vi) To provide a factual basis for the consideration of wage rates for similar jobs in a community and industry.

Principles of Job Evaluation

There are certain broad principles, which should be kept in mind before putting the job evaluation programme into practice. These principles are :

- (i) Rate the job and not the man. Each element should be rated on the basis of what the job itself requires.
- (ii) The elements selected for, rating purposes should be easily explainable in terms and as few in number as will cover the necessary requisites for every job without any overlapping.
- (iii) The elements should be clearly defined and properly selected.
- (iv) Any job rating plan must be sold to foremen and employees. The success in selling it will depend on a clear-cut explanation and illustration of the plan.
- (v) Foremen should participate in the rating of jobs in their own departments.
- (vi) Maximum co-operation can be obtained from employees when they themselves have an opportunity to discuss job ratings.
- (vii) In talking to foremen and employees, any discussion of money value should be avoided. Only point values and degrees of each element should be discussed.
- (viii) Too many occupational wages should not be established. It would be unwise to adopt an occupational wage for each total of point values.

Methods of Job Evaluation:

The following are the methods of Job Evaluations:

1. Ranking Method: The ranking method requires a committee typically composed of both management and employee representatives of job in a simple rank order, from highest to lowest. Rating specialists review the job analysis information and thereafter appraise each job subjectively according to its general importance in comparison with other jobs. In other words, an overall judgment is made of the relative worth of each job, and the job is ranked accordingly.

2. Job Grading or Job Classification Method : This method works by assigning each job a grade, level or class that corresponds to a pay grade for instance Grade I, Grade II, Grade III and so forth. These grades or classifications are created by identifying gradations of some common denominations, such as job responsibility, skill, knowledge, education required, and so on. Then, for each job grade so created standard job descriptions are determined. Thereafter, such standard description is matched with job descriptions in the organisation. The standard description that most nearly matches the job description determines the job's grading.

3. Factor-comparison Method: This method is a combination of ranking and point systems. All jobs are compared to each other for the purpose of determining their relative importance by selecting four or five major job elements or factors which are more or less common to all jobs. These elements are not predetermined. These are chosen on the basis of job analysis. The few factors which are customarily used are : (i) mental requirements (ii) skill (iii) physical requirements (iv) responsibilities (v) working conditions, etc. A few jobs are selected as key jobs which serve as standard against which all other jobs are compared. key job is one whose contents have been stabilised over a period of time and whose wage rate is considered to be presently correct by the management and the union.

Advantages of Job Evaluation

Job evaluation enjoys the following advantages:

- (i) Job evaluation is a logical and to some extent an objective method of ranking jobs relative to one another. It may help in removing inequalities in existing wage structures and in maintaining sound and consistent wage differentials in a plant or industry.
- (ii) In the case of new jobs, the method often facilitates fitting them into the existing wage structure.
- (iii) The method helps in removing grievances arising out of relative wages; and it improves labour-management relations.
- (iv) The method replaces the many accidental factors, occurring in less systematic procedures, of wage bargaining by more impersonal and objective standards, thus establishing a clear basis for negotiations.
- (v) The method may lead to greater uniformity in wage rates, thus simplifying wage administration.
- (vi) The information collected in the process of job description and analysis may also be used for the improvement of selection, transfer and promotion procedures on the basis of comparative job requirements.
- (vii) Such information also reveals that workers are engaged on jobs requiring less skill and other qualities than they possess, thereby pointing to the possibility of making more efficient use of the plants' labour force.

Merit Rating

Merit rating is a process through which the ability, efficiency and the potentiality of an employee are evaluated for the purpose of determining wage rate, need of training and for determining the policy for promotions and transfers.

According to **Edward Flippo** "Merit rating is a systematic, periodic and, so far as humanly possible, an impartial rating of an employee's excellence in matters pertaining to his present job to his potentialities for a job."

Objects of Merit Rating

The objects of Merit Rating are as follows:

1. To make a comparative study of the abilities of different employees.
2. To provide higher reward to the more efficient employees.
3. To prove the justification of different rates of wages to different employees according to their abilities.
4. To establish harmonious relation between employees and employers.
5. To motivate the employees to do better and more work.
6. To determine a policy for promotions and transfer.

7. To evaluate the success of training programmes.

Job Evaluation Vs. Merit Rating

Basis	Job Evaluation	Merit Rating
Meaning	It is a technique by which different jobs of an enterprise are evaluated.	It is the process by which the ability, efficiency and potentiality of an employee are evaluated.
Beginning	This process is started after the appointment of employees.	This process is started before the appointment of employees.
Procedure of Evaluation	In this process the performance of an employee is evaluated by comparing it with the performance of another employee of equal rank and status.	In this process ability, efficiency and the potentiality of an employee are evaluated.
Relation	It is related with the relative It is related with relative study of different	It is related with relative study of different employees.
Basis of Determining Wages and Salaries	In this process, the remuneration of an employee is determined.	In this process, the remuneration of an employee is determined on the basis of his efficiency, ability and potentiality.

Limitation of Job Evaluations:

(i) Though many ways of applying the job evaluation technique are available, rapid changes in technology and in the supply and demand of particular skills have given rise to problems of adjustment.

(ii) Substantial differences exist between job factors and the factors emphasised in the market. These differences are wider in cases in which the average pay offered by a company is lower than that prevalent in other companies in the same industry or in the same geographical area.

(iii) Job factors fluctuate because of changes in production technology, information system, and division of labour and such other factors. Therefore, the evaluation of a job today is made on the basis of job factors, and does not reflect the time job value in future. In other words, continuing attention and frequent evaluation of a job are essential.

(iv) Higher rates of pay for some jobs at the earlier stages than other jobs or the evaluation of a job higher in the organisational hierarchy at a lower rate than another job relatively lower in the organisational hierarchy often give rise to human relations problems and lead to grievances among those holding these jobs.

Recruitment

Recruitment means search of the prospective employee to suit the job requirements as represented by job specification. It is the process of attracting people to apply for jobs in an organisation.

According to Edwin B. Flippo: “Recruitment is the process of searching for prospective employees and stimulating them to apply for jobs in the organisation.”

Factors affecting Recruitment

The factors affecting recruitment can be classified as internal and external factors.

The internal factors are:

- Wage and salary policies;
- The age composition of existing working force;
- Promotion and retirement policies;
- Turnover rates;
- The nature of operations involved the kind of personnel required;
- The level and seasonality of operations in question;
- Future expansion and reduction programmes;
- Recruiting policy of the organisation;
- Human resource planning strategy of the company;
- Size of the organisation and the number of employees employed;
- Cost involved in recruiting employees, and finally;
- Growth and expansion plans of the organisation.

The external factors are:

- Supply and demand of specific skills in the labour market;
- Company’s image perception of the job seekers about the company.
- External cultural factors: Obviously, the culture may exert considerable check on recruitment. For example, women may not be recruited in certain jobs in industry.
- Economic factors: such as a tight or loose labour market, the reputation of the enterprise in the community as a good pay master or otherwise and such allied issues which determine the quality and quantity of manpower submitting itself for recruitment.
- Political and legal factors also exert restraints in respect of nature and hours of work for women and children, and allied employment practices in the enterprise, reservation of Job for SC, ST and so on.

Sources of Recruitment

The various sources of recruitment are generally classified as internal source and external source.

(a) **Internal Sources:** This refers to the recruitment from within the company. The various internal sources are promotion, transfer, past employees and internal advertisements.

(b) **External Sources:** External sources refers to the practice of getting suitable persons from outside. The various external sources are advertisement, employment exchange, past employees, private placement agencies and consultants, walks-ins, campus recruitment, trade unions, etc.

The following external sources of recruitment are commonly used by the big enterprises:

1. **Direct Recruitment:** An important source of recruitment is direct recruitment by placing a notice on the notice board of the enterprise specifying the details of the jobs available. It is also known as recruitment at factory gate.
2. **Casual Callers or Unsolicited Applications:** The organisations which are regarded as good employers draw a steady stream of unsolicited applications in their offices. This serves as a valuable source of manpower.
3. **Media Advertisement:** Advertisement in newspapers or trade and professional journals is generally used when qualified and experienced personnel are not available from other sources.
4. **Employment Agencies:** Employment exchanges run by the Government are regarded as a good source of recruitment for unskilled, semi-skilled and skilled operative jobs. In some cases, compulsory notification of vacancies to the employment exchange is required by law.
5. **Management Consultants:** Management consultancy firms help the organisations to recruit technical, professional and managerial personnel they specialise middle level and top level executive placements.
6. **Educational Institutions or Campus Recruitment:** Big organisations maintain a close liaison with the universities, vocational institutes and management institutes for recruitment to various jobs. Recruitment from educational institutional is a well - established practice of thousand of business and other organisations.
7. **Recommendation:** Applicants introduced by friends and relatives may prove to be a good source of recruitment.
8. **Labour Contractors:** Workers are recruited through labour contractors who are themselves employees of the organisation. Recruitment through labour contractors has been banned for the public sector units.
9. **Telecasting:** The practice of telecasting of vacant posts over T.V. is gaining importance these days. Special programmes like 'Job Watch', 'Youth Pulse', ' Employment News', etc. over the T.V have become quite popular in recruitment for various types of jobs.
10. **Raiding:** Raiding is a technical term used when employees working elsewhere are attracted to join organisations. The organisations are always on the lookout for qualified professionals, and are willing to offer them a better deal if they make the switch.

Merits of External Source of Recruitment

The merits of external sources of recruitment are as under:

1. **Qualified Personnel:** By using external sources of recruitment the management can make qualified and trained people to apply for vacant Jobs in the organisation.

2. **Wider choice:** When vacancies are advertised widely a large number of applicants from outside the organisation apply. The management has a wider choice while selecting the people for employment.
3. **Fresh Talent:** The insiders may have limited talents. External sources facilitate infusion of fresh blood with new ideas into the enterprise. This will improve the overall working of the enterprise.
4. **Competitive Spirit:** If a company can tap external sources, the existing staff will have to compete with the outsiders. They will work harder to show better performance.

Demerits of External Sources

The demerits of filling vacancies from external sources are as follows:

1. **Dissatisfaction among Existing Staff:** External recruitment may lead to dissatisfaction and frustration among existing employees. They may feel that their chances of promotion are reduced.
2. **Lengthy Process:** Recruitment from outside takes a long time. The business has to notify the vacancies and wait for applications to initiate the selection process.
3. **Costly Process:** It is very costly to recruit staff from external sources. A lot of money has to be spent on advertisement and processing of applications.
4. **Uncertain Response:** The candidates from outside may not be suitable for the enterprise. There is no guarantee that the enterprise will be able to attract right kinds of people from external sources.

Selection

Human resource selection is the process of preferring qualified individuals who are available to fill positions in an organization. Selection involves both picks up the fits and rejects the unfit. Therefore, sometimes, it is called a negative process.

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

Difference between Recruitment and Selection

1. **Difference in Objective:** The basic objective of recruitment is to attract maximum number of candidates so that more options are available. The basic objective of selection is to choose best out of the available candidates.
2. **Difference in Process:** Recruitment adopts the process of creating application pool as large as possible and therefore. It is known as positive process. Selection adopts the process through which more and more candidates are rejected and fewer candidates are selected or sometimes even not a single candidate is selected. Therefore, it is known as negative process or rejection process.
3. **Technical Differences:** Recruitment techniques are not very intensive, and not require high skills. As against this, in selection process, highly specialised techniques are required. Therefore, in the

selection process, only personnel with specific skills like expertise in using selection tests, conducting interviews, etc., are involved.

4. Difference in Outcomes: The outcome of recruitment is application pool which becomes input for selection process. The outcome of selection process is in the form of finalising candidates who will be offered jobs.

