

Document Information

Analyzed document	Human Resource Mangement.pdf (D166076135)
Submitted	2023-05-06 13:41:00
Submitted by	Mumtaz B
Submitter email	mumtaz@code.dbuniversity.ac.in
Similarity	5%
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Sources included in the report

SA	PG_M.B.A_English_317 25_Human Resource Management.pdf Document PG_M.B.A_English_317 25_Human Resource Management.pdf (D101799594)	 1
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Human Resource Management

SYLLABI-BOOK MAPPING TABLE Human Resource Management Syllabi Mapping in Book Section-I Introduction: Meaning, scope, objectives and importance of Human Resource Management, Personnel Management, its functions, policies & roles. Organizing the Human Resource Management department in the organisation. Human Resource Management practices in India.HR audit Human Resource Planning: Definition, objectives, process and importance, job analysis, description, specification, Recruitment, selection, placement and induction process. Section-II Personnel Development Program: Employee training, executive development and career planning & development, performance appraisal. Job Compensation: Job evaluation, wage & salary administration, incentive plans & fringe benefits, variable compensation individual & group. Promotions, demotions, transfers, separation, absenteeism & turnover. Section-III Quality of work life & quality circles, job satisfaction and morale. Social security, health and safety, employee welfare Counselling for effective Human Resource Development. Human Relations: definition, objectives & approaches to human relations, employee grievances and discipline, participation & empowerment, Introduction to collective bargaining. Unit 1: Introduction to Human Resource Management (Pages 5-28) UNIT 2: HR Planning, Recruitment, Selection, Placement and Induction (Pages 29-49) UNIT 3: Personnel Development Programme (Pages 51-86) UNIT 4: Job Compensation (Pages 87-112) UNIT 5: Promotions, Demotions, Transfers, Separation, Absenteeism and Turnover (Pages 115-135) Unit 6: Quality of Work Life (Pages 137-159) Unit 7: Counselling for Effective HR Development (Pages 161-169) Unit 8: Human Relations (Pages 171-204)

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INTRODUCTION

Today's managers face a complex web of difficult and exciting challenges. No longer does a manager sit in an ivory tower and issue directives from a distance. The traditional authority structure is giving way to employee involvement, work teams, group spirit, participative decision-making, lateral relationships, flexible work structures and more. The management is becoming more and more aware that an organization has no life but for the people in it. Accordingly, it is becoming more and more people-oriented as against task-oriented. The job of a manager is one of the most rewarding, exciting and challenging of professions. Effective managers are effective leaders who can (and do) make significant contributions to society through the output of their industrial or service organizations such as businesses, universities, hospitals, government agencies and so on. A number of developments in managerial thinking and processes have taken place in the last few decades. All parts of the world have become closer to each other; the communication networks and Internet resources have made the whole world into a 'global village'. Organizations have become multinational, transcending national and geographical boundaries. The workforce has become highly diversified. The Human Resources department in organizations is working in full swing to ensure maximum employee satisfaction by conducting various employee welfare programmes. The job responsibilities of the Human Resources Department in an organization is diversified. From selection to recruitment to job compensation, performance appraisals, counseling, etc. the Human Resource department has come a long way since its inception in 1929-1931. Even in the present time, the Human Resource department is continuously evolving to ensure satisfied employees. This book has been carefully and painstakingly planned to prepare the students of distance learning programmes to become successful managers and practitioners. The book covers the tools, techniques and strategies used by effective managers in today's dynamic and complex environment. It is well-grounded and authoritative in terms of latest developments in management theory and practice. The material has been presented in a simple, clear, unambiguous and structured manner so as to help the students appreciate managerial responsibilities and challenges and to arouse their intellectual curiosity.

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The book has been written in the self-instructional mode or the SIM format wherein each unit begins with an Introduction to the topic, followed by an outline of the Unit Objectives. The detailed content is then presented in a simple and organized manner, interspersed with 'Check your Progress' questions to test the student's understanding of the topics covered. A Summary along with a set of Questions and Exercises is provided at the end of each unit for effective recapitulation. Self-Instructional Material 1 Introduction

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INTRODUCTION

Human resource management (HRM) is concerned with the 'people' dimension in management.

HRM is the term increasingly used to refer to the philosophy, policies, procedures and practices relating to the management of people within organizations.

Since every organization is made up of

people, acquiring their services, developing their skills, motivating them to higher levels of performance, and ensuring that they continue

to maintain their commitment to the organization are essential to achieving organizational objectives.

Those organizations that are able to acquire, develop, stimulate and keep outstanding workers will be both effective and efficient. Those organizations that are ineffective or inefficient risk the hazards of stagnating or going out of business.

Human resource thus, creates organizations and makes them survive and prosper. If human resources are neglected or mismanaged, the organization is unlikely to do well. 1.1

UNIT

OBJECTIVES

After going through this unit you will be able to: ? Understand the Objectives of Human Resource

Management ?

Appreciate the

Importance and Changing Role of HRM ? Know the

Origin and Growth of HRM in India ? Understand the Reasons for the Slow Growth of HRM in India ? Explain the Factors Impeding the Growth of HRM

in India ? Explain the Evolving Role of HR Man in India ? Understand HR Audit, its needs, scope and process

Human Resource Management 6 Self-Instructional Material NOTES 1.2 WHAT IS HRM ? 1.2.1 Definitions of HRM

According to Ivancevich and Glucck, "Human resource management is the function performed in organizations that facilitates

the most effective use of people (employees) to achieve organizational and individual goals".

Byars and Rue say that "

Human resource management encompasses those activities designed to provide for and co-ordinate

the human resources of an organization". According to Dale Yoder "the management of human resources is viewed as a system in which participants seeks to attain both individual and group goals".

According to

Flippo, HRM is "the planning, organizing, directing and controlling of the procurement, development, compensation, integration, maintenance and reproduction of human resources to the end that individual, organizational and societal objectives are accomplished".

In the

words of Michael J Jucious, Human Resource Management "may be defined as that field of management which has to do with planning, organizing and controlling the functions of procuring, developing, maintaining and utilising a labour force, such that the (a) objectives for which the company is established are attained economically and effectively, (b) objectives of all levels of personnel are served to the highest possible degree; (c) objectives of society are duly considered and served". 1.2.2

Objectives of HRM Objectives are pre-determined goals to which individual or group activity in an organization is directed. Objectives of HRM are influenced by organizational objectives and individual and social goals.

Every organization

has some objectives and every part of it should contribute directly or indirectly to the attainment of desired objectives. Objectives determine the character of an organization and serve as the basis for voluntary co-operation and co-ordination among employees. Objectives also provide benchmarks or standards of evaluating performance. The primary aim of HRM is the promotion of effectiveness of the employees with performance of their allotted duties by the substitution of co-operation in the common task in place of the suspicions and hostility which have so long been characteristic of relations between employees and employers. According to Indian Institute of Personnel Management, "Personnel management (Human Resource Management) aims to achieve both efficiency and justice, neither of which can be pursued successfully without the other. It seeks

to bring together and develop an effective organization, enabling the men and women who make up an enterprise

to make their own best contribution to its success both as an individual and as a member of a working group. It seeks to provide fair terms and conditions of employment and satisfying work for all those employed".

Objectives

of human resource management are derived from the basic objectives of an organization. In order to achieve organizational objectives integration of employer's interest and employee interests is necessary.

The objectives of human resource management may be summarised as follows: (a) To improve the service rendered by the enterprise through

building better employee morale, which leads to more efficient individual and group performance.

Thus, HRM seeks

to manage change to the mutual advantage of individuals, groups, the organization and society. (b) To establish in the minds of those associated with the enterprise - employees, shareholders, creditors, customers and the public at large - the fact that the enterprise is rendering the best service of which it is capable and distributing the benefits derived from there fairly and contributing to the success of the enterprise. (c)

To create and utilise an able and motivated workforce, to accomplish the basic organizational goals.

Self-Instructional Material 7 Introduction to Human Resource Management NOTES (d)

To recognise and satisfy individual and group needs by providing adequate and equitable wages, incentives, employee benefits, social security, challenging work, prestige, recognition, security, status etc.

Thus an organization can identify

and satisfy individual and group goals by offering appropriate monetary and non-monetary incentives. (e)

To

employ the skills and knowledge of employees efficiently and effectively i.e., to utilise human resources effectively in the achievement of organizational goals. (f)

To strengthen and appreciate the human assets continuously by providing training and developmental programmes.

Training and development helps

the organization attain its goals by providing well-trained and well-motivated employees. (g)

To

maintain high employee morale and sound human relations by sustaining and improving the various conditions and facilities. (h)

To enhance job satisfaction and self-actualisation of employees by encouraging and assisting every employee to realise his full potential. (i)
To provide facilities and conditions of work and creation of favourable atmosphere for maintaining stability of employment. (j)
To recognise and satisfy individual needs and group goals by offering appropriate monetary and non-monetary incentives. (k)
To develop and maintain a quality of work life (QWL) which makes employment in organization a desirable personal and social situation.
Maximum individual development, desirable working relationship and effective utilisation of human resources are the primary goals of HRM. Management has to create a conducive environment and provide necessary prerequisites for the attainment of the objectives of HRM. 1.2.3

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Scope of HRM The scope of Personnel Management is indeed vast. All Major activities in the working life of an employee – from the time of his entry into an organization

until he leaves the organization come under the preview of Personnel Management. The figure below explains the vast scope of personnel management. Nature of human Resource management Employee Education Employee Selection HUMAN RESOURCE MANAGEMENT Industrial Relations Employee Health and Safety Employee Motivation Employee Remunerattion Human Resource Management 8 Self-Instructional Material NOTES
Human Resource Management embraces a very wide field of activities. The scope of HRM is so wide and varied that the HR department and the personnel executives typically perform a variety of roles in accordance with the needs of a situation. The HR manager plays multiple roles like the role of a researcher, role of a counsellor, role of a bar gainer, role of a mediator, role of peacemaker, role of a problem solver etc. The functional areas of Human Resource Management as outlined by Northcott are: (a) Employment; (b) Selection and Training; (c) Employee Services; (d) Wages; (e) Industrial Relations; (f) Health and Safety; (g) Education. It has therefore, been rightly observed by Peter Drucker that "Management is a multipurpose organ which has three jobs, two of which are directly related to personnel: managing a business; managing managers; and managing workers and the work". The personnel executives play an important role in a business organization. They not only help in determining the rules of the organization, but also play a powerful role in interpreting and applying the rules of the system itself. He is expected to enjoy the confidence of both the management crucial to the efficient and effective operation of the Business Organization. The focus of human resource management is on people at work. It is indeed a wide area and covers a broad spectrum of activities. A manager, whether he is in charge of a production or a marketing function, deals with human beings and gets his job done through and with people. 1.3 IMPORTANCE OF HRM Human resources, along with financial and material resources contribute to the production of goods and services in an organization. Physical and monetary resources, by themselves, cannot improve efficiency or contribute to an increased rate of return on investment. It is through the combined and concerted efforts of people that monetary and material resources are harnessed to achieve organizational goals. But these efforts, attitudes and skills have to be sharpened from time to time to optimise the effectiveness of human resources and to enable them to meet greater challenges. This is where HRM plays a crucial role. The significance of HRM can be discussed at four levels: (a) Corporate (b) Professional (c) Social (d) National (a) Corporate
Good human resource practices help in attracting and retaining the best people in the organization. Planning alerts the company to the types of people it will need in short, medium and long run. HRM

can help an enterprise in achieving its goals more efficiently and effectively in the following ways: ? Attracting and retaining talent through effective human resource planning, recruitment, selection, compensation and promotion policies; ?

Developing the necessary skills and right attitudes among the employees through training; ? Securing co-operation of employees through motivation;

and ? Effectively utilising the available human resources. (b)

Professional Effective management of human resource helps to improve the quality of work life.

It contributes to professional growth in the following ways: ? Providing maximum opportunities of personal development of each employee; ? Allocating work properly and scientifically; and ? Maintaining healthy relationships between individuals and groups in the organization. (c)

Social Sound human resource management has a great significance for society.

Society, as a whole is the major beneficiary of good human resource practices. Check Your Progress 1. Define HRM. 2. What are the goals of HRM? 3. What is the significance of HRM?

Self-Instructional Material 9 Introduction to Human Resource Management NOTES ? Employment opportunities multiply. ? Scarce

talents are put to best use. ? Organizations that pay and treat people well, are always ahead of others and deliver excellent results. ?

Maintain

a balance between the jobs available and job seekers in terms of numbers, qualifications, needs and aptitudes. ?

Provides suitable employment that gives social and psychological satisfaction to people. (d)

National Human resources and their management plays a vital role in the development of a nation.

There are wide differences in development between countries with similar resources due to differences in the quality of their people. Development of a country depends primarily on the skills, attitudes and values of its human resources.

Effective management of human resources helps to speed up the process of economic growth which in turn leads to higher standards of living and fuller employment. 1.4

THE CHANGING ROLE OF HRM The challenge of HR managers today is to recognise talent and nurture the same carefully and achieve significant productivity gains over a period of time. The enterprise is nothing but people. Some will be intelligent, others not so intelligent; some are committed to jobs, others are not; some will be outgoing others reserved and so on. "The point is that these differences demand attention so that each person can maximise his effectiveness and so that the society as a whole can make the wisest use of its human resources". The role of an HR manager is shifting from a protector and screener to the planner and change agent. In present day competitive worlds, highly trained and committed employees are often a firm's best bet. HR professionals can help an organization select and train employees for emerging roles. Only people who are involved and intelligent can make a difference. Charles Creer has pointed out that "in a growing number of organizations human resources are now viewed as a source of competitive advantageIncreasingly it is being recognised that competitive advantage can be obtained with a high quality workforce that enables organizations to compete on the lines of market responsiveness, product and service quality, differentiated products and technological innovations". In the future, the principal issues will be how the HRM function can transform its outlook from a traditional to a modern one: from being functionally-oriented internally focused, reactive, activity driven, centralised and control-oriented to being business-oriented, customer-focussed, proactive, effectiveness, driven, decentralised and empowerment- oriented. Moreover, organizations will need to be concerned with extended their recruiting efforts, developing careful screening procedures, training employees to adapt to change, providing appropriate and sufficient educational programmes and accounting for their investment in recruiting, selecting and training employees. The new generation of employees will weigh salary and benefits packages against their personal need and values. Therefore, compensation and benefits packages will offer greater flexibility in order to meet individual needs. 1.5 FUNCTIONS OF PERSONNEL MANAGEMENT Personnel Management involves two categories of functions: (a) Operative Functions (b) Managerial Functions. (a)

Operative Functions The operative functions essentially belong to such activities concerned with procuring, developing

compensating, utilizing and maintaining an efficient work force. Check Your Progress 4. Explain the challenges faced by HR managers today. 5. Explain the Composition of a HR Department in a Large Organization?

Human Resource Management 10 Self-Instructional Material NOTES (i)

Procurement: Procuring means recruiting the required number of employees with due qualifications and experience keeping in view the importance of achieving the objectives set before the organization. It is mainly concerned with hiring the right people, in the right place, at the right time. It

includes activities like manpower planning, selection and placement. (ii) Development: Development means activities meant to increase the efficiency and skills of the workers through training and education of employees.

It includes activities like training, seminars, group discussions, education etc. (iii) Compensating: Includes activities which deal with the method and standard of remuneration and terms of employment. (iv) Utilizing: Utilizing means using the services of the employees to the best possible extent. It includes incentive schemes and includes

schemes for sharing the profits from higher productivity. (v) Maintaining: Aims at maintaining good working conditions for the employees. It includes preparation and implementation of health schemes, safety systems etc. (b) Managerial Functions The managerial functions include

activities like planning, organizing, and co-ordinating, directing and controlling the employees.

These functions are common to all managers and therefore known as managerial functions. In other words, they are performed by all types of managers including personnel managers. (i) Planning: When management is reviewed as a process, planning is the first function performed by a manager. The work of a personnel manager begins with developing a personnel programme. This is done through planning. A plan is a pre-determined course of action to accomplish the set objectives. It specifies what and how operative personnel functions are to be performed. (ii) Organizing: While planning decides what management wants to do, organizing provides an effective machine for achieving the plans. Organizing calls for grouping of personnel activities, assignment of

different activities to different individuals. (iii) Co-ordination: Co-ordination is concerned with harmonious and unified action directed towards a common objective. It ensures that all groups and persons work efficiently, economically and in harmony. Person-to-person communication is most effective for co-ordination. (iv) Directing: Direction involves managing managers, managing workers and the work through the means of motivation, proper leadership, effective communication as well as co-ordination. A personnel manager must develop the ability to command and direct others.

(v) Motivating: Motivation is a managerial function to inspire and encourage people to take required action. Motivation involves guiding and supervising the personnel. Motivation is the key to successful management of any enterprise. A personnel manager must inculcate (persuade\inspire) in the workers a keen appreciation of an organizations policies. Motivation can set into motion a person to carry out certain activity.

He must guide employees towards improved performance and motivate them to work with zeal and confidence. (vi) Controlling: Control is the process of measuring actual results with some standard of performance, finding the reason for deviations of actual from desired result and taking corrective action when necessary. Thus, controlling enables the realization of plans. The significance of these two varieties of functions is that one function cannot work without the other. The personnel manager has to blend the two to the desirable extent.

Self-Instructional Material 11 Introduction to Human Resource Management NOTES 1.5.2 Personnel Management Policies A policy is a statement or general guidelines for employees to make decision in respect to any course of action. Personnel policies provide guidelines for a variety of employment relationships and identify the organisation's intentions in recruitment, selection, development, promotion, compensation, motivation etc. According to Armstrong personnel policies "are continuing guidelines on the approach the organisation intends to adopt in managing its people. They define the philosophies and values of the organisation on how people should be treated and from these are derived principles upon which managers are expected to act when dealing with personnel matters".

The objectives of HR or personnel Policies is described by Peter Drucker in the following words "The management must gear its policies and objectives in such a fashion that the employees perform their work and do their assigned tasks.....It implies also a consideration of human resources as having, unlike any other resources, personality, citizenship, control over where they work, how much and how well.....And it is the management, and management alone, that can satisfy these requirements". HR or personnel policies are required in the following areas: ? Acquisition of Personnel ? Training and Development. ? Appraisal and compensation of Human Resources. ? Human resource mobility ? Working conditions and work schedules and ? Industrial Relations. 1.5.3 Role of a Personnel Manager The functions of the personnel manager are very comprehensive and varied. They are determined and influenced by factors such as size, nature and location of the business or industry. The Personnel Manager has been playing a variety of roles. In the modern era, he typically performs a variety of roles like a counsellor, a mediator, a problem solver and a change agent. According to Dale Yoder and Robert Nelson, these functions can be categorized into seven types: 1. Departmental Administration which looks after the planning, policy decision and general administration. 2. Employment of workers which include recruitment, selection and placement of workers; job analysis, job description, and performance appraisal. 3. Training and induction which include induction training and in service training. 4. Wage and Salary Administration which include wage payments, job evaluation, job analysis surveys etc. 5. Benefits and services which includes administration of various benefit schemes for employees like insurance, medical facilities, retirement benefits etc. 6. Collective bargaining which includes labour bargains with management to obtain its due share. 7. Personnel research which includes preparation of plans and their implementation. All activities connected with employees of an organization and all decisions related to the human relations come within the functional areas of personnel management. It has now been fully recognized that the basic role of the Personnel Manager is "the management of manpower resources". He undertakes all those functions which are concerned with "human element". The role of Personnel Manager is ever expanding. As Prof. Chatterjee puts it : "The Personnel Man first appeared as a low powered functionary who was no better

Human Resource Management 12 Self-Instructional Material NOTES than a files clerk or record keeper concerned with the payment of the dues of the workerThen came the next stage when he administered the welfare schemes which were being gradually provided for in the statutes. As the workers were organizing themselves into strong unions and industrial conflicts were multiplying the employer used the Personnel Man as a kind of trouble shooter or fire-fighting - either to advise him on how to find loopholes in labour lawsor to come to a settlement where concessions were inexecutable....Gradually his work was realized as more of the nature of staff function rather than line function; and that he was an expert rather than a controller or manager of men". 1.6 ORGANIZING THE HR DEPARTMENT Organizations are economic and social entities in which a number of persons perform multifarious tasks in order to attain common goals. Organizations are effective instruments in that they help individuals accomplish personal objectives that they (persons) cannot achieve alone. According to Argyris, organizations are usually formed to satisfy objectives, "that can best be met collectively". The people who work together for accomplishment of some common objectives require a definite structure through which they relate to each other and through which their efforts can be coordinated. According to Allen , "Organizing is the process of identifying and grouping the work to be performed, defining and delegating responsibility and authority and establishing relationships for the purpose of enabling the people to work most effectively together in accomplishing objectives". Organizations are only a means to an end. They takes certain inputs from the environment and convert them into specified outputs desired by the society. In its broadest sense, organizing can be thought of as the process of making the organization's structure fit in with its objectives, its resources and its environment. Formal organization, called the superstructure of an enterprise, is the way it is departmentalised i.e., the way its human resources are grouped into different departments, divisions or sections. The formal organizations also describe how the departments are related to one another. 1.6.1 The Structure

The internal organization of the HR Department varies widely depending upon the nature and size of the enterprise, its management philosophy and its external environment. In a small firm, there may be an HR section within the office. In a medium-sized firm the HRM department may consist of HR Manager, Personnel Officers and Personnel Assistants or Clerks.

But

in a large organization, the HRM department may consist of several functionaries and below every officer there will be clerical staff. Two issues become relevant in a discussion on organization of an HR department. They are (i) place of the HR department in overall set-up and (ii) composition of the HR department itself.

Figure 1.1 shows HRM in a small scale unit. MANAGER PRODUCTION MANAGER SALES MANAGER OFFICE MANAGER ACCOUNTANT PERSONNEL ASSISTANT Figure 1.1 Composition of an HR Department in a Small Organization

Self-Instructional Material 13 Introduction to Human Resource Management NOTES

In this set-up,

a low-placed employee may be entrusted with the task of attending to HR functions. However a large HR department, is headed by General Manager under whom personnel manager, administration manager, manager industrial relations work.

Figure 1.2 shows the composition of an HR department in a large organization. GENERAL MANAGER MANAGER PERSONNEL MANAGER ADMINISTRATION MANAGER HRD MANAGER IR PR Canteen Medical Welfare Transport Legal Human Resource Planning Hiring Grievance Handling Compensation Appraisal Training Development Figure 1.2 Composition of an HR

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Department in a Large Organization 1.6.2 Staff Role of HR Department It is said that HRM is a line manager's responsibility but a staff function.

Since management is getting things done through and with people, responsibility of managing people rests with line managers. The HR Department provides specialised advice, assistance and information to line executives so that they may concentrate on their respective functions. The staff role of the HR department in relation to other departments may be analysed as follows: (a) Policy Formulation HR department assists and counsels other departments in policy formulation. It prepares programmes concerning recruitment, selection, training, appraisal etc. of employees in consultation with other departments. (b) Advising The HR department advises all other departments in areas relating to the management of human resources, industrial relations etc. The department acts in an advisory capacity offering suggestions. (c) Assistance and Service The HR department provides secretarial and executive support services like securing and scrutinising applications, conducting tests and interviews, arranging orientation and training etc.

It helps in developing collaboration between management and trade unions. (d) Monitoring and Control The HR department evaluates actual performance in the light of established personnel policies and procedures and suggests appropriate corrective actions whenever necessary. The department conducts personnel audit and helps other departments in proper implementation of personnel policies and programmes. 1.7

ORIGIN AND GROWTH OF HR FUNCTION IN INDIA The history of the evolution and growth of HRM in India is not very old. The various stages in the growth of HRM are given below: Check Your Progress 6. State the various stages in the growth of HR function in India. 7. What are the factors are responsible for slow growth of HRM in India? 8. Which factors impeded the growth and progress of personnel management in India?

Human Resource Management 14 Self-Instructional Material NOTES (a) Report of the Royal Commission on Labour in India Human resource management in India dates back to the Report of the Royal Commission on labour in India (1929–31) which recommended the appointment of labour officers to deal with recruitment in order to check corrupt practices in industries in India particularly in areas of selection of workers. The Royal Commission observed that : (i) The jobber should be excluded from the engagement and dismissal of labour and that, instead, a labour officer is appointed for the purpose; (ii) The qualities required of a Labour Officer should be integrity, personality, energy and the gift of understanding individuals and he should have a linguistic facility. If he is of the right type, the workers will rapidly learn to place confidence in him and regard him as a friend; (iii) All labour should be engaged by him, and none should be dismissed without consulting him; and (iv) The Labour Officer should fulfil many duties and should particularly initiate and administer welfare measures. (b) Appointment of Labour Officers Labour officers were entrusted with the responsibility of promoting welfare activities. They functioned as industrial relations officers to handle grievances. The Bombay Mill Owners Association in Bengal appointed Labour Officers to settle grievances and disputes. (c) The Second World War During the second world war, the need for enlisting labour support for the war effort was considered imperative. These officers were generally entrusted with the handling of welfare and labour administration. They were to deal with working conditions, canteens, ration shops, recreation facilities, medical facilities, worker's housing etc. The Second World War resulted in welfare officers being appointed by government as well as industry. The function of the welfare officers included welfare activities, personnel activities and industrial relations. (d) Enactment of Industrial Disputes Act The enactment of the Industrial Disputes Act 1947 made adjudication compulsory. This made the welfare officer handle disputes and adjudication relating to conditions of service, wages, benefits etc. The welfare officer thus became Industrial Relations Officers. As a result employers hired welfare officers with a legal background. (e) Enactment of Factories Act Sec 49 of the Factories Act 1948 made it obligatory for factories employing 500 or more workers to appoint welfare officers. A Welfare Officer had a list of duties laid down for him. He had to perform activities concerned with welfare, personnel administration and industrial relations. (f) 1960 and After Till 1960, recruitment was untouched by law but the rapid growth of industry and the consequent demand for skilled and semi-skilled workers led to the government to enact the Employment Exchange Act, 1959, to regulate recruitment of workers and the Apprentices Act, 1961 to regulate the training of workers to some extent. Thus, Human Resource Management in India began with industrial discipline and getting rid of troublemakers. At a later stage personnel officers were appointed as "labour welfare officers" to satisfy statutory requirements. Later on the role of a personnel officer was converted into that of an "industrial relations officer". Today his role is that of a "Human Resource Manager". He works in three areas of labour: welfare, industrial relations, and personnel administration.

Self-Instructional Material 15 Introduction to Human Resource Management NOTES 1.7.1 Slow Growth of HRM in India

The following factors are responsible for the slow growth of HRM in India. (a) Late Arrival of the Factory System Human Resource Management is conditioned by industrial development. In India, modern industry started with the development of the railways. Even after the progress of industry, human resource management was unheard of. It was the Royal Commission of Labour which recommended in 1931, the appointment of Labour Officers to deal with the recruitment of labour and to settle their grievances. Thus, the slow growth of human resource management in India can be linked to the late arrival of large-scale industry. (b) Low Status of the Industrial Worker The Indian worker in the early days of industrialisation was illiterate. But over the years the profile of the industrial worker has changed. Now, his status is enhanced. As a result, the handling of labour has become more professional. (c) Professionalisation of Human Resource Management A professional subscribes to certain ethical standards. He is more loyal to the profession than to the employer. With the emergence of professional personnel managers, the growth of human resource management has accelerated. A professional has knowledge and judgement, which he uses to make his decision. He is not controlled or directed by his employer. Thus, professionalisation makes a business enterprise more efficient, dynamic and socially responsible. The growth of personnel management education in India has contributed to Professionalisation of human resource management. (d) Social Responsibilities of Business Employees should be treated as human beings and their co-operation must be achieved for the realisation of organizational goals. The business should fulfil the following obligations towards their employees: (i) Fair Wages: Business should pay reasonable salaries so that their employee's may lead a good life and satisfy their needs. (ii) Adequate Benefits: Employees should be provided benefits like housing, insurance cover, medical facilities and retirement benefits. (iii) Good Working Conditions: Good working conditions are necessary to maintain the health of the workers. (iv) Opportunity for Growth: Business should give the employees opportunity to develop their capabilities through training and education. (v) Recognition of Worker's Rights: The business should recognise the worker's right to fair wages, to form trade unions, to collective bargaining etc. (vi) Co-operation: The business must win the co-operation of workers by creating the conditions in which workers are willing to put forward their best efforts towards the common goals of the business. Therefore business organizations made a conscious attempt by contributing to the wellbeing and upliftment of the community in which it is situated. (e) Change of Government Attitude The relationship between the state and the economy has a chequered history since the days of the planner economist Adam Smith. During the time of Adam Smith, the doctrine of Laissez Faire was widely accepted as the guiding principle of economic activity. The State was expected to concern itself only with problems relating to law and order. It scrupulously avoided any interference in the working of private business. Laissez faire was the era of free enterprises. The doctrine of laissez faire was based on the assumption "that every individual acting as a rational being tries to get the greatest satisfaction from life for himself and in the process contributes towards the greatest possible satisfaction to society". Thus,

Human Resource Management 16 Self-Instructional Material NOTES the classical economist fondly believed that the principle of non-interference with the economic and business matters led to "the greatest good of the greatest numbers". Prior to Independence, the British Government followed a laissez-faire attitude to labour- management relations. But after Independence the National Government took upon itself the pledge to establish a welfare state. The Government therefore enacted many laws for the benefit of the workers.