Selection Procedure

1. **Application Pool:** Application pool built-up through recruitment process is the base for selection process. The basic objective at the recruitment level is to attract as much worthwhile applications as possible so that there are more options available at the selection stage.
2. **Preliminary Screening and Interview:** It is highly noneconomic to administer and handle all the applicants. It is advantageous to sort out unsuitable applicants before using the further selection steps. For this purpose, usually, preliminary interviews, application blank lists and short test can be used. All applications received are scrutinised by the personnel department in order to eliminate those applicants who do not fulfil required qualifications or work experience or technical skill, his application will not be entertained. Such candidate will be informed of his rejection.
3. **Application Blank or Application Form:** An application blank is a traditional widely accepted device for getting information from a prospective applicant which will enable the management to make a proper selection. Information is generally taken on the following items:
 - (a) **Biographical Data:** Name, father's name, date and place of birth, age, sex, nationality, height, weight, identification marks, physical disability, if any, marital status, and number of dependants.
 - (b) **Educational Attainment:** Education (subjects offered and grades secured), training acquired in special fields and knowledge gained from professional/technical institutes or through correspondence courses.
 - (c) **Work Experience:** Previous experience, the number of jobs held with the same or other employers, including the nature of duties, and responsibilities and the duration of various assignments, salary received, grades, and reasons for leaving the present employer.
 - (d) **Salary and Benefits:** Present and expected.
 - (e) **Other Items:** Names and addresses of previous employers, references etc. An application blank is a brief history sheet of an employee's background and can be used for future reference, in case needed.
4. **Selection Tests:** Many organisations hold different kinds of selection tests to know more about the candidates or to reject the candidates who cannot be called for interview etc. Selection tests

normally supplement the information provided in the application forms. Such forms may contain factual information about candidates.

A. Aptitude Tests: These measure whether an individual has the capacity or talent ability to learn a given job if given adequate training. These are more useful for clerical and trade positions.

B. Personality Tests: At times, personality affects job performance. These determine personality traits of the candidate such as cooperativeness, emotional balance etc. These seek to assess an individual's motivation, adjustment to the stresses of everyday life, capacity for interpersonal relations and self-image.

C. Interest Tests: These determine the applicant's interests. The applicant is asked whether he likes, dislikes, or is indifferent to many examples of school subjects, occupations, amusements, peculiarities of people, and particular activities.

D. Performance Tests: In this test the applicant is asked to demonstrate his ability to do the job. For example, prospective typists are asked to type several pages with speed and accuracy.

E. Intelligence Tests: This aim at testing the mental capacity of a person with respect to reasoning, word fluency, numbers, memory, comprehension, picture arrangement, etc. It measures the ability to grasp, understand and to make judgement.

F. Knowledge Tests: These are devised to measure the depth of the knowledge and proficiency in certain skills already achieved by the applicants such as engineering, accounting etc.

G. Achievement Tests: Whereas aptitude is a capacity to learn in the future, achievement is concerned with what one has accomplished. When applicants claim to know something, an achievement test is given to measure how well they know it.

H. Projective Tests: In these tests the applicant projects his personality into free responses about pictures shown to him which are ambiguous.

5. Interview: An interview is a procedure designed to get information from a person and to assess his potential for the job he is being considered on the basis of oral responses by the applicant to oral inquiries by the interviewer. Interviewer does a formal in-depth conversation with the applicant, to evaluate his suitability. It is one of the most important tools in the selection process. This tool is used when interviewing skilled, technical, professional and even managerial employees. It involves two-way exchange of information. The interviewer learns about the applicant and the candidate learns about the employer.

Principles of Interviewing

To make it effective, an interview should be properly planned and conducted on certain principles; Edwin B. Flippo has described certain rules and principles of good interviewing to this end:

- Provide proper surroundings. The physical setting for the interview should be both private and comfortable.
- The mental setting should be one of rapport. The interviewer must be aware of non-verbal behaviour.
- Plan for the interview by thoroughly reviewing job specifications and job descriptions.
- Determine the specific objectives and the method of the interviewing.
- Inform yourself as much as possible concerning the known information about the interviewee.
- The interviewer should possess and demonstrate a basic liking and respect for people.
- Questions should be asked in a manner that encourages the interviewee to talk.
Put the applicant at ease.
- Make a decision only when all the data and information are available. Avoid decisions that are based on first impressions.
- Conclude the interview tactfully, making sure that the candidate leaves feeling neither too elated nor frustrated.
- Maintain some written record of the interview during or immediately after it.
- Listen attentively and, if possible, protectively.
- Questions must be stated clearly to avoid confusion and ambiguity. Maintain a balance between open and overtly structured questions.
- ‘Body language’ must not be ignored.
- The interviewer should make some overt sign to indicate the end of the interview.

6. Background Investigation: The next step in the selection process is to undertake an investigation of those applicants who appear to offer potential as employees. This may include contacting former employers to confirm the candidate’s work record and to obtain their appraisal of his or her performance/ contacting other job-related and personal references, and verifying the educational accomplishments shown on the application.

7. Physical Examination: After the selection decision and before the job offer is made, the candidate is required to undergo physical fitness test. Candidates are sent for physical examination either to the company’s physician or to a medical officer approved for the purpose. Such physical examination provides the following information:

- Whether the candidate’s physical measurements are in accordance with job requirements or not?
- Whether the candidate suffers from bad health which should be corrected?

- Whether the candidate has health problems or psychological attitudes likely to interfere with work efficiency or future attendance?
- Whether the candidate is physically fit for the specific job or not?

8. Approval by Appropriate Authority: On the basis of the above steps, suitable candidates are recommended for selection by the selection committee or personnel department. Though such a committee or personnel department may have authority to select the candidates finally, often it has staff authority to recommend the candidates for selection to the appropriate authority.

9. Final Employment Decision: After a candidate is finally selected, the human resource department recommends his name for employment. The management or board of the company offers employment in the form of an appointment letter mentioning the post, the rank, the salary grade, the date by which the candidate should join and other terms and conditions of employment. Some firms make a contract of service on judicial paper. Usually an appointment is made on probation in the beginning. The probation period may range from three months to two years. When the work and conduct of the employee is found satisfactory, he may be confirmed.

10. Evaluation: The selection process, if properly performed, will ensure availability of competent and committed personnel. A period audit, conducted by people who work independently of the human resource department, will evaluate the effectiveness of the selection process. The auditors will do a thorough and the intensive analysis and evaluate the employment programme.

Orientation (Induction)

The introduction of the new employee to the job is known as induction. It is the process by which new employees are introduced to the practices, policies and purposes of the organisation. Induction follows placement and consists of the task of orienting or introducing the new employee to the company, its policy and its position in the economy. Induction literally means helping the worker to get or with his own environment. After an employee is assigned his job, it is necessary to introduce him to his job situation, his associates in the job and the overall policies of the company.

In other words, it is a welcoming process-the idea is to welcome a newcomer, make him feel at home and generate in him a feeling that his job, even though small, is meaningful and has significant importance as part of the total organisation.

In the words of John M. Ivancevich, "Orientation orients, directs, and guides employees to understand the work, firm, colleagues, and mission. It introduces new employees to the organisation, and to his new tasks, managers, and work groups."

Orientation is one component of the new employee socialization process. It is a process through which a new employee is introduced to the organisation. The new employee is handed over a rulebook, company booklets, policy manuals, progress reports and documents containing company information which are informational in nature. It is responsibility of the human resource department to execute the orientation programme.

Objectives of Induction

An induction process properly designed should serve the following objectives :

- 1) Introduce the new employee and the organisation to each other.
- 2) Create interest in his job and the company
- 3) Provide basic information about working arrangements
- 4) Make the new employee feel 'at home' in the new environment
- 5) Indicate the standards of performance and behaviour expected from him
- 6) Inform him about the training facilities
- 7) Reduce any misunderstanding about the job or the enterprise
- 8) Facilitate good employee relations
- 9) Assist the new employee to adjust to the company; and
- 10) Establish a favourable attitude about the company in the minds of the employee.

Induction Process

There is no specific model of induction process. Each industry develops its own procedure as per its requirements. Generally, an induction procedure involves the following basic steps:

1. Reporting for duty before the concerned head of the department at a certain place.
2. The head of the department welcomes the new employee.
3. Introduction to the organizational head / branch head by the head of the department.
4. Organizational head/ Branch head introduces him to the important employees
5. Supervisor concerned introduces him to his co-workers in that section.
6. Providing information about the duties, responsibilities, rights, facilities, welfare measures, etc.
7. Supervisor clarifies the doubts of the new employee about the work.

Formal and Informal Induction Programme

1. **Formal Induction Programme:** Formal induction is a planned attempt to introduce new employees to the organization, job and the working environment. This induction type may consume more time of the superiors to learn and deliver the new employees needs at the beginning. But this may create new employees less number of errors at the working period and good coordination among all the parties. At this type of program, new employee may get know, who are the most

experienced person to have the solution of the particular problem new employee might have. At the very beginning new employees are having lots of questions as same as kids at small ages. That is a full normal thing and common thing, because the new employee needs to get to know all the things, he may actually need or not. CEO, GM, Section/Department Heads, Senior Managers, and Line Managers may be involved in the formal induction programme. This will deliver fundamental things that new employees need to know. Advantage of the formal induction program is organization will have the better chance to win the new employees' loyalty at the very beginning. And also new employee will have the chance to carry his/her work clearly, with less numbers of errors. Also, new employee will fit to the organizational culture and the work group easily, and strongly.

2. Informal Induction Programme: Informal induction is not planned and is ad hoc. New employees learn through trial and error method. They get familiar with the work and work environment by themselves. This induction type will make the stress on new employee at the very beginning, because of his/her not knowing things at the operations. So in that case, new employee may leave the organization at the beginning and then the organization may need to follow all the process of recruiting and new employee to the organization. Also this method will create a large number of errors making by new employee and then it may create big losses to the organization. Those are the disadvantages of informal induction program. The advantage of informal induction is, if the new employee survived, then he/she may know the process by his/her experience, and the later on errors may minimize. But at the beginning the vice versa thing of above advantage may create losses, if the new employee unable to survive at the organization. At the movements which employees couldn't survive, there could be seen they are leaving organization at the beginning they have joined to it. So this will create high labour turn over too.

Placement

Placement is a process of assigning a specific job to each of the selected candidates. It involves assigning a specific rank and responsibility to an individual. It implies matching the requirements of a job with the qualifications of the candidate.

According to Pigors and Myers, "Placement consists in matching what the supervisor has reason to think the new employee can do with what the job demands (job requirements), imposes (in strain, working conditions, etc.), and offers (in the form of pay rate, interest, companionship with other, promotional possibilities, etc.)" They further state that it is not easy to match all these factors for a new worker who is still in many ways an unknown quantity. For this reason, the first placement usually carries with it the status of probationer.

A few basic principles should be followed at the time of placement of an employee on the job. These may be enumerated as below:

- The job should be offered to the man according to his qualifications. The placement should neither be higher nor lower than the qualifications.

- While introducing the job to the new employee, an effort should be made to develop a sense of loyalty and cooperation in him so that he may realise his responsibilities better towards the job and the organisation.
- The employee should be made conversant with the working conditions prevailing in the industry and all things relating to the job. He should also be made aware of the penalties if he commits a wrong.
- Man should be placed on the job according to the requirements of the job. The job should not be adjusted according to the qualifications or requirements of the man. Job first; man next, should be the principle of placement.
- The placement should be ready before the joining date of the newly selected person.
- The placement in the initial period may be temporary as changes are likely after the completion of training. The employee may be later transferred to the job where he can do better justice.

Significance of placement

The significances of placement are as follows: -

1. It improves employee morale.
2. It helps in reducing employee turnover.
3. It helps in reducing absenteeism.
4. It helps in reducing accident rates.
5. It avoids misfit between the candidate and the job.
6. It helps the candidate to work as per the predetermined objectives of the organization.

MODULE - III

TRAINING OF EMPLOYEES

Introduction

Training is an organised activity for increasing the knowledge and skills of people for a definite purpose. It involves systematic procedures for transferring technical know-how to the employees so as to increase their knowledge and skills for doing specific jobs with proficiency. In other words, the trainees acquire technical knowledge, skills and problem solving ability by undergoing the training programme. According to Edwin B. Flippo, “Training is the act of increasing the knowledge and skills of an employee for doing a particular job”.

Objectives of Training

- (i) To impart to new entrants the basic knowledge and skill they need for an intelligent performance of definite tasks;
- (ii) To assist employees to function more effectively in their present positions by exposing them to the latest concepts, information and techniques and developing the skills, they will need in their particular fields;
- (iii) To build up a second line of competent officers and prepare them to occupy more responsible positions;
- (iv) To broaden the minds of senior managers by providing them with opportunities for an interchange of experiences within and outside with a view to correcting the narrowness of the outlook that may arise from over-specialisation;
- (v) To impart customer education for the purpose of meeting the training needs of Corporations which deal mainly with the public. In a nutshell, the objectives of training are to Bridge the gap between existing performance ability and desired performance.