1.7.2 Factors Impeding the Growth of HRM in India

The various factors which have impeded the growth and progress of Personnel Management in India, are:

- (a) **Abundance of Cheap Labour** In India, the main source of labour supply has been the growth of population. Modern industrial sector in India attracts labour from the agricultural sector. Industrial centres draw on their surrounding rural area for recruitment of workers. With rapid increase of population, low degree of industrialisation and widespread unemployment both in rural and urban areas, result in an abundant supply of labour to the industries. Since, labour is in abundance, good human relations are not necessary in India and there are arbitrary dismissals and lay offs.
- (b) **Weak Labour Movement** The Indian working class is generally passive and depends on outside politicians for leadership. This outside leadership has failed to understand the needs of the working class. Instead of awakening social consciousness among the workers the politicians in fact use the workers to achieve their political ends.
- (c) **Highly Authoritarian Culture** Indian society has a highly authoritarian culture. This makes the worker depend on his superiors. Freedom is not a value in India. This culture thus discourages participative style of management and free communication. These two conditions are the basis for ideal human relations, which is lacking in the Indian conditions.
- (d) **Technological Backwardness** Technological environment influences business in terms of investment in technology, consistent application of technology, and the effects of technology on markets. The immense technological progress in the west has raised the standard of living of their workers. This is not so with the Indian workers because of our technological backwardness. Technological progress has a very important role to play in the economic development of a country. No backward country can hope to march ahead on the road of economic development without adopting newer techniques of production.
- (e) **Instability in Employment** The Indian workers are attracted to the cities by the lure of higher wages but the instability of their employment, chronic housing shortage, and high rents prevents them from settling down and bringing their families from the village. Thus, the industrial worker would not remain in industry if he could secure sufficient food and clothing in the village. "They are pushed, not pulled to the city".
- (f) **Unhealthy Growth of Trade Unions** The migratory character of Indian labour leads to unhealthy growth of trade unions. Many workers do not take an active part in the formation of unions and do not like to pay their subscriptions because they do not come to the cities to live permanently.
- (g) **Migratory Characteristic of Indian Labour** As a result of migration, the Industrial worker finds himself in an unfamiliar environment. Due to lack of houses, workers are forced to leave their families in villages. Separation from families leads to promiscuity, prostitution, venereal diseases and even AIDS. To compound the problem, the health of the worker is subjected to severe strain due to many reasons like change in climate, working and living conditions etc.

Self-Instructional Material 17 Introduction to Human Resource Management NOTES 1.7.3 Evolving Role of HR Man in India In India the personnel man has passed through various stages in the past. Perhaps the earliest recognition of the need for such an individual was the institution of the Labour Officer. The trends today indicate that the personnel management function will have to become more sophisticated to meet the challenges posed to the personnel man. The personnel man has been playing a variety of roles at different stages. A brief view of the historical perspective can provide a better picture of the role of the personnel man in India. However, it has to be stated that the role at different stages has always been set up by the top management. The evolving roles of the Personnel Man in India are: (a) Origin of Human Resource Management in India The origin of Personnel Management in India can be traced back to the recommendations of the Royal Commission on Labour in India (1929–31). The Royal Commission emphasised recruitment and dismissal as the primary responsibilities of the labour officer. According to the Royal Commission On Labour, the Labour officer – “should be subordinate to no one except the general manager of the factory and should be carefully selectedNo employee should be engaged except by the labour officer personally, in consultation with departmental heads, and none should be dismissed without his consent, except by the manager himself, after hearing what the labour officer has to say.....is of the right type, the workers will rapidly learn to place confidence in him as their friend”. The employers however, were indifferent to the recommendation of the Royal Commission and the British Government in India had to take the initiative. The Government passed THE BOMBAY DISPUTES CONCILIATION ACT 1934, which provided for the appointment of a government labour officer to deal with labour grievances. Employers in Bombay and other parts of India soon followed the example set by the British Government in India. (b) The Police Man The labour officer, at this stage, was also visualised as having to perform police functions as the position between the employers and workers was often viewed as a law and order problem. Thus, the earliest role that the personnel man played was that of a policeman. This was so because the Management believed the average employee disliked work, avoided responsibility and therefore needed to be directed, controlled and coerced. A man was needed to discipline and control employees on behalf of the management. The personnel man took over the job. Do’s and don’ts were laid down and the personnel man became a watchdog for enforcement of prescribed regulations. (c) The Welfare Man Subsequently, the labour officer’s function changed from mere employment function to welfare activities after the enactment of the Factories Act 1948. The Factories Act created the institution of labour welfare officers making it compulsory for factories with 500 or more workers to employ the prescribed number of welfare officers. Efforts are now afoot (preceding/before) to amend and enlarge the duties of the welfare man. This was so because, voluntarily provided welfare was not found adequate and thus, the welfare officer had a list of duties laid down for him. (d) The Law Man With the acceptance of the ideal of Welfare State, laws and regulations were enacted to define the rights of employees and to limit the employer’s prerogatives. Legal knowledge thus becomes a preferential attribute to the personnel man. He was assigned the task of issuing charge sheets and holding enquiries. He was called upon to assess the legal obligation of the management and to represent the management in the case of industrial disputes. (e) The Liaison Man Someone was required to deal and negotiate with the union on behalf of the management. Industrial relations become important with the advent of the trade union. The personnel man became a shock absorber. He was given the difficult task of bringing two opposite parties to the negotiating table and act as a liaison man.

Human Resource Management 18 Self-Instructional Material NOTES (f) The HR Man A gradual shift of emphasis from that of a liaison man to personnel administration has taken place. The function of a personnel manager includes in addition to labour, welfare, industrial relations and personnel administration. An organization must look forward to the needs of its personnel. It must provide training facilities, motivate employees to put their best effort and do manpower planning and development. Thus, more competent managers will be needed for the future. 1.7.4

HRM Model In recent years there has been relative agreement among HRM specialists as to what constitutes the field of HRM. The model developed by the American Society for Training and Development (ASTD) identifies nine human resource areas: (a) Training and Development (

b) Organization Development (c) Organization/Job Design (d) Planning (e) Selection and Staffing (f) Personnel Research and Information Systems (g) Compensation/Benefits (h) Employee Assistance (i) Union/Labour Relations. (a)

Training and Development Organizations and individuals should proceed together for their survival and attainment of mutual goals. Employee training is a specialised function and is one of the fundamental operative functions of HR management.

Training improves, changes, and

moulds the employee’s knowledge, skill, behaviour, aptitude and attitude towards the requirements of the job and the organization.

Training

bridges the gap between job requirements and employee’s present specifications.

Management development is a systematic process of growth and development by which managers develop their abilities to manage. It is

a planned effort to improve current or future managerial performance. (b) Organization Development Management can effectively meet challenges of change through a systematic and planned change

effort. Organization development is the modern approach to management of change and human resource development. According to Dale S. Beach, organization development is “

a complex educational strategy designed to increase organizational effectiveness and wealth through planned intervention by a consultant using theory and techniques of applied behavioural science”. Organization Development (OD)

concentrates on people dimensions like norms, values, attitudes, relationships, and organizational climate. The

OD efforts broadly aim at improving the organizational effectiveness and job satisfaction of employees. Humanising the organizations and encouraging personal growth of individual employees can attain these aims. (c) Organization/Job Design Organization design deals with structural aspects of organizations: it aims at analysing roles and relationships so that collective effort can be explicitly organized to achieve specific ends. The design process leads to development of an organization structure consisting of units and positions. There are relationships involving exercise of authority and exchange of information between these units and positions. Michael Armstrong has defined

job design as “the process of deciding on the content of a job in terms of its duties and responsibilities; on the methods to be used in carrying out the

Self-Instructional Material 19 Introduction to Human Resource Management NOTES

job, in terms of techniques, systems and procedures and on

the relationships that should exist between the job holder and his superiors, subordinates and colleagues”.

Thus,

job design

is the process of determining the specific tasks and responsibilities to be carried out by each member of the organization. It has many implications for HR management. Both the content and one’s job and the ability to influence content and level of performance affect a person’s motivation and job satisfaction.

(d) Planning Human resource planning may be defined as the process of assessing the organization’s HR needs in the

light of organizational goals and making plans to ensure that a competent, stable workforce is employed. The efficient utilisation of organizational resources—human, capital and technological— does not just happen without the continual estimation of future requirements and the development of systematic strategies designed towards goal accomplishment. Organizational goals have meaning only when people with appropriate talent, skill and desire are available to execute the tasks needed to

realise those goals. (e)

Selection and Staffing

After identifying

the sources of human resources,

searching for prospective employees and stimulating them to apply for jobs in

the

organization,

the

management has to perform the function of selecting the right employees at the right time. The

selection process involves judging candidates on a variety of dimensions, ranging from the concrete and measurable, like years of experience, to the abstract and personal, like leadership potential. To do this, organizations rely on one or more of a number of selection devices, including application forms, initial interview, reference checks, tests, physical examinations and final interview.

All selection activities, from the initial screening to the physical examination if required, exist for the purpose of making effective selection decisions.

Each activity is a step in the process that forms a predictive exercise—managerial decision makers seeking

to predict which job applicant will be successful if hired. "

Successful", in this case, means performing well on the criteria the organization uses to evaluate personnel. It is important to have a good organization structure, but it is even more important to fill the job with right people. Staffing includes several sub-functions: (i) Recruitment or getting applications for the job as they open up. (ii) Selection of the best qualified from those who seek the jobs. (iii) Transfers and promotions (iv) Training those who need further instruction to perform their work effectively or to qualify for promotions. Importance and Need for Proper Staffing: There are a number of advantages of proper and efficient staffing. These are as under: (i) It helps in discovering talented and competent workers and developing them to move up the corporate ladder. (ii) It ensures greater production by putting the right man in the right job. (iii) It helps to avoid a sudden disruption of an enterprise's production run by indicating shortages of personnel, if any, in advance. (iv) It helps to prevent under-utilisation of personnel and the resultant high labour cost and low profit margins. (v) It provides information to management for internal succession of managerial personnel in the event of an unanticipated turnover. (f) Personnel Research and Information Systems The term research means a systematic and goal-oriented investigation of facts that seeks to establish a relationship between two or more phenomena. Research can lead to an increased

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understanding of and improvement in HRM practices. Managers make decisions and solve problems. To make decisions about personnel and to solve HR problems, managers gather data and draw conclusions from them. Research can lead to an increased understanding of and improvement in HRM practices. In fact, engaging in some type of research into what is happening in the HRM discipline can be viewed as necessary for one's survival as a manager over the long term. Research can additionally help managers answer questions about the success of programs such as those for training and development—for which they may bear responsibility. (g) Compensation/Benefits Wages and salaries—the payment received for performing work) are a major component of compensation and reward process which is aimed at reimbursing employees for their work and motivating them to perform to the best of their abilities. In addition to pay, most employees receive benefits such as ESI, leave travel concession, and non-financial rewards such as security, recognition and privileges. Although individual employees value pay differently in relation to other work rewards, for most people the pay received for work is a necessity. Determining wage and salary payments is one of the most critical aspects of HRM because: (i) the organizations' reward system has such

a profound effect on the recruitment, satisfaction and motivation of employees, and (ii) wage and salaries represent a considerable cost to the employer. A carefully designed wage and salary program that is administered according to sound policies and consistently applied rule is essential if human resources are to be used effectively to achieve organizational objectives. (h) Employee Assistance Employee assistance focuses on providing personal problem solving, counselling

to individual employees. (i) Union/Labour Relations Unions are born because employees are frustrated in achieving important goals on an individual basis and unionising is the only countervailing technique available to achieve these goals. The establishment of good labour relations depends on constructive attitude on the part of both—the

management and the union. The constructive attitude in its turn depends on all the basic policies and procedures laid down in any organization for the promotion of healthy industrial relations. 1.7.5

Environmental Influence on

HRM Personnel managers cannot perform their job in vacuum as a number of environmental factors affect HRM.

Environment furnishes the macro context and the organization is the micro unit .

Of primary importance here are the external influences of economic conditions, labour markets, laws and regulations and labour unions.

Each of these external factors separately or in combination can influence the HRM function of any organization.

Changes in the external environment have a profound impact on the personnel. These changes include technological obsolescence, cultural and social changes, and policies of the Government.

The external environment consists of factors that affect an organization's human resources from outside

it. Let us examine these factors in detail: (a) Technological Innovation Rapid technological changes and innovations are taking place all over the world. As a result of these, technical personnel are increasingly required. Hence, procurement of technically skilled employees is necessary to match the changing job requirements.

Self-Instructional Material 21 Introduction to Human Resource Management NOTES (b) Economic Factors Economic conditions influence financial "health" of the organization. Under favourable economic conditions, expansion of existing programs and creation of new programs are very likely. With less favourable or deteriorating conditions, contraction or cancellation of some programs may be necessary. Thus,

a number of economic factors affect human resources management of an organization by influencing its operations. (c) Employees' Organizations Employees' organizations have mustered strength to match the growth of industrialisation. Labour unions seek to bargain with management over the terms and conditions of employment for their members. As a consequence, most HR activities are subject to joint decision- making when employees are represented by unions. (d) Labour Markets In labour markets, organizations seek employees (demand for labour), and individuals offer their services to organizations (supply of labour). Labour supply and demand have implications on all activities, but particularly for compensation and external staffing. Moreover, they are generally not subject to organizational control, thereby creating potential turbulence and uncertainty for HR management. (e) Changing Demand of Employers Organizations

also undergo changes and consequently their demands on employees also change. The technological revolution and stiff business competition demands that the existing employees adapt to every changing work situation and learn new skills, knowledge etc., to cope up with the new changes. (

f) Legal Factors

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One of the most important external factors that affect HRM is the legal environment.

The management cannot handle the human resources at will. It has to manage its employees according to the legislation

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enacted by the government at the centre and the states. The Important Legislations Enacted in India Affecting HRM are: Factories Act, Trade Unions Act,

Workmen's Compensation

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Act, The Payment of Wages Act, The Minimum Wages Act,

Payment of Gratuity Act,

and The Maternity Benefit Act. The government is the custodian of industrial and economic activities. (g)

Human Resource in the Country The structure, values and the level of education of human resources in the country influence the HRM function of any organization. The influence of manpower in the country can be studied through: (i) change in the structure of employment with the entry of workforce with different backgrounds. (ii) changes that have taken place in the structure of the workforce over the years and led to the emergence of new values in organizations. (iii) increased level of formal education which has led to changes in the employee attitude.

Well-educated employees always challenge and question the management's decisions and want a voice in the company's affairs affecting their interest.

Thus,

many environmental factors affect the performance of specific tasks of HRM. Changes in the internal and external environmental factors complicate the job both of line and personnel managers in overseeing the contributions of human resources. Considering the complexities and challenges in the HRM now and in near future managements have to develop sophisticated techniques and competent people to manage personnel on sound lines.

1.8 HR AUDIT Concept:

HR records

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provide information regarding the utilisation of human resources in an objective way. However, in most cases,

these are not sufficient. A critical evaluation of

Check Your Progress 9. Explain the origin of personnel management in India. 10. Explain the evolving role of the HR man in India.

Human Resource Management 22 Self-Instructional Material NOTES
manpower programmes is

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required to identify the areas where improvements are needed and to set things in order.

Audit is an important aspect of managerial control. It involves examination and verification of accounts and records. Human resource audit implies a critical examination and evaluation of policies, programmes and procedures in the area of HR management. It is a periodic review to measure the effectiveness of HR management and also to determine further steps for a more effective use of human resources. An audit is a review and verification of completed transactions to see whether they represent a true state of affairs of the business or not. Thus, an HR audit refers to: (i) the measurement of the effectiveness of the HR management's mission, objectives, strategies, policies, procedures, programmes and activities; and thereafter (ii) the determination of what should or should not be done in the future. HR audit involves a formal, systematic and in-depth analysis, investigation and comparison. The primary aim of HR audit is to determine whether the personnel policies and practices are consistent with organisational objectives. It also determines how effectively the personnel policies and programmes have been implemented. Human resource audit is well practiced in developed countries. In India, we do not have a full audit like financial audit of the Human Resource activities in an organization. 1.8.1 Objectives of Human Resource Audit According to Gray R.D, " the primary purpose

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of personnel audit is to know how the various units are functioning and how they have been able to meet the policies and guidelines which were agreed upon; and to assist the rest of the organization by identifying the gap between objectives and results for the end-product of an evaluation should be to formulate plans for corrections or adjustments". The objectives of HR audit are: 1. to review the whole system

of management programmes in which a management develops, allocates and supervises HR in an organization with a view to determine the effectiveness of these programmes. In other words, HR audit reviews the system of acquiring, developing, allocating and utilising human resources in the organization 2. to evaluate the extent to which line managers have implemented the policies and programmes initiated by top management and the HR department 3.

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to review the HR system in comparison with other organizations and modify them to meet the challenges of

human resource management 4. to locate the gaps, lapses, shortcomings in the implementation of the policies, procedures, practices, directives of the HR department and to know the areas where non implementation and/or wrong implementation has hindered the planned programmes and activities 5. to evaluate the effectiveness of various HR policies and practices 6. to evaluate the HR staff, and 7. to seek answers to such questions as "what happened?" "why it happened?" or "why it did not happen?" while implementing policies, practices and directives in managing human resources. 1.8.2

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Need for HR Audit Though there is no legal obligation to audit HR policies and practices, some of the modern

organizations do pursue it for the following reasons: 1. to increase the size of the organization and personnel in several organisations 2. to change the philosophy of management towards HR 3. to increase the strength and influence of trade unions

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Introduction to Human Resource Management NOTES 4.

to change HR

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management philosophy and thereby personnel policies and practices throughout the world,

and 5. to increase the dependence of the organization on the HR system and its effective functioning. 1.8.3

Qualitative and Quantitative Indicators for HR audit The following

table outlines the most commonly used qualitative and quantitative indicators of effectiveness classified by major functions. It should be remembered that these indicators are not foolproof and may not be dependable in all cases. Table 1.1 Qualitative and Quantitative Indicators for HR Audit Major Functions Qualitative Indicators Quantitative Indicator 1.

Procurement Personnel inventory, replacement tables, organization planning, job descriptions and specification, source evaluation, exit interviews, induction programmes. Turnover rates, selection rates, retrenchment, dismissal and lay-offs, recruitment time-lag and recruitment ratios 2. Utilisation Identification of merits Capacity utilisation, idle time, statistics, extra-time statistics, backlogs, turnover per employee, profits per rupee of personnel expenses etc. 3. Training and Development Training programmes, supervisory and management development programmes, systematic promotions, career planning, formal appraisals Time taken in training, apprentice ratios, scrap losses, productivity increases. 4.

Compensation Job evaluation programme, wage and salary surveys, complaint from employees about wage and salaries Wage and salary differentials, benefit range and costs, number of employees earning bonus in excess of standard rate 5.

Integration and Maintenance House organ, employee hand- book, employee voluntary participation in optional service programmes Measured morale, measured communication, absenteeism and turnover rates, number of grievances, suggestion ratios, accident rates 6. Labour relations Labour-management committees, contract interpretations, no strike clause Work stoppages, grievances and their settlement, arbitrations, costs Source: P.C. TRIPATHI "Personnel

Management and Industrial Relations" Sultan Chand and Sons,

New Delhi (1999) page 126–127. 18.4

Significance of

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HR Audit Though there is no legal obligation to audit personnel policies and practices,

informed employers voluntarily use it as a tool for evaluation and control of personnel function. Therefore, HR audit is used widely to check the organizational performance in the management of human resources. The significance of HR audit lies in the following: - 1. The management now feels that employee participation in organizational activities is essential for the success of

the

organization. 2. It provides the required feedback.

Human Resource Management 24 Self-Instructional Material NOTES 3.

Rising labour costs and increasing opportunities for competitive advantage in human resource management.(?) 4. It can be used to avoid the intervention of Government to protect employee interests. 18.5

49%

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Benefits of HR Audit Keith Davis summarises the benefits of HR audit in the following ways: ? It identifies the contributions of the HR department. ? It improves the professional image of HR department. ? It encourages greater responsibility and professionalism amongst members of HR department. ? It classifies the HR department's duties and responsibilities. ? It stimulates uniformity of personnel policies and practice. ? It identifies critical personnel problems. ?

It ensures timely compliance with legal requirements. ? It reduces human resource costs. Table 1.2 HR Audit– Areas and Levels Major Areas

Levels and Examples of Audit Data Level I Results Level II Programmes Level III Policy and Procedure Planning
 Forecasting and scheduling to meet organization and personnel needs Personnel shortages, supplies, layoff etc
 Time bound or network cost/benefit budget etc.
 Explicit statement to provide inclusive plans for present and future Staffing and Development Defined requirements and
 careers; sources, requirement, selection, training, promotions Recruitment costs; training cost, labour turnover
 etc
 In-house and outhouse training programmes, guidance in careers etc Non-discrimination etc. Organising Maintaining
 structures for coordinating, communicating, collaborating
 etc Feedback, reader interest, extent of formal, organisation, reports records etc Job definitions for individuals,
 departments, task forces, house organs etc Encourages flexibility, reduces resistance to change, effective three-way
 communication etc Motivation and
 Commitment Individual and group motivation interest, effort, contribution Productivity, performance norms comparative
 costs
 etc
 Job enlargement; wage and salary administration, morale survey, exit interviews, fringe benefits
 etc
 Gain high personal identification, ensure whole sale satisfaction Administration Style of leadership and supervision;
 delegation, negotiation Suggestions, promotions,grievances- ,discipline,union-man- agement cooperation Consultative
 supervision; collective bargaining, union- management committees
 etc Style adapted to changing expectations; participative involvement, collective bargaining etc.
 Research and Innovation Experiments and theory testing in all areas Changes, experiments
 research
 reports, publications R&D approach in all areas; suggestion plans,
 etc Test old and new theories; encourage creativity in management Source: Dale Yoder "Personnel Management and
 Industrial Relations", Prentice Hall, New Delhi 1977.
 Self-Instructional Material 25 Introduction to
 Human Resource Management NOTES 1.8.6 Scope of HR Audit The HR audit has a very wide scope. It assumes that the
 management of human resources involves much more than the practice of recruiting, hiring, retaining and firing
 employees. It examines the concept of 'people management' by supervisors at all levels. It covers areas like HR
 philosophy, policies, programmes, practices and personnel results. The National Industrial Conference Board of the
 United States
 states, "The top management is interested in auditing all the programmes relating to employees, regardless of where
 they originate, or the channels through which they are administered".

75%

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The major areas of HR audit include: 1. Programming, forecasting and scheduling to meet organization and personnel
 needs 2. Areas of recruitment, selection, careers, promotions, training and development 3. Areas of leadership, welfare,
 grievances, performance appraisal, employee mobility,

and industrial relations

Yoder gives the following outline of the scope of HR audit – area wise and level wise. 1.8.7 HR Audit Process
 The HR audit should do a thorough probe, evaluating HR policies, programmes, philosophy, practices and concepts and
 comparing with standards and with those of the personnel records of the said organization and other organizations. The
 level and depth of the audit should be decided in advance. Rao has included the following in an

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HR audit process. 1. Identify indices, indicators, statistical ratios and gross numbers in some cases 2. Examine the
 variations in time-frame in comparison with a similar previous corresponding period 3. Compare the variations of
 different department departments during different periods 4. Examine the variations of different periods and compare
 them with similar units and industries in the same region. 5. Draw trend lines, frequency distributions and calculating
 statistical correlations. 6.

Prepare

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and submit a detailed report to the top management and to the managers at appropriate levels for information and necessary action. 1.8.8

Audit of HR Results The real test of HR policies and programmes lies in the results achieved. Comprehensive policy statements and elaborate procedural manuals are useless unless they yield good results. In the audit of results, the HR audit may calculate ratios and percentages from personnel statistics. Such measurement will reveal useful trends in manpower utilisation. HR audit is a comparatively new area of audit.. Therefore, the HR auditor has no body of laws, regulations and standard practices to guide him. The HR auditor has to depend upon his own judgement and records available within the organization. Moreover, HR audit may become a fault-finding exercise. For example, wherever certain deficiencies are detected, the management and workers may start blaming each other. To avoid such situations, a forward looking approach is required. 1.8.9 Audit Report After examining various aspects of human resource management, the HR auditor compiles his observations, analysis, findings and recommendations in the form of a report. There is no prescribed format of the report in case of HR

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audit. The audit has to examine the various HR reports, personnel policies and practices. The

HR audit report is meant mainly for the top management. However, certain aspects of the report e.g. attitude survey and safety survey may be made available to employees. The report should be based solely on Human Resource Management 26 Self-Instructional Material NOTES the findings and it should be submitted within a reasonable time after the audit work is over. The following items should be contained in the report: 1. Table of contents 2. Preface, giving a brief statement of the objectives 3. Executive Summary, in which the entire report is summarised for the top executives; this should also contain the recommendations along with the factual information or findings. 4. The report proper, in which a major division is covered as a special section;

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a clear and in-depth analysis of the data and information, furnished area-wise or department wise.

Each section should be complete, and should contain as many supporting data as are practical without making it too voluminous. Other data should be included in the appendix. 5. Summary, which is general in nature and is relevant to all the persons concerned. This is more detailed than the summary and conclusions at the end of the report. 6.

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Appendix, this includes supporting data and information which is not necessary in the main part of the report. 7. Bibliography,

which refers to

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important books and journals which are necessary for future reading

is included at the end. 8. Audit report should be signed by all members making the audit. 1.9 SUMMARY

Human resource management (HRM) is concerned with the "people" dimensions in management.

If human resources are neglected or mismanaged, the organization is unlikely to do well.

Objectives of HRM are influenced by organizational objectives and individual and social goals.

Every organization

has some objectives and every part of it should contribute directly or indirectly to the attainment of desired objectives.

Human resources, along with financial and material resources contribute to the production of goods and services in an organization. The challenge of HR managers today is to recognise talent and nurture the same carefully and achieve significant productivity gains over a period of time. In India the personnel man has passed through various stages in the past. 1.10 ANSWERS TO 'CHECK YOUR PROGRESS' 1. Human resource management

is the function performed in organizations that facilitates

the most effective use of people (employees) to achieve organizational and individual goals. 2.

Maximum individual development, developing desirable working relationship and effective utilisation of human resources are the primary goals

of human resource management. 3. The significance of human resource management can be discussed at four levels: (

a) Corporate level (b) Professional level (c) Social level (d) National level (a) Corporate level HRM can help an enterprise in achieving its goals more efficiently and effectively (

b)

Professional level Effective management of human resource helps to improve the quality of work life.

Self-Instructional Material 27 Introduction to Human Resource Management NOTES (c) Social level

The society, as a whole, is the major beneficiary of good human resource practices. (d)

National level Human resources and their management plays a vital role in the development of a nation.

Effective

management of human resources help to speed up the process of economic growth which in turn leads to higher standards of living and fuller employment. 4.

The challenge of HR managers today is to recognise talent and nurture the same carefully and achieve significant productivity gains over a period of time. The enterprise is nothing but people. The role of a HR manager is shifting from a protector and screener to the planner and change agent. In present day competitive worlds, highly trained and committed employees are often a firm's best bet. HR professionals can help an organization select and train employees for emerging roles. 5. Manager Personnel Manager Administration Manager HRD Manager IR PR Canteen Medical Welfare Transport Legal Human Resource Planning Hiring Grievance Handling Compensation Appraisal Training Development 6. The various stages in the growth of Human resource management is given below: - ? The Report of the Royal Commission on Labour in India ? Appointment of Labour Officers ? The Second World War ? Enactment of Industrial Disputes Act ? Enactment of Factories Act 7. What are the factors are responsible for slow growth of HRM in India? ? Late arrival of the Factory System ? Low Status of the Industrial Worker ? Professionalisation of Human Resource Management ? Social Responsibilities of business ? Change of Government Attitude 8. ?? Abundance of Cheap Labour ? Weak Labour Movement ? Highly Authoritarian Culture ? Technological Backwardness ? Instability in Employment ? Unhealthy Growth of Trade Unions ? Migratory characteristic of Indian Labour 9. The origin of Personnel Management in India can be traced back to the recommendations of the Royal Commission on Labour in India (1929-31). The Royal Commission emphasised recruitment and dismissal as the primary responsibilities of the labour officer. 10. The evolving roles of the Personnel Man in India are: Role as a labour officer emphasis on recruitment and dismissal as the primary responsibilities Role as police man Do's and don'ts were laid down and the personnel man became a watchdog for enforcement of prescribed regulations.

Human Resource Management 28 Self-Instructional Material NOTES The law man With the acceptance of the ideal of Welfare State, laws and regulations were enacted to define the rights of employees and to limit the employer's prerogatives. The liaison man Some one was required to deal and negotiate with the union on behalf of the management. The HR man A gradual shift of emphasis from that of a liaison man to personnel administration has taken place.

1.11 QUESTIONS AND EXERCISES Short-Answer Questions 1. Define "HRM". Outline its objectives. 2. Write a short note on the Report of the Royal Commission on Labour in India. 3. What do you mean by the statement " HRM

is a line manager's responsibility but a staff function". 4.

What are the factors, which have impeded the growth and progress of Human Resource Management in India? 5. What is the future of personnel management in India? Long-Answer Questions 1. Explain the objectives of human resource management. What is required to achieve these objectives? 2. Explain the importance of human resources in an industrial enterprise. 3. Explain with a diagram the composition of a HR department in a large organization. 4. How does the future look for a career in human resource management? Trace the evolution and growth of personnel management in India. 5. What is a HR audit? Explain the objectives of HR audit? 6. Explain the report of HR audit. 1.12

FURTHER READING 1. Aquinas P. G., Human Resources Management – Principles and Practice, (2005) Vikas Publishing House Pvt Ltd., New Delhi. 2. David A. Decenco and Stephen P. Robbins, Personnel/HRM, (Third Edition) Prentice- Hall of India, New Delhi. (1989) 3. Edwin B. Flippo, Personnel Management, (Fourth Edition) McGraw Hill, New York (1984) 4. John Bernardin, Human Resource Management – An Experimental Approach, (2004) Tata McGraw Hill Ltd.,

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HR Planning, Recruitment, Selection, Placement and Induction NOTES Self-Instructional Material 29 UNIT 2 HR PLANNING, RECRUITMENT, SELECTION, PLACEMENT AND INDUCTION Structure 2.0 Introduction 2.1 Unit Objectives 2.2 HR Planning 2.2.1 Definition of HR Planning; 2.2.2 Objectives of HR Planning; 2.2.3 Process of HR Planning; 2.2.4 Strategies for HR Planning; 2.2.5 Advantages of HR Planning Programmes; 2.2.6 Limitations of HR Planning; 2.2.7 Guidelines for Making HR Planning Effective; 2.2.8 Responsibility for HR Planning 2.3 Job Analysis, Job Description and Specification 2.4 Recruitment 2.4.1 Sources of Recruitment; 2.4.2 Recruitment Policy 2.5 Selection 2.5.1 Definition of Selection; 2.5.2 Steps in Selection Procedure; 2.5.3 Types of Induction Programme 2.6 Placement 2.6.1 Problems of Placement 2.7 Induction Programme 2.7.1 Types of Induction Programme 2.8 Case Study 2.9 Summary 2.10 Answers to 'Check Your Progress' 2.11 Questions and Exercises 2.12 Further Reading 2.0

INTRODUCTION Human resource planning is the predetermination of the future course of action chosen from a number of alternative courses of action for procuring, developing, managing, motivating, compensating, career planning, succession planning and separating the human element of enterprise.