Need and Importance of Training

- 1. Increasing Productivity:** Instruction can help employees increase their level of performance on their present job assignment. Increased human performance often directly leads to increased operational productivity and increased company profit.
- 2. Improving Quality:** Better informed workers are less likely to make operational mistakes. Quality increases may be in relationship to a company product or service, or in reference to the intangible organisational employment atmosphere.
- 3. Helping a Company Fulfil its Future Personnel Needs:** Organisations that have a good internal educational programme will have to make less drastic manpower changes and adjustments in the event of sudden personnel alternations. When the need arises, organisational vacancies can more easily be staffed from internal sources if a company initiates and maintains an adequate instructional programme for both its non-supervisory and managerial employees.
- 4. Improving Organisational Climate:** An endless chain of positive reactions results from a well-planned training programme. Production and product quality may improve; financial incentives

may then be increased, internal promotions become stressed, less supervisory pressures ensue and base pay rate increases result.

5. **Improving Health and Safety:** Proper training can help prevent industrial accidents. A safer work environment leads, to more stable mental attitudes on the part of employees.
6. **Obsolescence Prevention:** Training and development programmes foster the initiative and creativity of employees and help to prevent manpower obsolescence, which may be due to age, temperament or motivation, or the inability of a person to adapt himself to technological changes.
7. **Personal Growth:** Employees on a personal basis gain individually from their exposure to educational experiences. Again, Management development programmes seem to give participants a wider awareness, an enlarged skin, an enlightened altruistic philosophy, and make enhanced personal growth possible.

Distinction between Training and Development

	Training	Development
1.	Training means learning skills and knowledge for doing a particular job. It increases job skills.	Development means the growth of an employee in all respects. It shapes attitudes.
2.	The term 'training' is generally used to denote imparting specific skills among operative workers and employees.	The term 'development' is associated with the overall growth of the executives.
3.	Training is concerned with maintaining and improving current job performance. Thus, it has a short-term perspective.	Executive development seeks to develop competence and skills for future performance. Thus, it has a long-term perspective.
4.	Training is job-centred in nature.	Development is career-centred in nature.
5.	The role of trainer or supervisor is very important in training.	All development is 'self development'. The executive has to be internally motivated for self-development

Methods of training

The following methods are generally used to provide training :

On-the-Job Training Methods:

This type of training is imparted on the job and at the work place where the employee is expected to perform his duties.

1. **On Specific Job:** On the job training methods is used to provide training for a specific job such as electrical, motor mechanic, plumbing etc.
 - (a) **Experience :** This is the oldest method of on-the-job training. Learning by experience cannot and should not be eliminated as a method of development, though as a sole approach; it is a wasteful, time consuming and inefficient.

- (b) **Coaching:** On-the-Job coaching by the superior is an important and potentially effective approach is superior. The technique involves direct personnel instruction and guidance, usually with extensive demonstration.
2. **Job Rotation:** The major objective of job rotation training is the broadening of the background of trainee in the organisation. If trainee is rotated periodically from one job to another job, he acquires a general background.
 3. **Special Projects:** This is a very flexible training device. The trainee may be asked to perform special assignment; thereby he learns the work procedure.
 4. **Apprenticeship:** Under this method, the trainee is placed under a qualified supervisor or instructor for a long period of time depending upon the job and skill required. Wages paid to the trainee are much less than those paid to qualified workers.
 5. **Vestibule Training:** Under this method, actual work conditions are created in a class room or a workshop. The machines, materials and tools under this method is same as those used in actual performance in the factory.
 6. **Multiple Management:** Multiple management emphasizes the use of committees to increase the flow of ideas from less experience managers and to train them for positions of greater responsibility.

Off-the-job Training Methods:

Following are the off the job training techniques:

1. Special Courses and Lectures: Lecturing is the most traditional form of formal training method Special courses and lectures can be established by business organizations in numerous ways as a part of their development programmes.

2. Conferences: This is also an old method, but still a favorite training method. In order to escape the limitations of straight lecturing many organizations have adopted guided, discussion type of conferences in their training programmes. In this method, the participant's pools, their ideas and experience in attempting to arrive at improved methods of dealing with the problems, which are common subject of discussion;

3. Case Studies: This technique, which has been developed, popularized by the Harvard Business School, U.S.A is one of the most common forms of training. A case is a written account of a trained reporter of analyst seeking to describe an actual situation.

4. Brainstorming : This is the method of stimulating trainees to creative thinking This approach developed by Alex Osborn seeks to reduce inhibiting forces by providing for a maximum of group participation and a minimum of criticism. A problem is posed and ideas are invited. Quantity rather quality is the primary objective. Ideas are encouraged and criticism of any idea is discouraged. Chain reactions from idea to idea often develop. Later these ideas are critically examined. There is no trainer in brainstorming and it has been found that the introduction of known reports into it will reduce the originality and practicability of the group contribution.

5. Laboratory Training: Laboratory training adds to conventional training by providing situations in which the trains themselves experience through their own interaction some of the

conditions they are talking about. In this way, they more or less experiment on themselves. Laboratory training is more concerned about changing individual behaviour and attitude. There are two methods of laboratory training: simulation and sensitivity training.

(a) Simulation: An increasing popular technique of management development is simulation of performance. In this method, instead of taking participants into the field, the field can be simulated in the training session itself. Simulation is the presentation of real situation of organisation in the training session. There are two common simulation methods of training. They are role-playing and business game.

(i) Role-playing: Role-playing is a laboratory method, which can be used rather easily as a supplement of conventional training methods. Its purpose is to increase the trainee's skill in dealing with other people. One of its greatest uses, in connection with human relations training, but it is also used in sales training as well. It is spontaneous acting of a realistic situation involving two or more persons, under classroom situations. Dialogue spontaneously grows out of the situation, as the trainees assigned to it develop it.

(ii) Gaming: Gaming has been devised to simulate the problems of running a company or even a particular department. It has been used for a variety of training objectives from investment strategy, collective bargaining techniques to the morale of clerical personnel. It has been used at all the levels, from the executives for the production supervisors. Gaming is a laboratory method in which role-playing exists but its difference is that it focuses attention on administrative problems, while role-playing tend to emphasis mostly feeling and tone between people in interaction.

(b) Sensitivity Training: Sensitivity training is the most controversial laboratory training method. Many of its advocates have an almost religious zeal in their enhancement with the training group experience. Some of its critics match this favour in their attacks on the technique. As a result of criticism and experience, a revised approach, often described as "team development" training has appeared.

Induction Training

The introduction of the new employee to the job is known as induction. It is the process by which new employees are introduced to the practices, policies and purposes of the organisation. Induction follows placement and consists of the task of orienting or introducing the new employee to the company, its policy and its position in the economy. Induction literally means helping the worker to get or with his own environment. After an employee is assigned his job, it is necessary to introduce him to his job situation, his associates in the job and the overall policies of the company.

An induction process properly designed should serve the following purposes:

(a) to help the newcomer to overcome his natural shyness, any nervousness he may experience in meeting new people in the new environment;

(b) to integrate the new employee into the organisation and develop a sense of belonging which is a strong motivational force;

(c) to supply information about the nature for workforce, conditions of service and welfare facilities.

MODULE IV

PERFORMANCE APPRAISAL AND CAREER PLANNING

Introduction

Performance appraisal or Performance evaluation is a method of evaluating the behaviour of employees in a work place, normally including both the quantitative and qualitative aspect of job performance. Performance here refers to the degree of accomplishment of the tasks that make up an individual's job. It indicates how well an individual is fulfilling the job demands. Performance is measured in terms of results. Thus, Performance appraisal is the process of assessing the performance or progress of an employee, or a group of employees on the given job, as well as his potential for future development. Thus, performance appraisal comprises all formal procedures used in organisations to evaluate contributions, personality, and potential of individual employees.

According to Edwin Flippo, "Performance appraisal is the systematic, periodic and an impartial rating of an employee's excellence in matters pertaining to his present job and his potential for a better job."

According to Cummings, "The overall objective of performance appraisal is to improve the efficiency of an enterprise by attempting to mobilise the best possible efforts from individuals employed in it. Such appraisals achieve four objectives including the salary reviews the development and training of individuals, planning job rotation and assistance promotions."

Characteristics of Performance Appraisal

1. A Process: Performance appraisal is not a one-act play. It is rather a process that involves several acts or steps.

2. Systematic Assessment: Performance appraisal is a systematic assessment of an employee's strengths and weakness in the context of the given job.

3. Main Objective: The main objective of it is to know how well an employee is going for the organisation and what needs to be improved in him.

4. Scientific Evaluation: It is an objective, unbiased and scientific evaluation through similar measure and procedures for all employees in a formal manner.

5. Periodic Evaluation : Although informal appraisals tend to take place in an unscheduled manner (on continuous) basis with the enterprises a supervisors evaluate their subordinates work and as subordinates appraise each other and supervisors on a daily basis.

6. Continuous Process: In addition to being periodic performance usually is an ongoing process.

Purposes of Performance Appraisal

The following are the main purposes of performance appraisal:

1. Appraisal Procedure: It provides a common and unified measure of performance appraisal, so that all employees are evaluated in the same manner. It gives an indiscriminatory rating of all the employees.

2. Decision Making: Performance appraisal of the employees is extremely useful in the decision making process of the organization. In selection, training, promotion, pay increment and in transfer, performance appraisal is very useful tool.

3. Work Performance Records: Performance appraisal gives us a complete information in the form of records regarding every employee. In the case of industrial disputes even arbitrator accepts these records in the course of grievance handling procedure.

4. Employees Development: Performance appraisal guides the employees in removing their defects and improving their working. The weaknesses of the employee recorded in the performance appraisal provide the basis for an individual development programme. If properly recorded and used, the performance appraisal gives the fair opportunities to employees to correct and rectify their mistakes.

5. Enables Supervisors to be More Alert and Competent : Performance appraisal enables supervisor to be more alert and competent and to improve the quality of supervision by giving him a complete record of employee's performance. He can guide an employee, where he is prone to commit mistakes.

6. Merit Rating : Merit rating is another name of performance appraisal, it gives supervisors a more effective tool for rating their personnel. It enables them to make more careful analysis of employee's performance and make them more productive and useful.

7. Improves Employer Employee Relations : Performance appraisal is not only a useful guide for the supervisors and employees but it improves the employer-employee relations by creating a more conductive and amicable atmosphere in the organization. It also stimulates free exchange of thoughts and ideas between the supervisor and his men. In this way performance appraisal bridges the emotional gap between the employer and employee by bringing them more close and by reducing man-to-man differences in the organization.

Uses of Performance Appraisal

Performance appraisal helps the employees in Self-improvement and Self-development. It helps the management in taking decisions about Placement, Promotions, Transfer, Training and Development, etc. It helps to achieve individual and organisational goals. It is useful to the employees and the organisation. Therefore, Performance Appraisal should be conducted objectively from time to time.

1. Help in Deciding Promotion: It is in the best interest of the management to promote the employees to the positions where they can most effectively use their abilities. A well-organised, development and administered performance appraisal programme may help the management in determining whether an individual should be considered for promotion.

2. Help in Personnel Actions: Personnel actions such as lay-offs, demotions, transfers and discharges etc. may be justified only if they are based on performance appraisal.

3. Help in Wage and Salary Administration: The wage increase given to some employees on the basis of their performance may be justified by the performance appraisal results.

4. Help in Training and Development: An appropriate system of performance appraisal helps the management in devising training and development programmes and in identifying the areas of skill or knowledge in which several employees are not at par with the job requirements.

5. Aid to Personnel Research: Performance appraisal helps in conducting research in the field of personnel management. Theories in personnel field are the outcome of efforts to find out the cause and effect relationship between personnel and their performance. By studying the various

problems which are faced by the performance appraiser, new areas of research may be developed in personnel field.

6. Help in Self Evaluation: Performance appraisal helps the employee in another way also. Every employee is anxious to know his performance on the job and his potentials for higher jobs so as to bring himself to the level of that position.

Essentials of an Effective Performance Appraisal System

1. Mutual Trust: The existence of an atmosphere of confidence and trust so that both supervisor and employee may discuss matters frankly and offer suggestions which may be beneficial for the organisation and for an improvement of the employee. An atmosphere of mutual trust and confidence should be created in the organisation before introducing the appraisal system.