It determines a conscious choice of patterns of the humanisation of work environment in an organization. 2.1 UNIT OBJECTIVES

After going through this unit you be able to: ? Define

Human Resource Planning ?

Understand the Process and objectives of Human Resource Planning ? Understand Job analysis and description ?

Understand the Recruitment policy and process ? Understand the Various Sources of Recruitment and selection procedure ? Understand Steps in the Selection Procedure, Placement and know the types induction programme

Human Resource Management NOTES 30 Self-Instructional Material 2.2 HR PLANNING 2.2.1 Definition of HR

Planning

According to Geisler "HR

planning is the process (including forecasting, developing and controlling) by which a firm ensures that it has

the right number of people

and

the

right kind of people at the right places at the right time

doing

work for which they are economically most

useful."

According to Wendell French human resource planning may be defined "as the process of assessing the organization's human resources needs in the light of organizational goals and making plans to ensure that a competent, stable workforce is employed." From the above definitions, we can get some general characteristics of human resource planning. They are: 1.

Human resource plan must incorporate the human resource needs in the light of organizational goals. 2.

Human resource plan must be directed towards well-defined objectives. 3. Human resource plan must ensure

that it has the

right number of people

and the

right kind of people at the right time doing work for which they are economically most

useful. 4.

Human resource

planning

should

pave the way for an effective motivational process. 5. A

human resource plan

should take into account the principle of periodical reconsideration of new developments and extending the plan to cover the changes during the given long period. 6.

Adequate flexibility must be maintained in human resource planning to suit the changing needs of the organization. 2.2.2 Objectives of HR Planning From the above, it is clear that the failure in HR planning will be a limiting factor in achieving the objectives of the organization. If the number of persons in an organization is less than the number of persons required, then, there will be disruptions in the work—production will be hampered, the pace of production will be slow and the employees burdened with more work. If on the other hand, there is surplus manpower in the organization, there will be unnecessary financial burden on the organization in the form of a large pay bill if employees are retained in the organization, or if they are terminated the compensation will have to be paid to the retrenched employees. Therefore, it is necessary to have only the adequate number of persons to attain the objectives of the organization. In order to achieve the objectives of the organization, the HR planner should mind the timing and scheduling of HR planning. Furthermore, the management has to be persuaded to use the results of manpower planning studies. Manpower planning can also be used as an important aid in framing the training and development programmes for the employees because it takes into account the anticipated changes in the HR requirements of the organizations. 2.2.3 Importance of HR Planning HR planning is a highly important and useful activity. Without clear-cut planning, an estimation of the organization's human resource needs is reduced to mere guesswork. If used properly, it offers a number of benefits. These are: 1. Planning defines future manpower needs and this becomes the basis of recruiting and developing personnel.

HR Planning, Recruitment, Selection, Placement and Induction NOTES Self-Instructional Material 31 2. Employees

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can be trained, motivated and developed in advance and this helps in meeting future needs for high-quality employees. 3.

Change in technology has attached more importance to knowledge and skill resulting in surplus manpower in some areas and shortage in other areas.

HR planning helps in creating a balance in such a situation. 4.

Jobs are becoming more and more knowledge-oriented. This has resulted in a changed profile of HR.

Because of

increased emphasis on knowledge, recruitment costs have also increased. To avoid the high cost of recruitment, proper HR planning is necessary. 5.

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The organization can have a reservoir of talent at any point. People with requisite skills are readily available to carry out the assigned tasks. 6.

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Planning facilitates the preparation of an appropriate manpower budget for each department. This in turn, helps in controlling manpower costs by avoiding shortages/ excesses in manpower supply. 7.

Systematic HR planning

forces top management of an organization to participate actively in total

HR management functions. When there is active involvement of top management, they will appreciate the real value of human resources in achieving organizational effectiveness. 8.

Systematic HRP forces top management of an organization to participate actively in total HRM functions.

When there is active involvement of top management, they will appreciate the real value of human resources in achieving organizational effectiveness. 2.2.4

Process of HR Planning With the expansion of business adoption of complex technology and professional management techniques, the process of HR planning has assumed great significance. It consists of the following stages. (a) Analysing Organizational Plans and Deciding on Objectives Before undertaking the HR planning of an organization the short-term and long-term objectives should be analysed. The process of HR planning should start with analysing the organizational plans and programmes. They help

in forecasting the demand for human resources as it provides the quantum of future work activity. (

b) Analysing Factors for Manpower Requirements

The existing job design and analysis may be reviewed thoroughly keeping in view the future capabilities, knowledge and skills of present employees. The job design and analysis should reflect the future human resources and organizational plans. The factor for manpower requirements can be analysed by

two ways: (a) Demand Forecasting – Forecasting the overall HR requirements in accordance with the organizational plans. (b)

Supply Forecasting – Obtaining the data and information about the present inventory of human resources and forecast the future changes in present human resource inventory. (

c) Developing Employment Plans After determining the number of personnel for each job in the organization, the HR department has to spell out the job description and job specification. Job Description: A job description will generally describe the work to be performed, the responsibilities involved, the skill or training required, conditions under which the job is done, relationships with other jobs and personal requirements on the job. Job Specification: Job specification is an output of

job description, states the minimum acceptable qualifications that the newcomer must possess to perform the job satisfactorily and successfully.

Human Resource Management NOTES 32 Self-Instructional Material (d) Developing

Human Resource Plans Net HR requirements in terms of number and components are to be determined in relation to the

overall

HR requirement. After estimating the supply and demand of human resources, the management starts the adjustment when the internal supply of employees is more than the demand, and there is a human resource surplus; then the external recruitment is stopped. If there is a human resource deficit then the planners have to rely on the external sources.

2.2.5 Strategies for HR Planning The objective of manpower planning is to help the organization achieve its goal.

For this purpose, the

manpower planners have to develop some strategies. Stainer has suggested

nine strategic points for the benefit of manpower planners: (a) They should collect, maintain and interpret relevant information regarding HR. (b) They should periodically report manpower objectives, requirements and existing employment and allied features of manpower. (c)

They should develop procedures and techniques to determine the requirements of different types of manpower over a period of time from the standpoint of organization's goals. (d) They should develop measures of manpower utilization as components of forecasts of manpower requirement along with independent validation. (

e)

They should employ suitable techniques leading to effective allocation of work with a view to improving manpower utilization. (

f)

They should conduct research to determine factors hampering the contribution of individuals and groups to the organization

with a view to modifying or removing these handicaps. (g) They should develop and employ methods of economic assessment of HR reflecting its features as income-generators and cost, and accordingly improving the quality of decisions affecting the manpower. (

h) They should evaluate the procurement, promotion and retention of the effective HR; and (i) They should analyse the dynamic processes of recruitment, promotion and loss to the organization and control them with a view to maximising individual and group performance at minimum cost.

2.2.6 Advantages of HR Planning Programmes As the manpower planning is concerned with optimum use of HR, it can be of great benefit to the organization in particular and to the nation in general. At the national level, it would be concerned with factors like population, economic development, educational facilities and labour mobility. At the level of the organization it is concerned with requirements, sources of availability, the welfare of HR etc. The advantages of HR planning are discussed below: (a) Improvement of Labour Productivity Manpower or HR as a factor of production differs from other factors of production. As it is subject to its free will, the productivity of labour can be improved if the workers are kept satisfied. In other words, just as the satisfied workers can be productive, dissatisfied workers can even be destructive. Therefore, through proper HR planning we can improve the morale of the labour and thereby labour productivity. (b) Recruitment of Qualified HR Talented and skilled labour has become a scarce resource especially in developing countries. Therefore, for the survival of the firm it is essential to recruit the best labour force through proper manpower planning. (c) Adjusting with Rapid Technological Changes With the advancement technology, job and job requirements are changing. Therefore, it is necessary to forecast and meet the changing manpower, which can withstand the challenges

HR Planning, Recruitment, Selection, Placement and Induction NOTES Self-Instructional Material 33 of the technological revolution. This can be done through effective manpower planning. (d) Reducing Labour Turnover Labour turnover refers to the mobility of labour out of the organization due to various factors such as dissatisfaction, retirement, death etc. Due to labour turnover a firm loses experienced and skilled labour force. This loss can be minimised through efficient manpower planning. (e) Control over Recruitment and Training Costs Highly skilled personnel are in short supply and it is costly to hire, train, and maintain them. A company has to incur heavy costs in processing applications, conducting written tests, interviews etc., and in the process providing adequate training facilities. In consideration of these costs it is essential to plan carefully vis-à-vis manpower so as to minimize costs. (f) Mobility of Labour Today, it is difficult to retain qualified personnel in an organization as they move from one job to another in search of better prospects. In a free society, people enjoy unrestricted mobility from one part of the country to the other. Therefore, in order to reduce the loss of experienced and skilled labour, every organization must have a sound system of manpower planning. (g) Facilitating Expansion Programmes In these days of rapid industrial development every company goes for expansion of its activities. With the increase in company size, the demand for HR also increases. This necessitates proper manpower planning so as to ensure the continued supply of the required manpower for the firms' activities. (h) To Treat Manpower Like Real Corporate Assets Today it is being increasingly felt by the practicing managers and psychologists that employees in an organization must be treated as the most significant assets. The productivity of a company can be improved only through manpower planning, recognizing the significance of the human factor in business. A proper manpower planning is based on the realization that satisfied workers can contribute to the overall profitability of the firm through improved productivity. 2.2.7 Limitations of HR Planning The main hurdles in the process of HR planning are: (a) Inaccuracy HR planning involves forecasting the demand for and supply of HR.

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Projecting manpower needs over a period of time is a risky one. It

is

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not possible to track the current and future trends correctly and convert the same into meaningful action guidelines.

Longer the time taken, greater is the possibility of inaccuracy. Inaccuracy increases when departmental forecasts are merely aggregated without critical review.

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Factors such as absenteeism, labour turnover, seasonal trends in demand, competitive pressures, technological changes etc., may reduce the rest of manpower plans as fashionable, decorative pieces. (

b) Uncertainties Technological changes and market fluctuations are uncertainties, which serve as constraints to HR planning. It is risky to depend upon general estimates of manpower in the face of rapid changes in environment. (c) Lack of

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Support Planning is generally undertaken to improve overall efficiency. In the name of cost cutting, it also helps management weed out unwanted labour at various levels. The few efficient ones that survive such frequent onslaughts complain about increased workload. Support from management is

lacking. The latter is unwilling to commit funds for building an Human Resource Management NOTES 34 Self-Instructional Material appropriate HR

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information system. The time and effort involved – with no tangible, immediate gains – often force them to look the 'other way'.

HR planning grows slowly and gradually. In some cases, sophisticated technologies are forcefully introduced just because competitors have adopted them. These may not yield fruit unless matched with the needs and environment of the particular enterprise. (d) Numbers' Game In some companies, HR planning is used as a numbers' game. The focus is on the quantitative aspect to ensure the flow of people in and out of the organization. Such an exclusive focus overlooks the more important dimension, i.e. the quality of human resources. HR planning,

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in the long run, may suffer due to an excessive focus on the quantitative aspects. Aspects such as employee motivation, morale, career prospects, training avenues etc may be

totally discounted. (e) Employees Resistance Employees and trade unions feel that due to widespread unemployment people will be available for jobs as and when required. Moreover they feel that HR planning increases their workload and regulates them through productivity bargaining. (f) Employers Resistance Employers may also resist HR planning on the ground that it increases the cost of manpower. (g) Lack of Purpose Managers and HR specialists do not fully understand human planning process and lack a strong sense of purpose. (h) Time and Expense Manpower planning is a time-consuming and expensive exercise. A good deal of time and costs are involved in data collection and forecasting. (i) Inefficient Information System In most of the organizations, human resource information system has not been fully developed.

In the absence of reliable data, it is not possible to develop effective

HR plans. 2.2.8 Guidelines for Making HR Planning Effective Some of the steps that may be taken to improve the effectiveness of HR planning are given below: (

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a) Objectives The HR plan must fit in with the overall objectives of the organization. Important aspects such as working conditions, human relationships etc., must be kept in mind while developing the plan.

The HR plan should be balanced with the corporate plan of the enterprise. The methods and techniques used should corroborate the objectives, strategies and environment of the particular organization. (

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b) Top Management Support The plan must meet the changing needs of the organization and should enjoy consistent support from top management.

Before starting the HR Planning

process the support and commitment of top management should be ensured.

Moreover, the exercise should be carried out within the limits of a budget. There is no use formulating plans, which cannot be implemented due to financial constraints. (c) Appropriate Time Horizon

The

period of an HR plan should be appropriate to the needs and circumstances of

the specific enterprise. The size and structure of the enterprise as well as the changing aspirations of the people should be taken into consideration.

HR Planning, Recruitment, Selection, Placement and Induction NOTES Self-Instructional Material 35 (d) Manpower Inventory The quantity and quality of HR should be stressed in a balanced manner. The emphasis should be on filling future vacancies with right people rather than merely matching existing people with existing jobs.

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The organization must have an up-to-date employee skills inventory showing previous jobs held, tenure on current job, educational and training qualifications, specific knowledge and skills, prior work performance, past and current compensation, mobility factors. Markov Analysis (an approach to forecast the internal supply of manpower tracking past patterns of personnel movements) may be pressed into service while preparing the manpower inventory.

Upward mobility of existing staff needs to be considered carefully. (e) HR Information System An adequate database should be developed for HR to facilitate HR planning. To manage employee skills inventories, organizations should maintain computerised HR

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information systems containing data on: individuals, demographics, career progression, appraisals, skills, interests, training, target positions, performance ratings, geographic preferences, promotability ratings etc. (

f) Adequate Organization and Co-ordination HR planning function should be properly organized. A separate manpower

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planning division must be created, especially in large organizations to coordinate manpower planning exercise at various levels. The various plans for procurement, promotion and retention of

HR should include filling future vacancies with the right people. 2.2.9 Responsibility for HR Planning HR planning is the responsibility of the personnel department. The department has to recommend relevant personnel policies in respect of HR planning, devise methods of procedure and determine the quantitative aspects of HR planning. Geisler has enumerated the responsibility of the personnel department with regard to HR planning in the following words: "1. To assist, counsel and pressurise the operating management to plan and establish objectives 2. To collect and summarise data in total organizational terms and to ensure consistency with long-range objectives and other elements of the total business plan. 3. To monitor and measure performance against the plan and keep the top management informed about it. 4. To provide the research necessary for effective manpower and organizational planning." 2.3 JOB ANALYSIS, JOB DESCRIPTION AND SPECIFICATION 2.3.1 Job Analysis

Job analysis is the process by means of which a description

is developed of the present methods and procedures of doing a job, physical conditions in which the job is done, relation of the job to other jobs and

other conditions of employment. The purpose of job analysis is not to describe the ideal but to show the management how at the movement the constituent parts of its business are being carried out. Thus,

Job Analysis is the process by means of which a description is developed of the present method and procedure of doing a job, physical conditions

in

which the job is done, relation of the job to other jobs, physical conditions

in

which the job is done, relation of the job to other jobs and

other conditions of employment. Check Your Progress 1. Define HR planning. 2. Explain the general characteristics of HR planning. 3. Explain the stages in the process of HR planning.

Human Resource Management NOTES 36 Self-Instructional Material (a) Uses of Job Analysis Job analysis is of fundamental importance to manpower management program. The following are the possible uses of job analysis: (i)

Provides Complete Knowledge of the Job: Job analysis provides complete knowledge about the job. Therefore, it is helpful in organizational planning. (ii) Helps in

Recruitment and

Selection: By indicating the specific requirements of each job, job analysis provides a realistic basis for

recruitment and selection of employees. It is the best means of discovering the essential traits and personal characteristics leading to success or failure on the job. (iii) Establishes a Base for Compensation of Employees:

By indicating the qualifications required for doing a specified job and the risk and hazards involved in doing a job, job analysis helps in establishing a basis for compensation. Job analysis precedes job evaluation which measures the worth of jobs within the organization for the purpose of establishing a base for wages. A satisfactory evaluation of jobs is not possible without a comprehensive job analysis. (iv)

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.

Job analysis helps to rearrange the work flow and to revise existing procedure. (v) Employee Development: Job analysis provides the necessary information for employee development. When considering an employee for promotion, job analysis may facilitate his easy consideration for the job. (vi) Performance Appraisal: Job analysis helps in establishing clear-cut standards. This helps the employees as they can know what is expected of them. It also helps the managers to appraise the performance of their subordinates. (vii) Training: Job analysis reveals the required skills and knowledge for doing a job. This helps in providing suitable training for the workers by determining the content and subject matter for the training course.

2.3.2 Job Description

The first and immediate result of a job analysis is a job description. It is a simple, concisely written statement explaining the contents and essential needs of a job and a summary of the duties to be performed. Job description gives a precise picture of features of each job in terms of task contents and occupational requirements. Job description describes 'jobs' not 'job holders'. It

is defines the scope of job activities, major responsibilities and positioning of the job in the organization.

According to Arun Monappa and Mizra S Saiyadain, "A well- thought-out job description has several advantages and serves various important functions: 1. It helps to indicate very clearly the nature and content of the job to the applicant and hence to remove uncertainties. 2. Rewards and punishments can be easily legitimised. Applicants will know the consequences if they do not comply with the requirements. Any reward or punishment meted out to an employee because he is not in line with the job requirements will not be perceived as a favour or injustice. 3. Job descriptions serve as an important basis for wage and salary administration. What the salary structure of two adjacent positions in an organization should be, what the differential should be and so on, are determined, as also the skills required to perform the job successfully. 4. It is easy to identify the training needs of the employee. Once it is clear what is required to perform the job, training content can be identified and suitable training can be given to those who do not perform successfully".

HR Planning, Recruitment, Selection, Placement and Induction NOTES Self-Instructional Material 37 Limitations of Job Description: (i) Job tends

to be dynamic, not static and a job description can quickly go out of date. (

ii) The supervisors and subordinates should agree that a job description fairly reflect the job, otherwise job evaluation would seem to be unfair. (iii) Job description must be as accurate as possible but this is a very difficult job. 2.3.3

Job Specification

Job specification is a statement of the minimum acceptable human qualities necessary to perform a job

satisfactorily. Making job description as its base, it lays down the abilities and qualities that a worker should possess in order to hold the job in question.

Job specifications translate the job description into terms of the human qualifications which are required for a successful performance of a job.

A

job specification or man specification

is a statement of the minimum acceptable human qualities necessary to perform a

job

satisfactorily. It

tells what kind of person to recruit and for what qualities that person should be tested.

These specifications relate to: (i) Physical Characteristics: height, weight, vision, voice etc. (ii) Personal characteristics: emotional stability, good and pleasing manners, skill in dealing with others etc. (iii) Psychological characteristics: analytical ability, mental concentration and alertness, mechanical aptitude etc. (iv) Responsibilities:

responsibility for the safety of others responsibility for generating confidence and trust,

etc. (v) Demographic Characteristics: age, sex, education, experience etc. Job specifications are based on the opinion of supervisors and personnel managers. It should be remembered that preparing a complete and correct job specifications is relatively difficult as compared with preparing a correct job description. There is always considerable disagreement concerning the human requirement for work. Further, there is also a difference of opinion on whether a requirement should be "mandatory" or "desirable".

2.4 RECRUITMENT

If the HR department fails to indentify the quality and the number of persons to be recruited and also fails to procure the services of persons with required qualifications, skill and calibre continuously, a time may come ultimately when all the qualified persons have retired and no qualified person remains in the organization. Therefore, the importance of recruitment and selection of the right type of persons at the right time is indispensable to the organization.

According to

Flippo,

recruitment “

is a process of searching for prospective employees and stimulating

and encouraging them to apply for jobs

in

an

organization”.

In the words of

Mamoria, “

recruiting

is the

discovering of potential applicants for actual or anticipated organizational vacancies”. 2.4.1

Sources of Recruitment Basically, the sources of recruitment are of two types: (a) Internal; and (b) External. (a) Internal

Sources Internal sources include personnel already on the pay roll of an organization. Filling a vacancy from internal sources by promoting people has the advantages of increasing the general level of morale of existing employees and of providing to the company more reliable

Human Resource Management NOTES 38 Self-Instructional Material information about the candidate. Among the internal sources, may be included promotions transfers, and response of employees to notified vacancy. Merits of Internal Sources of Recruitment: ? Absorbing people already acquainted with the company culture. ? Having tried and tested people on whom the company can depend. ? It is a useful signal to employees that assures them that their services are recognized; this helps in maintaining their motivation and morale. ? It reduces labour turnover as it gives employees a sense of job security and opportunity for advancement. ? Fully acquainted employees minimizes job training. ? Internal sources of recruitment are less costly than the other

sources of recruitment. Demerits of Internal Sources of Recruitment: Internal sources of recruitment suffer from certain demerits which are: ? It limits the choice to a few employees only. ?

The likes and dislikes of the superiors play an important role in the selection of

an employee. ? It creates frustration among the unselected employees. (b) External Sources These sources lie outside the organization. They may include: (i) Advertisements: Advertising in newspapers, trade journals and magazines is the most frequently used method. In order to be successful, an advertisement should be carefully written. If it is not properly written, it may not draw the right type of applicants or it may attract too many applicants who are not qualified for the job. (ii) Employment Exchanges: An employment exchange is an office set up for bringing together as quickly as possible

candidates searching for employment and employees looking for prospective employees. The main functions of employment exchanges are registration of job seekers and their placement in notified vacancies. (iii) Campus Recruitment: Sometimes, recruiters are sent to educational institutions where they meet the placement officer or the faculty members who recommend suitable candidates. This system is prevalent in USA where campus recruitment is a major source. However, today the idea of campus recruitment has slowly caught up the fancy of Indian employers too.

(iv) Unsolicited Applicants: Unsolicited applicants are another source. Some candidates send in their applications without any invitation from the organization. (v) Labour Contractors: Many organizations employ labour contractors to hire workers. This method is usually resorted to when the work is of a temporary nature. (vi) Employee Referrals: Friends and relatives of

present employees are also a good source from which employees may be drawn. (

vii) Field Trips: An interviewing team makes trips to towns and cities, which are known to contain the kinds of employees required. In this method of recruitment,

carefully prepared brochures describing the organization and the job it offers are distributed

to the candidates before the interviewer arrives. The arrival dates and the time and venue of interview are given to the candidates in advance. Merits of External Sources of Recruitment: ? Fresh talent and skill come into the organization. ?

New employees may try to change old habits.

HR Planning, Recruitment, Selection, Placement and Induction NOTES Self-Instructional Material 39 ? New employees may be selected at the latest terms and conditions of the organization. ? Highly qualified and experienced employees may help the organization to boost performance. ? Since persons are recruited from a large market, the best selection can be made. In other words, the recruiter has a wide range of candidates to choose from. ? External sources provide the requisite type of personnel having the required skill and standard. Demerits of External Sources of Recruitment: ? They reduce the morale of existing employees because outsiders are preferred to fill up superior vacancies. ? They deny career advancement for existing employees. ? Proper evaluation may not be possible due to the time constraint resulting in faulty selection. ? Outsiders not being acquainted with the policies and procedures of the organization need training, before they can deliver. From all this we can conclude that there is no hard and fast rule whether the recruitment must be internally or externally or exclusive to each other. The best management policy regarding recruitment must be to first look within the organization and if no able talent is available, external sources may be looked at. To use the words of Koontz and O'Donnell "the (recruitment) policy should be to 'raise' talent rather than 'raid' for it". 2.4.2 Recruitment Policy A policy is

standing plan policies are directives providing continuous framework for executive actions on recurrent managerial problems. A policy assists decision-making but deviations may be needed, as exceptions and under some extraordinary circumstances. Such a policy asserts

the objectives of the recruitment and provides a framework of implementation of the recruitment programme in the form of procedures.

The

essentials of policy formation may be listed as follows: 1. It should be definite, positive and clear. Everyone in the organization should understand it. 2. It should be translatable into practice. 3. It should be flexible and at the same time have a high degree of permanency. 4. It should be formulated to care all reasonable anticipated conditions. 5. It should be founded upon facts and sound judgment. 6. It should conform to economic principles, statutes and regulations. 7.

It should be a general statement of the established rules. Therefore, a well-considered and pre-planned recruitment policy, based on corporate goals and needs may avoid hasty decisions and help the organization to appoint the right type of personnel. According to Yoder, 'a recruitment policy may involve a commitment to broad principles such as filling vacancies with the best-qualified individuals...

It may also involve the organization system to the developed for implementing recruitment programme and procedures to the employed'. Therefore, recruitment policy involves a commitment by the organization

to principles such as: (i) To find and employ the best qualified persons for each job. (ii) To retain the best talent by offering life-time carriers, and (iii) To facilitate personal growth on the job. Conditions Necessary for a Good Recruitment Policy: A good recruitment policy must satisfy the following conditions:

Human Resource Management NOTES 40 Self-Instructional Material (a) Organization's Objectives A good recruitment policy should be in conformity with the organization's objectives. It must take into consideration the basic parameters for recruitment decisions. (b) Identification of Recruitment Needs A good recruitment policy should be flexible enough to meet the changing needs of an organization.

The recruiters should prepare profiles for each category of workers and accordingly work out the employees' specifications. (c) Ensure Long Term Employment Opportunities for Its Employees A good recruitment policy should be so designed as to ensure career growth for its employees on a long-term basis.

It should help in developing the potentialities of employees. (d) Preferred Sources of Recruitment A good recruitment policy

should match the qualities of employees with the requirements of the work for which they are employed.

The preferred sources of recruitment, which would be tapped by the organization for, such staff as skilled or semi-skilled workers could be internal sources or employment exchanges whereas for highly specialized managerial personnel, external sources could be preferred. 2.5

SELECTION Selection, either internal or external, is a deliberate effort of organizations to select a fixed number of personnel from a large number of applicants. The primary aim of employee selection is to choose those persons who are most likely to perform their jobs with maximum effectiveness and to remain with the company. Thus, an attempt is made to find a suitable candidate for the job. In doing so naturally many applicants

are rejected. This makes selection a negative function. 2.5.1

Definition of Selection

Having identified the potential applicants, the next steps are to evaluate their experience and qualifications and make a selection.

According to Yoder, "the hiring process is of one or many 'go-no-go' gauges. Candidates are screened by the employer and the short-listed applicants go on to the next hurdle, while the unqualified once are eliminated". 2.5.2

Steps in Selection Procedure There is no shortcut to an accurate evaluation of a candidate. A variety of methods is used to select personnel. The selection pattern, however, is not common for all organizations. It varies from one to another, depending on the situation and needs of the organization. Therefore, there is no standard selection procedure followed by all. However, the steps commonly followed are as under: (a) Application Blank In a sense the application blank is a highly structured interview in which the questions are standardized and determined in advance.

An application blank, is a traditional, widely accepted device for getting information from a prospective applicant. The application blank provides preliminary information as well as aid in the interview by indicating areas of interest and discussion. (

b) Initial Interview of the Candidate Those who are selected for interviews on the basis of particulars furnished in the application blank are called for initial interview by the organizations. This is meant to evaluate the appearance of the candidate and to establish a friendly relationship between the candidate and the company and for obtaining additional information or clarification on the information already on the application bank. Preliminary interview becomes a necessity, when a large number of candidates apply for a job. Check Your Progress 4.

Define recruitment. 5. Name the sources of recruitment. 6. What are the types of internal sources of recruitment? 7.

What are the chief merits of internal sources of recruitment? 8.

What are the disadvantages of internal sources of recruitment? 9. What are

external sources of recruitment? Name them. 10. What are the merits of external sources of recruitment? 11. What are the demerits of external sources of recruitment?

HR Planning, Recruitment, Selection, Placement and Induction NOTES Self-Instructional Material 41 (c) Employment Tests For further assessment of a candidate's nature and abilities, some tests are used in the selection procedure. If tests are properly conducted, they can reduce the selection cost by reducing the large number of applicants to manageable levels. The different types of tests are: (i) Aptitude Test: Aptitude or potential ability tests are widely used to measure the talent and ability of a candidate to learn new job or skill. Aptitude tests measure ability and skills. They enable us to find out whether a candidate would be suitable for the job. (ii) Interest Test: Interest test is finds out the type of work in which the candidate has an interest. An interest test only indicates the interest of a candidate for a particular job. It does not reveal his ability to do it. (iii) Intelligence Test: This test is used to find out the candidate's intelligence. It reveals, the candidate's mental alertness, reasoning ability, power of understanding etc. The scores on intelligence tests are usually expressed as Intelligence Quotient (IQ), which are calculated as follows: $\text{Mental Age IQ} = \frac{\text{Mental Age}}{\text{Actual Age}} \times 100$ (iv) Performance or Achievement Test: This test is used to measure the candidate's level of knowledge and skill in a particular trade or occupation. Achievement test measures the skill of knowledge which is acquired as a result of previous experience or training obtained by a candidate. (v) Personality Test: Personality test is used to measure the characteristics that constitute personality. (d) Interviews After putting the candidates to various types of tests, all those passing out are finally the called for interview. The interview consists of interaction between the interviewer and the applicant. If handled properly, it can be a powerful technique in achieving accurate information and getting access to material otherwise unavailable. If the interview is not handled carefully, it can be a source of bias, restricting or distorting the flow of communication. An interview is thus an attempt to secure maximum amount of information from the candidate concerning his suitability for the job under consideration. (

e) Checking References The reference provided by the applicant has to be checked. This is to find out from the past records of the candidate. Reference checking requires the same use of skills as required by the interviewer and some amount of diplomacy. The main difficulty is ascertaining the accuracy of information given. Besides inaccurate facts, the referees' inability to assess and describe the applicant and his limited knowledge about the candidate also pose problem. In spite of its difficulties, it is necessary to verify the information. In many organizations, reference checking is

f) Physical or Medical Examination The next step is getting the candidates medically examined if there is a need. Quite often the candidates are told to get medically examined before reporting for duty. In Government and other quasi government organizations getting medically examined is a must before reporting for duty or at the time of reporting for duty. Medical examination is a part of the selection process for all suitable candidates in many organizations. (g) Final Interview and Induction After the candidate is finally selected the management will have to explain the job to him. He should be told as to what are his duties, what is required of him and what are his future prospects in the organization. Normally this information is given to the candidate at the time Human Resource Management NOTES 42 Self-Instructional Material of final selection interview. This is the way how the candidate is inducted into the job. He is formally appointed by issuing him an appointment letter or by concluding with him a service agreement. The appointment letter contains the terms and conditions of the employment, pay scale and other benefits associated with the job. The interviewer can describe the company and its policies, the duties and responsibilities of the applicant as well as the opportunities available to him for future promotion. The interviewer should, in fact highlight the favourable aspects of the job. 2.6 PLACEMENT After selecting a candidate, he should be placed on

88%

MATCHING BLOCK 40/188

SA

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a suitable Job. It involves assigning a specific rank and responsibility to an

employment.