2. Clear Objectives: The objectives and uses of performance appraisal should be made clear and specific. The objectives should be relevant, timely and open.

3. Standardisation: Well-defined performance factors and criteria should be developed. These factors as well as appraisal form, procedures and techniques should be standardised. It will help to ensure uniformity and comparison of ratings.

4. Training : Evaluators should be given training in philosophy and techniques of appraisal. They should be provided with knowledge and skills in documenting appraisals, conducting post appraisal interviews, rating errors, etc.

5. Job Relatedness: The evaluators should focus attention on job-related behaviour and performance of employees. The results of performance rather than personality traits should be given due weight.

6. Strength and Weaknesses: The raters should be required to justify their ratings. The supervisor should try to analyse the strength and weaknesses of an employee and advise him on correcting die weakness.

7. Individual Differences: While designing the appraisal system, individual differences in organisations should be recognised. Organisations differ in terms of size, nature, needs and environment. Therefore, the appraisal system should be tailor-made for the particular organisation.

8. Feedback and Participation : Arrangements should be made to communicate the ratings to both the employees and the raters. The employees should actively participate in managing performance and in the ongoing process of evaluation. The superior should play the role of coach and counsellor.

9. Post Appraisal Interview: A post-appraisal interview should be arranged so that employees may be supplied with feedback and the organisation may know the difficulties under which employees work, so that their training needs may be discovered.

10. Review and Appeal : A mechanism for review of ratings should be provided. Which particular technique is to be adopted for appraisal should be governed by such factors as the size, financial resources, philosophy and objectives of an organisation.

Process of Performance Appraisal

Various steps in appraising performance of employees are as follows:

1. Establishing Performance Standard: The process of evaluation begins with the establishment of Performance Standards. While designing a job and formulating a job description, performance standards are usually developed for the position. This standard should be very clear and objective enough to be understood and measured.

2. Communicating Performance Expectations to Employees: The next important step is to communicate the aforesaid standards to the concerned employees. Their jobs and jobs-related behaviour should be clearly explained to them.

3. Measuring Actual Performance: The third step is the measurement of actual performance. To determine what actual performance is, it is necessary to acquire information about it we should be concerned with how we measure and what we measure. Four sources of information are frequently used to measure actual performance: personal observation, statistical reports, oral reports and written reports.

4. Comparing Actual Performance with Standards: The next step is comparison of actual performance with the standards. By doing so the potentiality for growth and advancement of an employee can be appraised and judged. Efforts are made to find out deviations between standard performance and actual performance.

5. Discussing the Appraisal with the Employee: After comparing actual performance with standards, the next step is to discuss periodically the appraisal with the employee. Under this discussion good points, weak points, and difficulties are indicated and discussed so that performance is improved.

6. Initiating Corrective Action: The final step is the initiation of corrective action whenever necessary. Immediate corrective action can be of two types. One is immediate and deals predominantly with symptoms. The other is basic and delves into causes.

Methods or Techniques of Performance Appraisal

Several methods and techniques are used for evaluating employee performance. They may be classified into two broad categories. They are Traditional Methods and Modern Methods.

Traditional Methods:

- 1. Ranking Method:** Ranking method is the oldest and simplest method of rating. Here, each employee is compared with all others performing the same job and then he is given a particular rank i.e. First Rank, Second Rank etc. This method ranks all employees but it does not tell us the degree or extent of superiority. In this method, the performance of individual employee is not compared with the standard performance. Here, the best is given first rank and poorest gets the last rank.
- 2. Paired Comparison:** In method is comparatively simpler as compared to ranking method. In this method, the evaluator ranks employees by comparing one employee with all other employees in the group. The rater is given slips where, each slip has a pair of names, the rater puts a tick mark next those employee whom he considers to be the better of the two. This employee is compared number of times so as to determine the final ranking.
- 3. Grading Method:** Under this method of performance appraisal, different grades are developed for evaluating the ability of different employees and then the employees are placed in these grades. These grades may be as follows: (i) Excellent; (ii) very good; (iii) Good; (iv) Average; (v) Bad; (vi) Worst.
- 4. Man-to-Man Comparison Method:** This method was first used in USA army during the 1st World War. Under this method, few factors are selected for analysis purposes. These factors are: leadership, dependability and initiative. After that a scale is designed by the rate for each factor. A scale of person is also developed for each selected factor. Each person to be rated is

compared with the person in the scale, and certain scores for each factor are awarded to him/her. In other words, instead of comparing a whole man to a whole man personnel are compared to the key man in respect of one factor at a time. We can use this method in job evaluation. This method is also known as the Factor Comparison Method.

5. **Graphic Rating Scale Method:** This is the very popular, traditional method of performance appraisal. Under this method, scales are established for a number of fairly specific factors. A printed form is supplied to the rater. The form contains a number of factors to be rated. Employee characteristics and contributions include qualities like quality of work, dependability, creative ability and so on. These traits are then evaluated on a continuous scale, where the rater places a mark somewhere along the scale. The scores are tabulated and a comparison of scores among the different individuals is made. These scores indicate the work of every individual.
6. **Check-list Method:** The main reason for using this method is to reduce the burden of evaluator. In this method of evaluation the evaluator is provided with the appraisal report which consist of series of questions which is related to the appraise. Such questions are prepared in a manner that reflects the behavior of the concerned appraise.
7. **Critical Incidents Method:** This method is very useful for finding out those employees who have the highest potential to work in a critical situation. Such an incidence is very important for organization as they get a sense, how a supervisor has handled a situation in the case of sudden trouble in an organization, which gives an idea about his leadership qualities and handling of situation. It is also said to be a continuous appraisal method where employees are appraised continuously by keeping in mind the critical situation. In this method, only the case of sudden trouble and behaviour associated with these incidents or trouble are taken for evaluation.
8. **Essay Method:** In this method, the rater writes a detailed description on an employee's characteristics and behavior, Knowledge about organizational policies, procedures and rules, Knowledge about the job Training and development needs of the employee, strengths, weakness, past performance, potential and suggestions for improvement. It is said to be the encouraging and simple method to use. It does not need difficult formats and specific training to complete it.

Modern Methods:

1. Management by Objective (MBO)

It was Peter F. Drucker who first gave the concept of MBO to the world in 1954 when his book *The Practice of Management* was first published. Management by objective can be described as, a process whereby the superior and subordinate managers of an organisation jointly identify its common goals, define each individual's major areas of responsibility in terms of results expected of him and use these measures as guides for operating the unit and assessing the contribution of each of its members.

Essential Characteristics of MBO:

1. **A Philosophy:** Management by objective is a philosophy or a system, and not merely a technique.
2. **Participative Goal Setting:** It emphasises participative goal setting.
3. **Clearly Define Individual Responsibilities:** Management by objective (MBO) clearly defines each individual's responsibilities in terms of results.

4. Accomplishment of Goal: It focuses a tension on what goal must be accomplished rather than on how it is to be accomplished (method).

5. Objective Need into Personal Goal: MBO converts objective need into personal goals at every level in the organisation.

The Process of MBO:

1. Establishment of Goal: The first step is to establish the goals of each subordinate. In some organisations, superiors and subordinates work together to establish goals. While in other organisation, superiors establish goals for subordinates. The goals typically refer to the desired outcome to be achieved. Thereafter these goals can be used to evaluate employee performance.

2. Setting the Performance Standard: The second step involves setting the performance standard for the subordinates in a previously arranged time period. As subordinates perform, they know fairly well what there is to do, what has been done, and what remains to be done.

3. Comparison of Actual Goals with the Standard Goals : In the third step the actual level goal attainment is compared with the standard goals. The evaluator explores reasons of the goals that were not met and for the goals that were exceeded. This step helps to determine possible training needs.

4. Establishing New Goals, New Strategies: The final step involves establishing new goals and, possibly, new strategies for goals not previously attained. At this point, subordinate and superior involvement in goal-setting may change. Subordinates who successfully reach the established goals may be allowed to participate more in the goal-setting process next time.

Advantages of MBO:

1. Balanced Focus on Objectives: MBO forces the management to set objectives with balanced stress on key result area. Thus, crisis conditions are avoided to take place in the organisation.

2. Better Managing Things: MBO forces managers to think about planning for results, rather than merely planning activities or work. Managers are required to ensure that the targets are realistic and needed resources are made available to subordinates to achieve the targets.

3. Better Organising : The positions in the enterprise can be built around the key result areas. Managers are required to clarify organisational roles and structures hence better organising.

4. MBO Reduces Role Conflict and Ambiguity : Role conflict exists when a person is faced with conflicting demands from two or more supervisors; and role ambiguity exists when a person is uncertain as to how he will be evaluated, or what he has to achieve. Since MBO aims at providing clear targets and their order or priority, it reduces both these situations.

5. It Provide more Objective Appraisal Criteria : The targets emerge from the MBO process provide a sound set of criteria for evaluating the manager's performance.

6. More Motivation : MBO helps and increases employee motivation because it relates overall goals to the individual's goals : and help to increase an employee's understanding of where the organisation is and where it is heading.

7. Managers Complete with Themselves : Managers are more likely to complete with themselves than with other managers. The kind of evaluation can reduce internal conflicts that often arise when managers compete with each other to obtain scarce resources.

8. Develop Personal Leadership : MBO helps the individual manager to develop personal leadership, especially the skills of listening, planning, controlling, motivating, counselling and

evaluating. This approach to managing instills a personal commitment to respond positively to the organisation's major concerns as well as to the development of human resources.

9. MBO Identifies Problem Early : It identifies problems better and early. Frequent performance review sessions makes this possible.

10. Identifies Performance Deficiency : MBO identifies performance deficiencies and enables the management and the employee to set individualised self improvement goals and thus proves effective in training and development of people.

Disadvantages of MBO:

1. Unfavourable Attitude of Managers : Some executives have an attitude that the regular attention required of them by Management by objectives system, drawn heavily on their busy time-schedule and is not consistent with their roles. They feel that it is not so effective a way as some other approaches.

2. Difficult to Apply MBO Concepts : Those executives who have been involved very often find it difficult to apply MBO concepts to their own work habits. They find it hard to think about the results of work rather than the work itself.

3. Heavy Paper Work : MBO involves a huge amount of news letter, instruction booklets, training manuals, questionnaires, performance data review and appraisals report to be prepared by the superior and subordinates. Thus MBO is said to have created one more paper mill in organisation added to the already existing large amount of paper work.

4. Tug of War : There is sometimes tug of war in which the subordinates try to set the lowest targets possible and the supervisors the highest.

5. Time Consuming : MBO is time consuming especially in the early phases of its introduction when employees are unfamiliar with its process.

2. Assessment Centres:

It is a method which was first implemented in German Army in 1930. With the passage of time industrial houses and business started using this method. This is a system of assessment where individual employee is assessed by many experts by using different technique of performance appraisal. The techniques which may be used are role playing, case studies, simulation exercises, transactional analysis etc.

In this method employees from different departments are brought together for an assignment which they are supposed to perform in a group, as if they are working for a higher post or promoted. Each employee is ranked by the observer on the basis of merit .The basic purpose behind assessment is to recognize whether a particular employee can be promoted, or is there any need for training or development. This

method has certain advantages such as it helps the observer in making correct decision in terms of which employee has the capability of getting promoted, but it has certain disadvantages also it is costly and time consuming, discourages the poor performers etc.

3. 360 Degree Performance Appraisals:

This method is also known as 'multi-rater feedback', it is the appraisal in a wider perspective where the comment about the employees' performance comes from all the possible sources that are directly or indirectly related with the employee on his job. In 360 degree performance appraisal an employee

can be appraised by his peers, managers (i.e. superior), subordinates, team members, customers, suppliers/ vendors - anyone who comes into direct or indirect contact with the employee and can provide necessary information or feedback regarding performance of the employee the “on-the-job”. The four major component of 360 degree performance appraisal are:

1. Employees Self Appraisal
2. Appraisal by Superior
3. Appraisal by Subordinate
4. Peer Appraisal.

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

4. Cost Accounting Method:

In this method performance of an employee is evaluated on the basis of monetary returns the employee gives to his or her organization. A relationship is recognized between the cost included in keeping the employee in an organization and the benefit the organization gets from him or her. The evaluation is based on the established relationship between the cost and the benefit. The following factors are considered while evaluating an employee’s performance:

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

5. Behaviorally Anchored Rating Scales (BARS):

This method is a combination of traditional rating scales and critical incidents methods. It consists of preset critical areas of job performance or sets of behavioural statements which describes the important job performance qualities as good or bad (for e.g. the qualities like inter personal relationships, flexibility and consistency, job knowledge etc). These statements are developed from critical incidents. These behavioral examples are then again translated into appropriate performance dimensions. Those that are selected into the dimension are retained. The final groups of behavior incidents are then scaled numerically to a level of performance that is perceived to represent. A rater must indicate which behavior on each scale best describes an employee’s performance. The results of the above processes are behavioural descriptions, such as anticipate, plan, executes, solves immediate problems, carries out orders, and handles urgent situation situations. This method has following advantages: a) It reduces rating errors) Behavior is assessed over traits. c) It gives an idea about the behavior to the employee and the rater about which behaviors bring good Performance and which bring bad performance.