100%

MATCHING BLOCK 41/188

SA

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Most organisations put new recruits on probation for a given period of time (

say 6 months or 1 year) after which their services are confirmed after successful completion of the probationary period.

If the performance is not satisfactory, the organisation may extend the probation or ask the candidate to quit the job. However if the employee's performance during the probation period is satisfactory, his services will be regularised and he will be placed permanently on

the job. The employee placement process is shown in the figure shown below: Collect Details About The Employee Construct The Employee's Profile Match Between Sub-group Profile and Individual's Profile Compare Sub-group Profile To Job Family Profile Assign The Individuals To Job Family Assign The Individual To Specific Job and Further Counseling and Assessment Figure 2.1 Employee Placement Process

90%

MATCHING BLOCK 42/188

SA

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Placement is an important HR activity. If neglected, it may create employee adjustment problems leading to absenteeism, turnover, accidents, poor performance etc.

Proper placement is important to both employee and the organisation.

Pigors and Myers have defined placement as "

the determination of the job to which an accepted candidate is to be assigned and his assignment to that job.

It is a matching

of

what the supervisor has reason to think he can do with the job demands;

it is a matching of what he imposes in

terms of

strain, working conditions, etc.,

and what he offers in the form of

pay roll, companionship with others, promotional possibilities etc".

Proper placement helps to improve employee morale. If a candidate adjusts himself to the job and continues to perform as per expectations, it might mean that the candidate is properly placed. However if the new employee has problems in adjusting himself to the job and he continues to perform below Check Your Progress 12. How does Yoder define selection? 13. Explain the main steps in the selection process. 14. Name the different types of induction programmes.

HR Planning, Recruitment, Selection, Placement and Induction NOTES Self-Instructional Material 43 expectations, he might be misplaced. Such new recruits should be assigned some other more suitable jobs or they must be given further training to make them fit for the job. 2.6.1 Problems of Placement Some problems might crop up while placing an employee on a job. These problems could include: ? Employee expectations form the job. ? Expectation form the employers are more than the employee's ability or skills. ? Technological changes might result in mismatch between the job and the employee. ? Change in the organisational structure may result in changes in the job. These changes result in a misfit between the employee and the job. 2.7 INDUCTION PROGRAMME According to R.P Billimoria, induction or orientation

is "a technique

by which a new employee is rehabilitated into the changed surroundings and introduced to the practices, policies and purposes of the organization".

A formal orientation tries to bridge the information gap of the new employee. When a person joins an organization he is a stranger to it. . He may experience a lot of difficulties which could lead to tension and stress in him. This in turn can reduce his effectiveness. Need for Orientation: In an organization, orientation is required for overcoming employee anxiety, reality shocks and for accommodating employees. ? New employees experience a lot of anxiety in an organization. This is a natural phenomenon which can be overcome through orientation. ? An employee joins an organization with certain assumptions and expectations. When these expectations do not match with reality, the new employee experiences a reality shock. Effective orientation programmes help to reduce this reality shock by providing a more realistic expectation on the part of the new employee. ? Proper employee orientation helps to accommodate the new employee with existing employees by developing new acquaintances and understanding of the various aspects of the job.

Steps in the

96%

MATCHING BLOCK 43/188

SA

UBS - HRM V2 in H.pdf (D143422642)

Induction Programme: The HR department may initiate the following steps while organising the induction programme:
1.

Welcoming the new recruit to the organization. 2. Providing knowledge about the company: what it is, what it does, how it functions, the importance of its products; knowledge of conditions of employment, and company's welfare services. 3. Giving the company's manual to the new recruit. 4. Showing the location/ department where the new recruit will work. This step should include specific job location and duties. 5. Providing

95%

MATCHING BLOCK 44/188

SA

UBS - HRM V2 in H.pdf (D143422642)

details about various groups and the extent of unionism within the company.

In this step the new employee is given a brief idea about the set up of the department, production processes, different categories of employees, work rules, safety precautions and rules. 6. Giving details about about pay, benefits, holidays, leave etc. 7. Defining the employee's career prospects with reference to the training and development activities that the company organises with special reference to the new recruits' position.

Human Resource Management NOTES 44 Self-Instructional Material

Content of the Induction Programme: Keith Davis has listed the following topics covered in an employees induction programme: Table 2.3 Topics of an Induction Programme 1. Organisational Issues ? History of the company ?

52%

MATCHING BLOCK 45/188

SA

UBS - HRM V2 in H.pdf (D143422642)

Names and titles of key executives ? Employees' title and department ? Layout of physical facilities ? Probationary period ? Products/ Services offered ?

Overview of production processes ? Company policies and rules ? Disciplinary procedures ? Employees' handbook ? Safety steps 2.

40%

MATCHING BLOCK 46/188

SA

UBS - HRM V2 in H.pdf (D143422642)

Employee Benefits ? Pay scales, pay days ? Vacations, holidays ? Rest pauses ? Training avenues ? Counseling ? Insurance, medical, recreation, retirement benefits 3. Introductions ? To supervisors ? To co-workers ? To trainers ? To employee counselors 4. Job Duties ? Job location ? Job tasks ? Job safety needs ? Overview of jobs ? Job objectives ? Relationship with other jobs

Induction Training in some Leading Organizations Induction Training in Some Leading Organizations Aptech: The company takes its new entrants through a structured induction training programme. The one-day programme includes a briefing on the company's market position, the business it is in, its functioning style, its organisational structure and its HR policies. The entrants are also familiarised with what others do before being deputed to their own departments. A six-month behavioural training is also offered in team building, self-development, customer-sensitivity etc. Finally, the recruits are put through an appraisal process to gauge fitment and progress. Maruti Udyog: The company customizes its initiation programmes to suit the profile of the new recruit. For engineers, the programme is offered in four parts: 1. Familiarize with various functions and meet division heads 2. Work on shop floor 3. Work at various other departments 4. Work in the department for about 2 months, where they will eventually work. Standard Chartered Bank: The management trainees are picked up from premium B-schools and undergo induction training for about 6 months. During this period, the trainees spend time in the various divisions of the bank to get a holistic view of the bank's operations, and get a chance to meet each of the bank's business heads. A two-day session dedicated to team-building is also conducted thereafter. After taking charge of the job, the new recruits have to attend a review session about the job itself. Source: Business Today, May 7-21, 2000 Page 125

HR Planning, Recruitment, Selection, Placement and Induction NOTES Self-Instructional Material 45 2.7.1 Types of Induction Programme (a) General Induction Programme Once an offer of employment has been extended and accepted, the final stage in procurement function is concluded. The individual has then to be oriented towards the job and the organization. This is formally done through a process known as induction or orientation. Induction is a welcoming process—the idea is to welcome the candidate, make him feel at home in the changed surroundings and to introduce him to the practices, policies and purposes of the organization. The necessity of an induction programme is that when a person joins an organization, he may feel strange, shy, insecure and/or nervous. Induction leads to reduction of such anxieties. (b) Specific Orientation Programme Specific orientation is conducted by the foreman. Induction is specific and requires skill on the part of the foreman. A new employee must be provided operational knowledge that is specific to the position and location. The immediate boss (foreman) is responsible for such induction and training. Every new employee should know (i) the people he/she works with. (ii) the work he is responsible for. (iii) the result to be accomplished. (iv) the current status of the work. (v) his relationships in the organization. (vi) reports and records he must understand and maintain. (vii) operating policies, procedures and rules (viii) service group available to help him.

The purpose of specific induction is to enable an employee to adjust himself to his work environment. (c) Follow-up Induction

Programme The purpose of the follow-up induction programme is to find out whether the employee is reasonably satisfied with the job. It is usually conducted by the foreman or by a specialist from the personnel department. Through guidance and counselling, efforts are made to remove the difficulties experienced by the

new comer. Usually, follow up induction takes place after about one or two months from the time of appointment. 2.8 CASE STUDY: INFOTECH LTD. InfoTech Ltd. is a Mangalore based company having a countrywide network. It is considered as a leading software company having a turnover of 7500 crore rupees. The company is growing rapidly and during the last year, the number of employees increased from 50 to 125. Most of the employees are graduate engineers having BE degrees in Computers, Information Systems and Electronics and Communications. The employees in the sales field are MBAs with basic degrees in science or engineering. The work is highly pressured and result-focussed, in return for which large reward packages are available. The sales force in particular needs strong presentation and negotiation skills since the market is very competitive. Recently, however, the company has had great difficulty in selecting the staff of right calibre for sales position (MBA degreeholders) though they are able to attract candidates in sufficient numbers. The HR manager analysed the selection procedure to provide a more successful model for the selection of the sales force. The model allowed the selection process to : ? identify differences between recruits that were important to the role ? carry out the identification of differences in a reliable and consistent manner. ? make valid predictions about the future performance of recruits with confidence.

Human Resource Management NOTES 46 Self-Instructional Material The findings revealed some interesting features relating to the basic skills and attitudes needed for such a role. These were: 1. What is seen as "professionalism" suggested as "an ability to deal sensitively with prospective customers, being "human" rather than "clinical". 2. Style of behaviour which was "non-threatening" and "non-arrogant" but also "challenging" when required. 3. Skills like tolerance for ambiguity and a capacity to empathise with prospective customers. 4. Show "pride" in working with InfoTech and their product. Using the above information, you are required to investigate an appropriate selection strategy which should include: 1. which selection techniques could measure the attributes identified? 2. how the HR manager would operate for the selection of sales force. Justify your answers. 2.9 SUMMARY Human resource planning determines a conscious choice of patterns of the humanisation of work environment in an organization. In order to achieve the objectives of the organization, the HR planner should be concerned with the timing and scheduling of planning of human resources.

Manpower planning can also be used as an important aid in framing the training and development programmes for the employees because it takes into account the anticipated changes in the HR requirements of organizations. With the expansion of business adoption of complex technology and professional management techniques, the process of human resource planning has assumed great significance.

Recruitment

is a process of searching for prospective employees and stimulating and encouraging them to apply for jobs in an organization.

Basically, the sources of recruitment are of two types: 1. Internal sources 2. External sources

Having identified the potential applicants, the next step is to evaluate their experience and qualifications and make a selection.

There is no shortcut to an accurate evaluation of a candidate. A variety of methods is used to select personnel. 2.10

ANSWERS TO 'CHECK YOUR PROGRESS' 1. HR

planning is the process – including forecasting, developing and controlling – by which a firm ensures that it has

the right number of people

and

the

right kind of people at the right places at the right time

doing

work for which they are economically most

useful 2.

The

general characteristics

of human resources planning are (i) Human resources plan must incorporate the human resources needs in the light of organizational goals. (ii)

Human resource plan must be directed towards well-defined objectives. (iii) Human resource plan

must ensure

that it has the

right number of people

and the

right kind of people at the right time doing work for which they are economically most

useful. (

iv)

Human resource

planning should

pave the way for an effective motivational process.

HR Planning, Recruitment, Selection, Placement and Induction NOTES Self-Instructional Material 47 (v) A

human resource plan

should take into account the principle of periodical reconsideration of new developments and extending the plan to cover the changes during the given long period. (vi)

Adequate flexibility must be maintained in human resources planning to suit the changing needs of the organization. 3.

HRP

consists of the following stages. ? Analysing organizational plans and deciding objectives ? Analysing factors for manpower requirements which include Demand Forecasting Supply Forecasting ? Developing Employment Plans - After determining the number of personnel for each job in the organization, the human resource department has to determine the nature of job regarding job description and job specification. ? Developing Human Resource Plans 4.

Recruitment

is a process of searching for prospective employees and

stimulating and encouraging them to apply for jobs

in

an

organization. 5.

Basically, the sources of

recruitment are of two types: (a) Internal sources (b) External sources 6. Among the internal sources, the following may

be included: (a) Promotions (b) Transfers and (c) Response of employees to notified vacancy. 7.

The following are the chief merits

of internal sources of recruitment (i) Internal sources of recruitment

have the advantage of

absorbing people already acquainted with the company culture. (ii) Our employees are tried and tested people and we can depend on them. (iii) It is a useful signal to employees and assures them that their services are recognized and this helps in maintaining their motivation and morale. (iv) It reduces labour turnover as it gives employees a sense of job security and opportunity for advancement. (v) Our employees are fully acquainted with the organization hence, job training can be reduced. (vi) Internal sources of recruitment are less costly than the other sources of recruitment. 8. The

disadvantages of internal sources of recruitment Internal sources of recruitment

suffer from certain demerits they are: (a) It limits the choice to a few employees only. (b)

The likes and dislikes of the superiors play an important role in the selection of

an employee. (c) It creates frustration among those employees who are not selected 9. External sources of recruitment

are sources lie outside the organization. They may come through the following sources: ? Advertising in newspapers, trade journals and magazines ? Employment Exchanges ? Campus recruitment ? Unsolicited applicants ? Labour

contractors ? Employee referrals

Human Resource Management NOTES 48 Self-Instructional Material 10. The merits of external sources of Recruitment (i)

Fresh talent and skill comes into the organization. (ii) New employees may try to change old habits. (iii) New employees may be selected at the terms and conditions of the organization. (iv) Highly qualified and experienced employees may help the organization to come up with better performance. (v) Since persons are recruited from a large market, the best selection can be made. In other words, the recruiter has a wide range of candidates to choose from. (vi) External sources provide the requisite type of personnel for an organization, having the required skill and standard (vi) External sources of

recruitment are economical because potential employees do not need extra training for their skills. 11. The demerits of external sources of Recruitment (i) External sources of recruitment reduce the morale of employees because outsiders

are preferred to fill up superior vacancies. (ii) External sources of recruitment deny carrier advancement for employees. (

iii) The recruiter may not be in a position to properly evaluate outside candidates because the time available at his disposal is very less. This may result in faulty selection of employees. (iv) Outsiders are not fully acquainted with the policies and procedures of the organization. Therefore, they should be given training, which is quite expensive. 12.

According to Yoder, "the hiring process is of one or many 'go-no-go' gauges. Candidates are screened by the applicants go on to the next hurdle, while unqualified are eliminated". 13.

The steps commonly followed are as under: ? Application blank ? Initial interview of the candidate ? Employment tests – Which include aptitude test, interest test, intelligence test, performance or achievement test and

personality test ? Interviews. ? Checking references ? Physical or medical examination 14. The different types of induction programmes are: ? General Induction programme ? Specific orientation programme ? Follow-up Induction programme 2.11

QUESTIONS AND EXERCISES Short-Answer Questions 1. List the general characteristics of human resource planning. 2. What are the benefits of HR planning? 3. Which are the nine strategic points suggested by Stainer? 4. Define job specification. What do job specifications relate to? 5. How would you list the essentials of policy formation. 6. What problems can one encounter while placing an employee on a job?