Limitations of Performance Appraisal

The main limitations of Performance Appraisal are explained below :

- 1. Time Consuming :** Performance appraisal is a time taking affair. It is a very lengthy process under which different forms are to be filled in and various observations are required to be noted in a careful manner.
- 2. Lack of Reliability :** Reliability implies stability and consistency in the measurement. Lack of consistency over time and among different raters may reduce the reliability of performance appraisal.
- 3. Incompetence :** Raters may fail to evaluate performance accurately due to lack of knowledge and experience. Post appraisal interview is often handled ineffectively.
- 4. No Uniform Standards :** The standards used for appraisal purpose are not uniform within the same organisation. This makes the rating unscientific. Similarly, the rating is done on the basis of an overall impression, which is not proper.
- 5. Absence of Effective Participation of Employees :** In performance appraisal effective participation of concerned employee is essential. In many methods of appraisal he is given a passive role. He is evaluated but his participation or self evaluation is rather absent.
- 6. Resistance of Employees to Appraisal :** Employees oppose the system as they feel that the system is only for showing their defects and for punishing them. The managers resist the system as they are not willing to criticise their subordinates or have no capacity to guide them for self improvement or self development.
- 7. Paperwork :** Some supervisors feel that performance appraisal is paperwork. They make such complaints because many a times, performance appraisal reports are found only in the files rather than rendering any practical use.
- 8. Fear of Spoiling Relations :** Performance appraisals may also affect superior-subordinate relations. As appraisal makes the superior more of a judge rather than a coach, the subordinate may look upon the superior with a feeling of a suspicion and mistrust.
- 9. Stereotyping :** This implies forming a mental picture of a person on the basis of his age, sex, caste or religion. It results in an over-simplified view and blurs the assessment of job performance.
- 10. Negative Approach :** Performance appraisal loses most of its value when the focus of management is on punishment rather than on development of employees.
- 11. Multiple Objectives :** Raters may get confused due to too many objectives or unclear objective of performance appraisal.
- 12. Resistance :** Trade unions may resist performance appraisal on the ground that it involves discrimination among its members. Negative ratings may affect interpersonal relations and industrial relations particularly when employees/unions do not have faith in the system of performance appraisal.
- 13. Halo Effect:** Generally, there is the presence of a 'halo' effect which leads to a tendency to rate the same individual first, which once have stood first.
- 14. Individual Differences:** Some people are more distinct while some are very liberal in assigning the factors, points or number to the employees. They are unable to maintain a fair distinction between two individuals. It also nullifies the utility of this system.

15. Unconfirmed: Sometimes the results of performance appraisals are not confirmed by other techniques of motivation, incentive wages plans and so on. Factors are introduced in the managerial appraisal because of a fact or bias in the person concerned conducting the appraisal.

Career Planning

Career Planning is the systematic process by which one selects career goals and the path to these goals. From the organization's viewpoint, it means helping the employees to plan their career in terms of their capacities within the context of organization's needs. It involves designing an organizational system of career movement and growth opportunities for employees from the employment stage to the retirement stage. Individuals who can fill planned future positions are identified and prepared to take up these positions. Career planning is the process of matching career goals and individual capabilities with opportunities for their fulfilment.

Objectives of Career Planning

Career Planning seeks to achieve the following aims:

1. To attract and retain the right type of persons in the organization.
2. To map out careers of employees suitable to their ability, and their willingness to be trained and developed for higher positions.
3. To ensure better use of human resources through more satisfied and productive employees.
4. To have a more stable workforce by reducing labour turnover and absenteeism.
5. To improve employee morale and motivation by matching skills to job requirements and by providing opportunities for promotion.
6. To provide guidance and encourage employees to fulfil their potentials.
7. To achieve higher productivity and organizational development.

Career Development Process

Career development and the career planning process include a number of specific steps that help to identify personal skills and attributes. Following are the important steps in the process of career development:

Step 1: Self-Assessment

Evaluating who you are as a person. This involves taking a personal inventory of who you are and identifying your individual values, interests, skills, and personal qualities. What makes you tick as a person? You will look at those personal attributes under a microscope and come up with key qualities you can identify and use in your search for the perfect career. Career assessments may be required to promote a better understanding of personal attributes and skills. Contact your Career Services Office at your college to discuss if a career assessment may be right for you.

Step 2: Research (Career Exploration)

Obtain an insider's perspective about the career field you are considering. Conduct Informational Interviews in person, phone, or by email. Professionals enjoy sharing their expertise with people interested in the field. Perform informational interviews with alumni from your college to gain their perspective of the field and to listen to what they have to say. This strategy provides firsthand knowledge from someone currently working in the field and gives you an opportunity to ask about their experiences as well as potential jobs and what one might expect if just entering the field.

Gain experience through internships or by job shadowing for one to several days to see what a typical work day entails and to gain perspective of what the environment is like and the typical job responsibilities of someone working in the field. Research what types of jobs are available in your area of interest by checking out Majors to Career Converter, The Occupational Outlook Handbook and The Career Guide to Industries. The Occupational Outlook Handbook offers a wealth of information for those currently just entering the job market and for those anticipating making a career change.

Step 3: Decision-Making

Once you've made a thorough self-assessment and have done some research of career options, it's time to make a decision. This can be difficult since there may still be many unknowns and a fear of making the wrong choice. One thing for sure is that although we can do all the necessary steps to making an informed decision, there is no absolute certainty that we are unquestioningly making the right decision. This uncertainty is easier for some people than others but a key point to remember is that you can always learn from any job you have and take those skills and apply them at your next job.

Step4: Search (Taking Action)

It's now time to look for prospective jobs and/or employers, send out cover letters and resumes, and begin networking with people in the field. Keep in mind that cover letters and resumes are designed to make a favourable impression on employers (if done properly) and the interview process is what will ultimately land you the job. In other words, make sure your cover letter and resume highlight your skills and strengths based on the employer's needs and that you are fully prepared to knock their socks off at the interview. Take time to research the employer's website prior to the interview, and be prepared to ask thoughtful questions based on your research.

Step5: Acceptance

You have completed all of the steps above and you've been accepted into a new and exciting or different job. According to the Bureau of Labour Statistics, 64.1% of people change jobs between 5 and 14 times in their lifetime. Consequently, learning the skills above will increase your chances of gaining meaningful and satisfactory work as well as help you to avoid many of the stresses that occur with changing jobs. By recognizing that change is good (even advantageous), changing jobs can be viewed as a positive experience and need not be as anxiety provoking as it may initially seem. You will continue the process of self-assessment, research, decision-making, and job searching in order to make effective and fulfilling career changes throughout your lifetime. It is a known fact that most professionals leave an organization due to lack of career growth. Active career development initiatives by a company are a key retention tool to keep the best talent within its fold. It is one of the greatest motivators to keep an employee happy and engaged. But does career planning and development of employees actually make a difference to the productivity of a worker? Most organizations think so, and consider it a part of their critical human resource strategy. From the employees' point of view career development initiatives gives them a clear focus about their career track, the blind spots that they have to overcome and the final goal to be reached. This focused approach works to their advantage from their everyday work to long-term aspirations. The impact of career development/ succession planning programmes can be seen through the productivity indicator, engagement surveys and reduction in attrition rate. It is in fact a win-win situation for all.

MODULE: V

COMPENSATION MANAGEMENT AND GRIEVANCE REDRESSAL

Employees' compensation is one of the major determinants of employee satisfaction in an organization. The compensation policy and the reward system of an organization are viewed by the employee as a indicators of the management's attitude and concern for them. Hence, it very important for the management to design and implement its compensation system with utmost care and tact. A good wage and salary administration should be able to attract and retain employees, give them fair deal, keep the organization competitive and motivate employees to perform their best.

Meaning of Compensation

In layman's language the word 'compensation' means something, such as money, given or received as payment for service. The word compensation may be defined as money received in the performance of work, plus the many kinds of benefits and services that organization provides their employee. It refers to wide range of financial and non-financial rewards to employee for their service rendered to the organization. It is paid in the form of wages, salaries , special allowance and employee benefits such as paid vacation, insurance, maternity leaves, free travel facility , retirement benefits etc.

According to Wendell French," Compensation is a comprehensive term which includes wages, salaries and all other allowance and benefits."

Wages are the remuneration paid for skilled, semi-skilled and unskilled operative workforce. Salary is the remuneration of those employees who provides mental labour to the employer such as supervisor, office staff, executive etc wages are paid on daily or hourly basis where as salary is paid on monthly basis.

Objectives of Compensation Planning

The basic purpose or objective of establishing sound compensation is to establish and maintain an equitable rewards system. The other aim is the establishment and maintenance of an equitable compensation structure i.e an optimal balancing of conflicting personnel interest so that the satisfaction of employees and employers is maximised and conflicts minimized, the compensation management is concerned with the financial aspect of employees need, motivation and rewards.

A sound compensation structure tries to achieve these objectives:

- To attract manpower in a competitive market.
- To control wages and salaries and labour costs by determining rate change and frequency of increment.
- To maintain satisfaction of employees by exhibiting that remuneration is fair adequate and equitable.
- To induce and improved performance, money is an effective motivator.

a) To Employees:

- i. Employees are paid according to requirement of their jobs i.e highly skilled jobs are paid more compensation than low skilled jobs. This eliminates inequalities.
- ii. The chances of favouritism are minimised.
- iii. Jobs sequence and lines of promotion are established wherever they are applicable.
- iv. Employee's moral and motivation are increased because of the sound compensation structure.

b) To Employers:

- i. They can systematically plan for and control the turnover in the organization.
- ii. A sound compensation structure reduces the likelihood of friction and grievance over remunerations.
- iii. It enhance an employee morale and motivation because adequate and fairly administrative incentives are basis to his wants and need.
- iv. It attracts qualified employees by ensuring and adequate payment for all the jobs.
- v. In dealing with a trade union, they can explain the basis of their wages programme because it is based upon a systematic analysis of jobs and wages facts.

Principles of Wages and Salary Administration

Since the issue of wage and salary determination has always enjoying the major consideration for any organization, it should be develop and maintain based on sound principles , some of them are narrated below, attempt should be made to incorporate them as far as possible while designing the compensation system.

- 1) There should be a definite plan and system to ensure that differences in pay for jobs are based upon variations in job requirements, means maintaining equity in the distribution of wages and salaries in the organization.
- 2) Maintaining competitiveness in the wage market means the general level of wage and salary should be reasonably in line with that prevailing in the market.
- 3) Matching employees' expectations and it should avoid unjustified discrimination by providing equal pay for equal work.
- 4) Reinforcing positive employee behavior and contribution to the organization, differences in the compensation package should be based on contribution, productivity, job performance, achievement etc.
- 5) Devising a system that is the most efficient for the organization, as far as possible it must eliminate any discrepancies or exploitation of the employees.
- 6) The compensation system should formulate and define rules and regulations for determining, changing, adjusting wages in the organization.

- 7) The compensation package must ensure fairness, should maintain harmonious relationship between the employee and employer.
- 8) Compensation system should be flexible enough so that future changes can be incorporated.
- 9) The wage and salary administration should take care of and comply all the rules and regulations laid down by the legislator for protecting the employees' interest.
- 10) Optimization of management and employee interests.

Essentials of Sound Wage and Salary Administration

Sound Wage and salary administration demands some essentials to satisfy, so that one who is shoulder with the responsibility of designing administrative aspects with this regards, may come out with efficient system for managing the issues related with it. Some of the pre requisites for the sound compensation system are:

I. Rational Job Analysis: It is an important exercise with regards to each category of jobs. It reveals detailed aspects of the job, like duties, responsibilities associated with the performance, performance standards as a fair parameter for evaluation of the performance. It gives fair idea about job specification i.e. qualification, experience, skill and other essential requirements that job performer must satisfy. Thus rational job analysis always put policy decider in a better condition to lay down appropriate content in policy design.

II. Proper Job Evaluation: Job evaluation is a systematic process of analyzing and evaluating jobs to determine the relative worth of job in an organization. It forms the basis for designing the sound compensation system in an organization. Since wage and salary administration and the perceived fairness of approach adopted under it have a immense influence on employee morale, motivation and satisfaction, proper job evaluation exercise demands sensible consideration.

III. In Depth Knowledge About an Organization and Market Factors: Apart from job evaluation, the various other factors that determine the administrative aspects for wage and salary administration are the size and structure of the organization and the industry in which it operates, the strength of employees union, position of a person and his importance to the organization, demand and supply for particular skill sets in the industry, organizational ability and capacity to pay and its economic condition like profitability, and legislative aspects related with wage determination. Sound system for compensation management demands detail knowledge about all these factors in order to its sound framework and operation in the organization.

IV. Clarity of Objectives or Purposes of Wage and Salary Administration : Last but not the least in terms of its significance, in order to have effective and efficient administration of compensation as an area in the organization, one must have accurate clarity about the purposes that it may tries to satisfy through policy decisions .objectives may be attracting talented resources; retaining and motivating employees; financial management of an organization; satisfying legal requirement; and many more. Sometimes these objectives are conflicting in nature also. So it is very essential that one, who is going to carry out this responsibility of designing the compensation system in the organization, should have reasonable clarity for objectives to be satisfied with the design.

Factors affecting Wage and Salary Administration

The term employee's remuneration includes both wages and salaries. Wages are commonly considered as the price of labour paid to the workers for the services rendered to the organization employing them. Where quantum of services rendered is difficult to measure the payment is called salary. Normally, payment made to workers is referred to as wages, and remuneration paid periodically to persons whose output cannot be measured such as clerical, supervisory and managerial staff, is called salary. Wage and salary administration is affected by so many factors and most of them are uncontrollable in nature.

Major factors affecting wage and salary administration are discussed as under:

1) Demand and Supply: Demand for and supply of labor and its availability will have great influence on the determination of wage rates. If there is a shortage of labor, the wages demanded will be high. If, on the other hand labor is plentiful, workers will be too willing to work at low rates of wages. However, wages cannot be regarded today merely a price for services rendered. In recent years therefore, both management and labor has been becoming less and less dependent on this factor as a basic factor. An employee will not hesitate to accept lower wages if he has opportunities

for growth in the organization. Today, the money which is paid as compensation should enable a worker to buy goods and services which will enable him and his family to live a better and fuller life and satisfy his hierarchical needs.

2) Organization's Ability to Pay: This is a major affecting factor in determining wage and salary structure of an organization. Financial position and soundness of an organization can put it in a position to offer attractive compensation package. Some of the reputed economically sound organizations are offering good compensation package and thereby successful in obtaining and maintaining talented workforce. Good compensation package helps in attracting and retaining quality talent in an organization. Generally wages in most of the organization decide through collective bargaining and , organization's ability and capacity to pay attractive wages depends upon over all financial soundness and economic condition of an organization.

3) Prevailing Market Rate or "Going Wage Rate": This is practically the major factor that induces any organization to take it as a base while determining wage and salary structure for it. Prevailing market rate is also known as 'most comparable rate of wage', and most popular method for wage rate determination, especially for lower cadre positions. There are many reasons for an organization to pay wages at a market rate like competition and a practice of 'Brain Drain' prevails in the market. Further more certain laws framed laid down principal of 'minimum wages', 'equal wage for equal work'. In addition to this trade unions are also prefer to bargain upon and in accordance with market rate of wages.

4) Productivity: Productivity is measured in terms of output per man hour. It a result of several factors such as technology, labour efforts, method of doing work, management contribution and support and so on. However, productivity has always remained as base for wage differences since it a base which is apparently justifiable and acceptable to all in the organization. Many a time this as base

is not acceptable to many trade unions as it is very difficult to have accurate measurement and it has always remain at a discretion of management policies.

5) Cost of Living: It is always expected that there has to be adjustment in pay rates in accordance with prevailing cost of living. The changes in the cost of living affect purchasing power of the person. Trade union also considers this as a base for collective bargaining on wage issues.

6) Trade Union's Bargaining Power: Generally the mechanism for fixing of wages for majority of workers is collective bargaining or negotiation, and collective bargaining and negotiations depends upon the trade union's strength. If there is a strong union operates in the organization, it may dictate its terms on wage fixation and revision over a period of time and vice versa. The strength and power of the trade union depends upon its membership, financial strength and leadership it may have, for its functioning.

7) Job Requirements: From the organizational perspective appropriate job analysis and job evaluation exercise is a base for the wage determination and revision. It is quite obvious also that wages to be paid to the workers should be in accordance with the duties, responsibilities and the efforts likely to be put for job performance. Wage or compensation package vary in accordance with job description and job specification.

8) Management Attitude: Attitude of employer or management towards the working community of the organization does influence in wage determination and revision at an appropriate time. Some reputed and professional organization does prefer to pay wage in accordance with their reputation or prestige of an organization in the market. They may give participation to workers in sharing profits. On the other hand conservative organizations do not prefer to go for such profit sharing.

9) Psychological and Social Factors: Psychologically person perceive wages and compensation package as sole parameter for success or failure in the life. Compensation package plays significant role in the employees pride, moral, motivation and psychological engagement and involvement in the work. Therefore such variable should not be overlooked by the organization while determining

wage and salary structure. Socially and ethically also people feels that "equal work should carry equal pay" i.e. wage should be in accordance with efforts and workers should not be felt like being cheated. Compensation policy should not make any discrimination on the basis of caste, color, Sex or region, and must try to satisfy condition for fairness equity and justice.

10) Legislative Considerations: Legislative provisions do provide protection to the working community by fixing bottom line for wage payments. Many a time it was found that the bargaining power of the workers was not strong enough to ensure fair wages. Consequently, the state legislative frame work stepped in to regulate wages and provide for certain benefits to the workers. Legislation like Minimum Wages Act, 1936, provides for statutory minimum wages to be prevails in the industrial organization so that workers can satisfy their bare requirements and maintain their minimum living standard. These aspects are also considered while deciding compensation policy for an organization.

Methods of Wage Payments

Basically there are two methods for wage payments, viz. (1) Time rate wage system; and (2) Piece rate wage system. The wage paid to labor has to perform important functions in the economic system. It should be such as to make the worker capable and willing to be efficient and involved in the job. There should be link, wherever feasible between emoluments and productivity; and fair parity between wage differentials and skill differential. The plan should act as an incentive to improve the efficiency, and it should attract the worker wherever demanded or needed. Whatever may be the method of wage payment but the wage plan should contain following ingredients:

- It should be simple and understandable
- It should be capable of easy computation
- It should be capable of motivating the employees
- It should be attractive enough for new talent in the organization.
- It should be fair, just and stable to all the employees.

The fundamental plans of wage payment are:

I. Time Rate Wage System: It is the oldest and the simplest form of wage fixing. Under this system, workers are paid according to the work done during a certain period of time at a rate of per hour, per day, per week, per fortnight, or per month or any other fixed period of time. According to the section 4 of the Payments of Wages Act, 1936, not more than one month must elapse between two wage period. Time wage system adopts time as the basis of worker remuneration without taking in to account the units produced. The worker is guaranteed a specified sum of money for a fixed period of his time taking no account of the quality or quantity of the work done.

Merits:

- It is simple and understandable and easy for calculation of wages, since wages under this system is equal to wage per hour* numbers of hours worked by an employee.
- There is no time limit for completion of job, workman are not in hurry to finish it and this may mean that they may pay enough attention to the quality of work, effective handling of machinery and utilization of resources in an optimum manner.
- All workers are given same treatment in terms of equal wage payment, so grievances, ill will; jealousy can be avoided among them.
- Time rate system provides regular and stable income to workers, so they can adjust and manage their budget accordingly.
- It requires less administrative attention as this system provide good faith and mutual understanding and trust between employer and employee.

Demerits:

- It does not take in to account the ability and capacity of the workers so the skilful and more capable workers who have higher production efficiency will demoralize.

- Time rate system is unrelated to the productivity and does not provide extra motivation for extra efforts by the workers.
- The labor charges for a particular job do not remain constant. This put the management in a difficult position in the matter of quoting rates for a particular piece of work.
- There is a possibility of systematic evasion of work by the workers, since there is no specific target or demand for specific quantity of work by the management.
- Time rate system does not ask for maintaining individual workers record, it becomes difficult for the employer to determine his relative efficiency for the purpose of performance evaluation for future promotion or rewards. Thus it does injustice to the outstanding employees.

Suitability:

Time rate system is suitable when the output contributed by the worker is difficult to measure and cannot be recorded in an individual basis. It is also suitable when by cultivating mutual trust and confidence and by giving fair and equal treatment to all the employees, management can get the work done in an appropriate manner.

II. Piece Rate Wage System:

Under this system, workers are paid according to the amount of work done or numbers of units produced or completed, the rate of each unit being settled in advance, irrespective of the time taken to do the work. This does not mean that the workers can take any time to complete a job because of his performance far exceeds the time which his employer expects he would take, the overhead charges for each unit of article will increase. There is an indirect implication that a worker should not take more than average time.

Merits:

- The main advantage of this system is recognition of merit, as efficient is rewarded, It is therefore more equitable than time rate system.
- It pays workers as per their efficiencies, ability, capacity or performance, so it gives direct stimulus and motivation to the employees for extra efforts, which may result into more productivity.
- It requires less managerial supervision as total remuneration depends upon units produced, and not on time spent in an organization.
- Being interested in continuity of his work, a workman is likely to take greater care to prevent breakdown in the machinery or in the work shop. It is a gain to the management since it reduces maintenance expenditure in an organization.
- As the direct labor cost per unit of production remains fixed and constant, calculation of cost while filling tenders and estimates becomes easier.
- It results in to not only increase in the output and wages ,but the methods of production too are also improved, as workers demand material and tools free from defects and machinery in perfect operating condition.

Demerits:

- If rates of wages are not scientifically fixed and acceptable to the workers, would result into workers exploitation and may prove counterproductive.
- As workers are interested in completion of the job with a greatest speed, may damage the machinery, quality of output or may increase rate of hazards in an organization.
- Trade unions generally do not like this system of wage payment; they may not have full support and acceptance. It may be the major issue for industrial dispute.

Suitability:

It can be introduced generally in jobs of a repetitive nature, when task can be easily measured, inspected and counted. It is practically suitable for standardized processes, and it appeals to skilled and efficient workers who can increase their earnings by working to their best capacity.

III. Balance and Debt System:

This system combines time rate and piece rate. Under it a minimum weekly wage is guaranteed for a full weeks' work, with an alternative piece-rate determined by the rate fixed on the assumption that the worker would put enough effort to earn his minimum wage. If the wages calculated on piece bases are in excess of the time rate, the worker earns the excess. If the piece rate wages are less than the time-rate earnings, he would still get weekly wage, but on the condition that he shall have to make good the excess paid to him out of the subsequent wage he would earn. Suppose a worker is expected to complete at least 10 pieces during the week in order to earn the minimum wage of rs.60, the piece rate has been fixed at a rate of Rs.6 per unit. If the worker produces 12 units within the week, his earning will be Rs.72. If on the other hand he produces only 9 units , he will still be paid Rs. 60 his minimum weekly wage but as on the basis of piece rate his earning should amount to only Rs. 54, the sum of Rs. 6 paid in excess will be debited to him to be deducted out of his subsequent earnings. Thus under this system workers' wages are determined, by both the number of hours he works and the pieces he produces. So it a hybrid system producing the same benefits and limitations of both the time rate and piece rare system.

Various Modes of Compensation

Various modes of compensation are as follows:

a) Wages and Salary- Wages represent hourly rates of pay and salary refers to monthly rate of pay irrespective of the number of hours worked. They are subject to annual increments. They differ from employee to employee and depend upon the nature of jobs, seniority and merit.

b) Incentives- These are also known as payment by results. These are paid in addition to wages and salaries. Incentive depends upon productivity, sales, profit or cost reduction efforts. Incentive scheme are of two types:

. Individual incentive schemes.

. Group incentive schemes.

c) **Fringe Benefits-** These are given to employees in the form of benefits such as provident fund, gratuity, medical care, hospitalization, accident relief, health insurance, canteen, uniform etc.

d) **Non- Monetary Benefits-** They include challenging job responsibilities, recognition of merit, growth prospects, competent supervision, comfortable working condition, job sharing and flexi time.

Incentives

Incentives are monetary benefits paid to workmen in lieu of their outstanding performance. Incentives vary from individual to individual and from period to period for the same individual. They are universal and are paid in every sector. It works as motivational force to work for their performance as incentive forms the part total remuneration. Incentives when added to salary increase the earning thus increase the standard of living. The advantage of incentive payment are reduced supervision, better utilisation of equipment, reduced scrap, reduced lost time, reduced absenteeism and turnover & increased output.

According to Burack & Smith, “An incentive scheme is a plan or programmes to motivate individual or group on performance. An incentive programme is most frequently built on monetary rewards (incentive pay or monetary bonus), but may also include a variety of non monetary rewards or prizes.”

Kinds of Incentives

Incentives can be classified under the following categories:

1. Individual and Organizational Incentives
2. Financial and Non-Financial Incentives
3. Positive and Negative Incentives

1) Individual and Organizational Incentives- According to L.G. Magginson, “Individual incentives are the extra compensation paid to an individual for all production over a specified magnitude which stems from his exercise of more than normal skill, effort or concentration when accomplished in a predetermined way involving standard tools, facilities and materials.”

individual performance is measured to calculate incentive where as organizational or group incentive involve cooperation among employees, management and union and purport to accomplish broader objectives such as an organization-wide reduction in labour, material and supply costs, strengthening of employee loyalty to company, harmonious management and decreased turnover and absenteeism.

I) Individual Incentive System is of two types:

- a) Time based System- It includes Halsey Plan, Rowan Plan, Emerson Plan and Bedeaux Plan
- b) Production based System- it includes Taylor’s Differential Piece Rate System, Gantt’s Task and Bonus Plan

II) Group Incentive System is of following types

- a) Scalon Plan
- b) Priestman's Plan
- c) Co-Partnership Plan
- d) Profit Sharing

Some important these plans of incentive wage payments are as follows:

Halsey Plan: Under this plan a standard time is fixed in advance for completing a work. Bonus is rewarded to the worker who performs his work in less than the standard time and paid wages according to the time wage system for the saved time.

The total earnings of the worker = wages for the actual time + bonus

Rowan Plan: Under this method minimum wages are guaranteed given to worker at the ordinary rate for the time taken to complete the work. Bonus is that proportion of the wages of the time taken which the time saved bears to the standard time allowed.

Incentive = Wages for actual time for completing the work + Bonus

Emerson Plan: Under this system, wages on the time basis are guaranteed even to those workers whose output is below the standard. The workers who prove efficient are paid a bonus. For the purpose of determining efficiency, either the standard output per unit of time is fixed, or the standard time for a job is determined, and efficiency is determined on the basis of a comparison of actual performance against the standard.

Bedeaux Plan: It provide comparable standards for all workers. The value of time saved is divided both to the worker and his supervisor in the ratio of $\frac{3}{4}$ and $\frac{1}{4}$ respectively. A supervisor also helps a worker in saving his time so he is also given some benefit in this method. The standard time for each job is determined in terms of minutes which are called Bedeaux points or B's. Each B represents one minute through time and motion study. A worker is paid time wages up to standard B's or 100% performance. Bonus is paid when actual performance exceeds standard performance in terms of B's.

Taylor's Differential Piece Rate System : F.W. Taylor, founder of the scientific management evolved this system of wage payment. Under this system, there is no guarantee of minimum wages. Standard time and standard work is determined on the basis of time study. The main characteristics of this system are that two rates of wage one lower and one higher are fixed. Those who fail in attaining the standard, are paid at a lower rate and those exceeding the standard or just attaining the standard get higher rate. Under this system, a serve penalty is imposed on the inefficient workers because they get the wages at lower rates. The basic idea underlying in this scheme is to induce the worker at least to attain the standard but at the same time if a worker is relatively less efficient, he will lose much. For example, the standard is fixed at 40 units per day and the piece rate are 40 P. and 50 P. per unit. If a worker produces 40 units or more in a day, he will get the wages at the rate of 50 P per unit and if he produces 39 units will get the wages at 40 paise per unit for the total output.

Gantt's Task and Bonus Plan - In this, a minimum wage is guaranteed. Minimum wage is given to anybody, who completes the job in standard time. If the job is completed in less time, then there is a hike in wage-rate. This hike varies between 25% to 50% of the standard rate.

Profit Sharing – It is a method of remuneration under which an employer pay his employees a share in form of percentage from the net profits of an enterprise, in addition to regular wages at fixed intervals of time.

2) Financial and Non-financial Incentives- Individual or group performance can be measured in financial terms. It means that their performance is rewarded in money or cash as it has a great impact on motivation as a symbol of accomplishment. These incentives form visible and tangible rewards provided in recognition of accomplishment. Financial incentives include salary, premium, reward, dividend, income on investment etc. On the other hand, non-financial incentives are that social and psychological attraction which encourages people to do the work efficiently and effectively. Non-financial incentive can be delegation of responsibility, lack of fear, worker's participation, title or promotion, constructive attitude, security of service, good leadership etc..

3) Positive and Negative Incentives- Positive incentives are those agreeable factors related to work situation which prompt an individual to attain or excel the standards or objectives set for him, where as negative incentives are those disagreeable factors in a work situation which an individual wants to avoid and strives to accomplish the standards required on his or her part. Positive incentive may include expected promotion, worker's preference, competition with fellow workers and own's record etc. Negative incentives include fear of lay off, discharge, reduction of salary, disapproval by employer etc.

Fringe Benefits

Employees are paid several benefits in addition to wages, salary, allowances and bonus. These benefits and services are called 'fringe benefits' because these are offered by the employer as a fringe. Employees of the organization are provided several benefits and services by the employer to maintain and promote employee's favorable attitude towards the work and work environment. It not only increases their morale but also motivate them. These provided benefits and services forms the part of salary and are generally referred as fringe benefits. According to D. Belcher, "Fringe benefits are any wage cost not directly connected with the employees productive effort, performance, service or sacrifice".

Kinds of Fringe Benefits

The various organizations in India offer fringe benefits that may be categorized as follows:

1) Old Age and Retirement Benefits - these include provident fund schemes, pension schemes, gratuity and medical benefits which are provided to employee after their retirement and during old age as a sense of security about their old age.

2) Workman's Compensation - these benefits are provided to employee if they are got injured or die under the working conditions and the sole responsibility is of the employer.

3) Employee Security- Regular wage and salary is given to employee that gives a feeling of security. Other than this compensation is also given if there is lay-off or retrenchment in an organization.

4) Payment for Time Not Worked – Under this category of benefits, a worker is provided payment for the work that has been performed by him during holidays and also for the work done during odd shifts. Compensatory holidays for the same number in the same month are given if the worker has not availed weekly holidays.

5) Safety and Health – Under this benefit workers are provided conditions and requirements regarding working condition with a view to provide safe working environment. Safety and Health measures are also taken care of in order to protect the employees against unhealthy working conditions and accidents.

6) Health Benefits – Employees are also provided medical services like hospital facility, clinical facility by the organization.

Process of Wage Determination

Practically how wages are determined and maintained or administered in an organization is very organization to organization. Ideally speaking it depends upon sole discretion that what procedure an organization follows for wage and salary administration. More or less an attempt is made by every organization to follow the principles suggested for sound compensation management. Organization tries to inculcate systematic procedure for wage determination and their revision at an appropriate time. Process of wage determination includes job analysis and job evaluation, survey of wages in the environment, determining wage structure, and deciding rules for wage administration.

Following are the important steps:

1. Job Analysis and Job Evaluation: This may be the primary exercise that an organization needs to carefully carry out with an intention to create base for wage determination. Job analysis reveals information about tasks, duties, responsibilities and standards with proposed job is to be performed by the employees. It also guides in terms of job specification i.e. skills, ability. Qualification and experiences needed to perform the job with requisite performance standards. Job analysis gives enough information about the job and the profile of the performer in order to perform that job.

Another important exercise that an organization needs to carry out is ‘Job Evaluation’. It is nothing but finding out relative worth of a job, in terms its contribution and significance to the overall organizational objectives.

2. Determining Performance Standard and Wage Surveys: Having understood the job in considerable detail an attempt is made to determine expected performance standard to be carried out by the performer. Then, an organization must survey wage rates prevails in the market for the same job or its similar type, so that attractive compensation package can be designed to induce good quality of candidature to apply for the job in an organization. Here care should be taken that wage structure should be in accordance with the complexity and efforts needed in the performance.

3.Deciding Wage Structure and Rules for Its Administration: Based on collection of relevant information and taking in to account some of the influencing factors, an organization should design wage structure which includes slab for basic or minimum wages, incentives, and/or increment over a period of time to gather with other financial and nonfinancial perquisites to be offered to an employee. Attempt should be made to follow principles of fairness, equity and justice to gather with transparency while designing wage structure and deciding rules for its administration. The rules should not provoke un justified discriminations and exploitation of workers otherwise it may prove counterproductive and may give rise to grievance, and industrial disputes.

Management of Complaints and grievances

There is hardly an industrial concern which functions smoothly for all the times. In some companies, the employees have complaints against their employers, while in others, against other employees. These may be real or imaginary, valid or invalid, genuine or false. Broadly speaking, a complaint affecting one or more workers constitutes a grievance. It may relate to quantum of wages, the mode of payment, payment of over time work, leave, working conditions, promotions, seniority, transfers, work assignments, dismissal or discharge, etc.

Complaint is an employee's formal expression or dissatisfaction with various aspects of employment such as working conditions, hours of work, relationship with supervisor and other employees, considered by the employee to be inappropriate, harmful or unfair.

A grievance is an employee's formal expression of disagreement or dissatisfaction with the adverse personnel action involving alleged discrimination under the law, a decrease in salary, demotion and suspension without pay and/or discharge.

Meaning and Definition of Grievance

A grievance is a sign of employee's discontent with job and its nature. The employee has got certain aspirations and expectations which he thinks must be fulfilled by the organisation where he is working. When the organisation fails to satisfy the employee needs, he develops a feeling of discontent or dissatisfaction. Thus, grievance is caused due to the difference between the employee expectation and management practices.

Keith Davis defines it as "any real or imagined feeling of personal injustice which an employee has concerning his employment relationship".

The International Labour Organisation defines grievance as "a complaint of one or more workers in respect of wages, allowances, conditions of work, and interpretation of service stipulations, covering such areas as overtime, leave, transfer, promotion, seniority, work assignment and termination of services".

On analysis of these various definitions, it may be noted that:

1. A Grievance may be unvoiced or expressly stated by an employee.
2. It may be written or verbal
3. It may be valid and legitimate, untrue or completely false, or ridiculous; and

4. It may arise out of something connected with the organization or work.

Causes or sources of Grievances

Generally employee's grievances may be due to the following:

1. Grievance arising out of working conditions:

1. Poor physical circumstances of work environment
2. Non-availability of appropriate tools and machines
3. Failure to maintain good discipline
4. Mismatch of worker with job
5. Very high production targets
6. Poor relationship with the supervisor

2. Grievance arising from Management Policy:

1. Wage rates and method of wage payment
2. Overtime and incentive schemes
3. Seniority
4. Transfers
5. Promotion, Demotion and Discharge
6. Penalties imposed for misconduct
7. Leave
8. Lack of opportunities for career development

3. Grievances arising from Violation

1. Violation of collective bargaining agreement
2. Violation of company rules and regulations
3. Violation of past practice
4. Violation of Central and State Governments Laws
5. Violation of Responsibilities of Management.

Grievance Handling Procedure

A standardised grievance handling procedure consists of the following steps:

1. Employee gives written statement of Grievance
2. Meeting is held and the employer informs the employee of the outcome.
3. Appeal, if necessary.

Essentials of Good Grievance Handling Procedure

The basic principles or essentials of a sound grievance handling procedure are the following:

1. **Procedural Fairness:** The process of grievance handling should be fair and impartial. The grievant should be informed about the process and the implications of making a formal complaint before proceeding.
2. **Substantive Fairness:** The grievance handler should not assume guilt. They should determine that the complaint is substantiated only after hearing from both sides, checking other relevant evidences and taking into account any mitigating circumstances.
3. **Confidentiality:** A grievant should be able to raise a complaint and get advice in confidence.
4. **Timeliness:** Delays in any stage of the grievance handling procedure can result in a denial of procedural fairness.
5. **Record keeping:** It is also necessary to keep records about details of allegations, responses and actions.
6. **Transparency:** There must be sufficient scope for transparency in the effective implementation of policies and procedures.
7. **Openness, Honesty and Fair dealing:** Openness, honesty, fair and accurate reporting should be ensured.

Meaning & Definition of Discipline

Discipline means getting obedience to rules and regulations of the organization. Discipline is absolutely essential for the smooth running of business. Fayol, stated that discipline is obedience, application, energy and outward mark of respect. According to Webster's Dictionary, the word discipline has three meanings. "First, it is the training that corrects moulds, strengthens or perfects individual behaviour. Second, it is control gained by enforcing obedience. The third meaning, it is punishment or chastisement

Definition of Discipline

According to Dr. Spriegel, "Discipline is the force that prompts an individual or a group to observe the rules, regulations and procedures which are deemed to be necessary to the attainment of an objective; it is force or fear of force which restrain an individual or a group from doing things which are deemed to be destructive of group objectives. It is also the exercise of restraint or the enforcement of penalties for the violation of group regulations." Thus discipline can be regarded as a force that requires employees to follow the rules and regulations of an organization considered vital for its efficient working. In brief, discipline is an employee's self control which motivates him to comply with the organization's goals and objectives.

Aspects of Discipline

Negative Aspect - This aspect uses "fear" as a force to enforce discipline in the organization. If any employee or worker defies the rules and regulation strict punishment is levied on them. This is categorized as traditional concept of discipline.

Positive Discipline – Now a days the management of various organizations have adopted positive progressive outlook for disciplining the employees. With the ever increasing awareness among the workers concerning their rights and responsibility, it was required on the part of management to reconsider the negative approach of fear used by them so far.

Thus management emphasized on the concept of self – discipline. This approach of self control asserts on cooperative efforts of employees to abide by the rules of the organization. Thus positive aspect of discipline plays a much greater role in safeguarding industrial peace and prosperity.

Main Characteristics of Discipline

The following are the main characteristics of Discipline can be summed up as follows:-

- (i) To guarantee successful fulfilment of organizational goals it motivates workers to abide by the instructions issued by the management or superiors.
- (ii) It is a negative approach in the sense that it discourages employees in under taking some activities while encouraging undertaking the few others.
- (iii) On Violation or disobedience of organization rules it imposes fine or reprimand, therefore, it is also called as punitive or big stick approach.

Aims & Objectives of Discipline

The aims and objectives of discipline are as follows:-

- (i) For the achievement of organizational goals it tries to earn the willing approval of employees.
- (ii) To introduce the component of uniformity and assurance despite the numerous organization.
- (iii) For improving the quality of production by enhancing the morale and working efficiency of the employees.
- (iv) To generate respect for human relations in the organization.
- (v) To confer and seek direction and responsibility.

Importance of Discipline in Industry

Discipline acts as a cornerstone for the smooth functioning of any enterprise. Absence of discipline in any industry can create a great amount of commotion and confusion thereby decreasing its productivity. For any enterprise however big or small manpower is the most pivotal resource and thereby all efforts should be made to discipline them. All steps should be taken to encourage mutual trust and confidence between the workers and the management which is indispensable to bring about needed discipline at the workplace. Maintenance of discipline is a precondition for attaining the aims and purposes of the organization swiftly.

Indiscipline

Disciplined employers will assist in creation of pleasant industrial environment which Indiscipline may be expressed as non – compliance to formal and informal rules and regulations of an

organization. Indiscipline may prove to have detrimental effects on the morale and motivation of the employees as well as on the organization as a whole.

Factors Responsible for Indiscipline

There are various socio-economic and cultural factors that play a role in creating indiscipline in an organization. The important among them are:

1. Unfair labour practices
2. Wage differentials
3. Wrong work assignments
4. Defective grievance procedure
5. Payment of very low wages
6. Poor communication
7. Victimization by management
8. Ineffective leadership.

Misconduct

An action or type of behaviour can be defined as misconduct if it is prejudicial to the interests of the employer and other employees, inconsistent with the norms set for discharging duties, unsafe or unfaithful to such a degree that it becomes incompatible to continue employer – employee relationships.

Categories of Misconduct

Disciplinary acts of misconduct can be categorized on the basis of the severity of the consequences.

(i) Minor Contravention– results in few serious consequences. Example – negligence, minor disobedience to rules, carelessness.

(ii) Major Contravention – Partially hinders the working of the organization. Example – lying, cheating, stealing

(iii) Intolerable Offences – are of unlawful and severe nature which endanger employment relationship.

Example – threat to use weapon, use of drugs on the job, smoking near inflammables.

Misconduct Stated In Model Standing Orders

Here is an illustrative list of acts constituting misconduct under Model Standing Orders Act , 1946.

(i) Wilful insubordination or disobedience of any lawful and reasonable order , rule or regulation.

- (ii) Refusal to work on a job or a machine which has been assigned to him.
- (iii) Refusal to accept or reply to a charge sheet within the prescribed period of time.
- (iv) Theft , fraud , or dishonesty in connection with the property of the company.
- (v) Theft of another employee's property inside the industrial area or company premises.
- (vi) Causing willful damage to , or loss of , the employer's goods or property.
- (vii) Causing damage to a product in process or to any property.
- (viii) Interference with , safety devices.
- (ix) Non-observance of safety precautions and rules.
- (x) Taking or giving a bribe or any illegal gratification.
- (xii) Acceptance of gifts from subordinates.
- (xiii) Habitual late coming.
- (xiv) Absence from duty without leave.
- (xv) Overstay when on leave without prior authorized permission.
- (xvi) Entering or leaving , or attempting to enter or leave , the work premises except through authorized entrance and exits.

Causes & Approaches Towards Disciplinary Action

Causes for Infringement of Discipline

The main reasons for breach of discipline in any organization may be stated under following heads

(I) Causes Related To the Worker

- (a) Illiteracy and low intellectual level of workers.
- (b) Workers personal problems like their fears, hope, aspirations etc.
- (c) Inborn tendencies of workers to flout rules.

(II) Causes Related To the Socio – Cultural Factors -

- (a) Misunderstanding and rivalry among workers.
- (b) Discrimination based on caste, colour, sex, place in imposing penalties.

(III) Causes Related To the Work Environment –

- (a) Bad working conditions.
- (b) Defective supervision
- (c) Non-placement of right person on the right job.

(IV) Causes Related To the Management Practices –

- (a) Lack of clarity in rules & regulation as laid out by the top management.
- (b) Faulty performance appraisal systems leading to favoritism thereby generating indiscipline.
- (c) Absence of sympathetic and scientific management

Principles of Industrial Discipline

Industrial Discipline should be based on certain just and fair principles to be accepted by the employees. The basic Prerequisites or principles to be observed are:-

- (i) The very objectives of industrial discipline should be clearly laid out
- (ii) The code of conduct should be framed with consultation & collaboration of the workers or their representatives.
- (iii) The code of conduct must be communicated to all concerned in the organization.
- (iv) The rules and regulation concerning the discipline should understandable by all.
- (v) The rules of conduct must able to settle the grievances if any arising during the period be of employment.
- (vi) The approach of discipline policy should be preventive i.e. stress be laid on prevention of violation of discipline rather than on the administration of penalties.
- (vii) The quantum of reprimand for each case of misconduct should be specified clearly in advance by publishing them in employee's handbook.
- (viii) The enforcement authority must be specified.
- (ix) Discipline policy should not discriminate against the employees; it should be uniform for all employees without favoring any one worker or employee.
- (x) A disciplinary committee in the advisory capacity be constituted to look into the matters of indiscipline and put forth the necessary suggestions.

Guidelines of a Disciplinary Action

- (a) Fixation of Responsibility** – the responsibility for sustaining discipline in the organization should be given to a responsible person, say personnel officer.
- (b) Proper Framing & Communication of Rules** – the rules and regulations should be cautiously and accurately formulated and published in employee handbooks.
- (c) Rules and Regulations Should be Reasonable** – the work standards set Should be attainable by the employees and the rules be modified at frequent intervals to suit the changing organizational circumstances.
- (d) Equal Treatment** – Rules and penalties should be applied equitably. Identical punishment should be granted for identical offences.

(e) Prompt Action – care should be taken to make sure that the penalty is imposed soon after the violation of a rule has occurred.

(f) Search for the Facts – before proceeding to take any action against an employee, provide him with sufficient time to present his side of the case i.e. What and why it Happened?

(g) Natural Justice – the punishment or penalty imposed on the indisciplined worker must satisfy the principle of natural justice. The punishment should always justify with the gravity of the offence.

Mc Gregor’s Hot Stove Rule

The model method for enforcement of discipline should have the four important Characteristics of a red– hot – stove.

(i) Advance Warning – a red – hot stove tells us, “don’t touch me, you will suffer” Similarly a worker knows what is expected of him and what will be the result if he fails to live up to those expectations.

(ii) Immediate Effect - if one overlooks the advance warning and touches the stove, gets immediate result (fingers may suffer burns) likewise workers may get instantaneous effect on committing any act of indiscipline.

(iii) Consistency – every time we touch a red – hot stove we get the same result. Every time a worker commits the insufficient act, he should be penalized.

(iv) Impersonal Approach – red – hot stove functions uniformly for all, doing away with any favouritism. In the same way, management should not discriminate in imposing punishment on basis of caste, creed, colour, sex etc. It should guarantee the fundamental right to equality. Thus these four characteristics should be kept in mind before administrating any disciplinary action.

Procedure for Disciplinary Action

The following steps should be taken care of while administrating a disciplinary action:

(a) Ascertaining the Statement of the Problem - First look into the violation of rule and the number of employees involved in the matter. Then ascertain the gravity of the violation and the conditions under which it occurred.

(b) Searching for the Underlying Facts – This calls for thorough examination of the case together the relevant facts.

(c) Deciding upon the Type of Penalty – The penalty or punishment should be such which discourages future reoccurrence of the offence or violation. But it should always relate to the gravity of the offence.

(d) Application of Penalty – The selected penalty may be imposed on the wrong doers and if the offence is not of a serious nature then it may be disposed off quickly.

(e) Follow-up on Disciplinary Action – Vigilant supervision of the person against whom a disciplinary action is taken should be done.

Code of Discipline in Indian Industry

The Indian labour conference held in New Delhi in July 1957, discussed discipline in Indian Industries, and laid down certain principles governing it, these were:

- (a) It is a State – induced voluntary agreement between labour unions and management to abide by certain self-imposed rules of behavior in order to ensure that disputes do not arise ; and that , if they do, to promote and orderly settlement through negotiation , conciliation and voluntary arbitration.
- (b) The Code enjoins upon the parties to accord due recognition to each other’s just rights and responsibilities.
- (c) It enjoins upon the parties to refrain from taking any unilateral action in connection with any industrial matters ; to utilize the existing machinery for the settlement of disputes with the utmost expedition ; and to abjure strikes and lock-outs without notice and without first exploring all possible avenues of a settlement.
- (d) It discourages litigation and lays emphasis on a mutual settlement of disputes through negotiation, conciliation and voluntary arbitration rather than through adjudication.
- (e) It enjoins that neither party should resort to demonstration , intimidation , victimization , violence, coercion , discrimination , or interfere in union activities or with the normal work of employees , or indulge in subordination or wilful damage to property.
- (f) The code requires the employers to recognize the majority union in their establishments or industries, and set up a well-defined and mutually agreed grievance redressal procedure. It requires workers not to adopt go-slow tactics , or indulge in stay in or sit-down strikes while they are on duty.
- (g) It emphasizes that awards , decisions , agreements and settlements should be promptly and readily implemented ; and that any act which disturbs or impairs the cordial relations between employees and management , or which is contrary to the spirit of the Code , is carefully avoided.
- (h) It directs employees and their trade unions to take appropriate action against their officers and members who indulge in activities which are contrary to the spirit and letter of the code.