HR Planning, Recruitment, Selection, Placement and Induction NOTES Self-Instructional Material 49 Long-Answer Questions 1. Explain the process of HR planning. 2. Discuss the main hurdles in the process of HR planning. 3. Describe the uses of job analysis. 4. Name and explain the two types of sources of recruitment. 5. Describe the steps in the selection procedure while selecting a personnel. 6. Explain induction programmes. 2.12 FURTHER READING 1.

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Personnel Development Programme NOTES Self-Instructional Material 51 UNIT 3 PERSONNEL DEVELOPMENT

PROGRAMME Structure 3.0 Introduction 3.1

Unit Objectives 3.2 Training 3.2.1 Meaning and Purpose of Training; 3.2.2 Importance of Training; 3.2.3 Benefits of Training; 3.2.4 Types of Training Programmes; 3.2.5 Steps in the Training Programme; 3.2.6 Selection of a Training Method 3.3 Executive or Management Development 3.3.1 Need

and Importance of

Executive Development; 3.3.2 Objectives of Executive Development; 3.3.3 Methods of Executive Development 3.4

Career Planning 3.4.1 Aims and Objectives of Career Planning; 3.4.2 Needs for Career Planning; 3.4.3 Benefits of Career Planning; 3.4.4 Process of Career Planning; 3.5

Performance Appraisal 3.5.1 Objectives of Performance Appraisal; 3.5.2 Uses of Performance Appraisal; 3.5.3 Purpose of Performance Appraisal; 3.5.4 Process of Performance Appraisal; 3.5.5

Essentials of

a Good Appraisal System; 3.5.6

Methods

or Techniques of Performance Appraisal; 3.5.7

Post-appraisal Analysis; 3.5.8 Ways for Improving Performance Appraisals 3.6 Case Studies 3.6.1 Hotel Mangalore Private Ltd.; 3.6.2 I G Ferns and Advertisers; 3.6.3 S K Pharma 3.7 Summary 3.8 Answers to 'Check Your Progress' 3.9 Questions

and Exercises 3.10 Further Reading 3.0

INTRODUCTION

For any organization to perpetuate itself, through growth, there is a basic need for developing its manpower resources. It is one thing to possess knowledge but another to put it to effective use. It is essential to help develop skills and also update knowledge. Especially, in a rapidly changing society, employee training and development is not only an activity that is desirable but also one that an organization must commit its resources to, if it is to maintain a viable and knowledgeable workforce. 3.1

UNIT

OBJECTIVES

After going through this unit you will be able to: ? Understand the

Meaning and Purpose of

Training ? Know Importance of Training ? Describe the

Different Types of Training Programmes ? Understand the Steps in a Training Programme ? Know How to Select a Training Method ? Understand the Need and Importance of Executive or Management Development ? Know the Methods of Executive Development ? Understand the needs and Benefits of Career Planning ? Understand the Process of Career Planning ? Understand the Objectives and Procedure of Performance Appraisal

Human Resource Management NOTES 52 Self-Instructional Material ? Know the Essentials of a Good Appraisal System ? Know the Methods or Techniques of Performance Appraisal ? Learn the ways of Improving Performance Appraisals 3.2 TRAINING 3.2.1 Meaning and Purpose of Training

Training

is a process of learning a sequence of programmed behaviour. It is application of knowledge.

It

gives people an awareness of the rules and procedures to guide their behaviour. It attempts to improve their performance on the current job or prepare them for an intended job. "According to Edwin D Flippo," The purpose of training

is to achieve a change in the behaviour of those trained and to enable them to

perform better. In order to achieve this objective, any training programme should try to bring positive changes in:

Knowledge: It helps a trainee to know facts, policies, procedures and rules pertaining to his job. Skills: It helps him to

increase his technical and manual efficiency necessary to do the job. Attitude: It moulds his behaviour towards his co-

workers and supervisors and creates a sense of responsibility in the trainee. 3.2.2 Importance of Training (a) It equips the management to face the pressure of changing environment (b) It usually results in the increase of quantity and quality of

output. (c) It leads to job satisfaction and higher morale of the employees. (d) Trained workers need lesser supervision. (e)

Trained workers enable the enterprise to face competition from rival organizations. (f) It enables employees to develop

and rise within the organization and increase their earning capacity. (g) It moulds the employees' attitudes and helps

them to achieve better co-operation with the organization. (h) Trained employees make better economic use of

materials and equipment resulting in reduction of wastage and spoilage. (i) Training instructs the workers toward better

job adjustment, and reduces the rate of labour turnover and absenteeism. 3.2.3 Benefits of Training (a) Benefits to

Organizations A programme of training becomes essential for the purpose of meeting specific problems of a particular organization arising out of the introduction of new lines of production, changes in design, demands of competition etc.

The major benefits of training to an organization are: (i) Higher Productivity: Training can help employees to increase their level of performance on their present assignment. It enhances skills.

Increased performance and productivity are most evident on the part of new employees who are not yet fully aware of the most efficient and effective ways of performing their jobs.

Enhanced skill usually helps to increase both quantity and quality of output. (ii) Better Organizational

Climate: An endless chain of positive reactions results from a well planned training programme.

Increased morale, less supervisory pressures, improved product quality, increased financial incentives, internal promotions etc., result in better organizational climate.

Personnel Development Programme NOTES Self-Instructional Material 53 (iii) Less

Supervision: Training does not eliminate the need for supervision; it reduces the need for constant supervision. (

iv) Prevents Manpower Obsolescence: Manpower obsolescence is prevented by training as it fosters the initiative and creativity of employees. An employee is able to adapt himself to technological changes. (v) Economical Operations:

Trained personnel will make economical use of materials and equipment. This reduces wastage in materials and damage to machinery and equipment. (vi) Prevents Industrial Accidents: Proper training can help to prevent industrial accidents.

(vii) Improves Quality: Trained employees are less likely to make operational mistakes thereby increasing the quality of the company's products. (viii) Greater Loyalty: A common objective of training programme will mould employees' attitudes

to achieve support for organizational activities and to obtain better co- operation and greater loyalty. Thus, training helps in building an efficient and loyal workforce. (ix) To Fulfil Organization's Future

Personnel Needs: When the need arises, organizational vacancies can be staffed from internal sources, if

an organization initiates and maintains an adequate training programme. (x) Standardization of Procedures: Trained employees will

work intelligently and make fewer mistakes when they possess the

required know-how and

understand their jobs. (b) Benefits to Employees (i)

Personal Growth: Employees on a personal basis gain individually from

training. They secure wider awareness, enlarged skill and enhanced personal growth. (ii) Development of New Skills: Training improves the performance of the employees and makes them more useful and productive. The skill developed through training serves as a valuable personal asset to the employee. It remains permanently with the employee. (iii) Higher Earning Capacity: By imparting skills, training facilitates higher remuneration and other monetary benefits to the employee. Thus, training helps each employee to utilize and develop his full potential. (iv) Helps Adjust with Changing Technology: Old employees

need refresher

training to enable them to keep abreast of the changing methods, techniques and use of sophisticated tools and equipment. (

v) Increased Safety: Proper training can help prevent industrial accidents. Trained workers handle the machines safely. Thus, they are less prone to industrial accidents. A safe work environment also leads to a more stable mental attitude on the part of the employees. (vi)

Confidence: Training creates a feeling of confidence in the minds of employees. It gives safety and security to them in the

organization. 3.2.4 Types of Training Programmes (a) Induction or Orientation Training It is the method of introducing a new employee into the organization with a view to gaining his confidence and developing a sense of co-operation in him. It is a training programme used to induct

a new employee into the new social setting of his work.

The new employee is introduced to his job situation and to his co-employees. He is also informed about the rules, working conditions, privileges and activities of the company. The induction training

Human Resource Management NOTES 54 Self-Instructional Material not only helps personal adjustment of the new employee to his job and work group but also promotes good morale in the organization. An induction programme should aim at achieving

the following objectives: (i) To build up the new employee's confidence in the organization so that he may become an efficient employee. (ii) To

ensure that the new employee may not form false impressions regarding their place of work. (iii) To promote a feeling of belonging and loyalty. (iv) To give information to the new employee about canteen, leave rules and other facilities etc. In short, planned induction welcomes a new employee, creates a good attitude, reduces labour turnover and makes the employee feel at home right from the beginning. (b) Job Training The object of job training is to increase the knowledge of workers about the job with which they are concerned, so that their efficiency and performance are improved. In job training, workers are enabled to learn correct methods of handling machines and equipment avoiding accidents, minimizing wastes etc. Under this technique, an employee is placed in a new job and is told how it may be performed. It is primarily concerned with developing in an employee the skills and habits consistent with the existing practices of an organization and with orienting him to his immediate problems. The employees learn the job by personal observation and practice as well as occasionally handling it. It is learning by doing, and it is most useful for jobs that are either difficult to stimulate or can be learned quickly by watching and doing. The actual training follows a four-step process: (i)

Preparation of the trainee for instruction. (ii) Presentation of the instructions in a clear manner. (

iii) Having the trainee try out the job

to show that he has understood the instructions. (iv) Encouraging the question and allowing the trainee to work along and the trainer follow up regularly. (c) Promotional Training Many concerns follow a policy of filling some of the vacancies at higher levels by promoting existing employees. This policy increases the morale of workers. When the existing employees are promoted to superior positions in the organization, they are required to shoulder new responsibilities. For this, training has to be given. (d) Refresher Training With the passage of time, employees may forget some of the methods, which were taught to them, or they may have become outdated because of technological development and improved techniques of management and production. Hence, refresher training is arranged for existing employees in order to provide them an opportunity to revive and also improve their knowledge. According to Dale Yoder "Retraining (refresher training) programmes are designed to avoid personnel obsolescence".

Thus, refresher training is essential because (i) Employees require training to bring them up-to-date with the knowledge and skills and to relearn what they have forgotten. (ii) Rapid technological changes make even the most qualified workers obsolete in course of time. (iii) Refresher training becomes necessary because many new jobs are created and are to be manned by the existing employees.

Personnel Development Programme NOTES Self-Instructional Material 55 (e) Apprenticeship Training Apprenticeship training system is widely in vogue today in many industries. It is a good source of providing the required personnel for the industry. Under

this method, both knowledge and skills in doing a job or a series of related jobs are involved.

Personnel Development Programme NOTES Self-Instructional Material 55 (e) Apprenticeship Training Apprenticeship training system is widely in vogue today in many industries. It is a good source of providing the required personnel for the industry. Under

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The

apprenticeship programmes combine on-the-job training and experience with classroom instructions in particular subjects.

Apprenticeship training is desirable in industries, which require a constant flow of new employees expected to become all-round craftsmen. (

f) Internship Training

Internship training is usually meant for such vocations where advance theoretical knowledge is

to be backed up by practical experience on the job.

Under this method, the professional institutes enter into arrangement with a big business enterprise for providing practical knowledge to its students.

For example, Engineering students are sent to industrial enterprise and Medical students are sent to hospitals for practical knowledge. (

g)

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Vestibule Training: In this method, actual work conditions are simulated in a class room. Material, files and equipment that are used in

the actual job are used in the training programme too. In vestibule training, theory can be related to practice.

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This type of training is commonly used for training employees for electrical and semi-skilled jobs.

Vestibule training consists of two parts: ? the lecture method, which focuses on theoretical framework and the principles involved in the job performance and ? the practical exercises based on the theoretical aspects in a workshop which is similar to the shop floor in the production department. The vestibule training is more suitable for those employees who are required to possess certain specific technical skills before they are employed in actual operations. 3.2.5 Steps in Training Programme Training programme is a costly and time-consuming process.

The training procedure discussed below is essentially an adoption of the job instruction-training course. The following steps are usually considered necessary. (i) Discovering or Identifying Training needs. (ii) Preparing the instruction or getting ready for the job. (iii) Preparing the trainee. (iv) Presenting the operation. (v) Try out the trainees' performance. (vi) Follow-up or Rewards and feedback. (a) Discovering or Identifying the Training Needs A training programme should be established only when it is felt that it would assist in the solution of specific problems.

Identification of training needs must contain three types of analysis: (i) Organizational Analysis: Determine the organization's goals, its resources and the allocation of the resources as they relate to the organizational goals. (ii)

Operations Analysis: Focuses on the task or job regardless of the employee doing the job. (

iii) Man Analysis: Reviews the

knowledge, attitudes and skills a person must acquire to contribute satisfactorily to the attainment of organizational objectives. Armed with the

knowledge of each trainee's specific training needs, programmes of improvement can be developed that is tailored to these needs. The

training programme then follows a general sequence aimed at supplying the trainee with the opportunity to develop his skills and abilities.

Human Resource Management NOTES 56 Self-Instructional Material (b) Preparing the Instructor The instructor is the key figure in the entire programme. He

must know both the job to be taught and how to teach it. The job must be divided into logical parts so that each can be taught at a proper time without the trainee losing perspective of the whole. This becomes a lesson plan. For each part one should have in mind the desired technique of instruction, i.e., whether a particular point is best taught by illustration, demonstration or explanation. (

c) Preparing the Trainee This step consists of: ? Putting the learner at ease. ?

Stating the importance and ingredients of the job and its relationship to work flow; ? Explaining why he is being taught ?
Creating interest and encouraging questions, finding out what the learner already knows about his job or other jobs. ?
Explaining the 'why' of the whole job and relating it to some job the worker already knows. ? Placing the learner as close to his normal position

as possible, and ? Familiarizing him with the equipment, materials, tools and trade terms. (

d) Presenting the Operations

This is the most important step in a training programme. The trainer should clearly tell, show, illustrate and question in order to put over the new knowledge and operations.

There are many ways of presenting the operation namely, explanation, and demonstration etc. An instructor mostly uses the method of explanation. In addition one may illustrate various points through the use of pictures, charts, diagrams and other training aids. Demonstration is an excellent device when the job is essentially physical in nature. The following

order of training may be followed: (i)

Explain the course for the job. (ii) Do the job step by step according to the procedure. (iii) Explain each step that he is performing. (iv) Have the trainee explain the entire job.

Instructions should be given clearly, completely and patiently; there should be an emphasis on key points and one point should be explained at a time.

The trainee

should also be encouraged to ask questions in order to indicate that he really knows and understands the job. (e) Try out the

Trainees' Performance Under

this, the trainee is asked to go through the job several times slowly, explaining him each step. Mistakes are corrected, and if necessary, some complicated steps are done for the trainee the first time. Then the trainee is asked to do the job, gradually building up skill and speed.

As soon as the trainee demonstrates that he can do the job in the right way, he is put on his own.

The trainee,

through repetitive practice, will acquire more skill. (f)

Follow-Up The final step in most training procedures is that of follow up.

This step is undertaken with a view to testing the effectiveness of training efforts.

The follow up system should provide feedback on training

effectiveness and on total value of training system.

It is worth remembering that if the learner hasn't learnt, the teacher hasn't taught.

Check Your Progress 1. What are the objectives of a training programme? 2. What is the importance of training programmes? 3. What are benefits of a training programme to employees? 4. Explain the steps usually considered for designing a training programme?

Personnel Development Programme NOTES Self-Instructional Material 57 3.2.6 Selection of a Training Method The selection of an appropriate method depends upon the

following factors. (a) Nature of Problem Area The choice of a training method depends upon the task to be done or the manner in which people interact with each other i.e., the problem may be either an operational problem or a human relations problem. (b) Level of Trainees in the Organization's Hierarchy The choice of a training method also depends upon the level of the participants. (c)

Method's Ability to Hold and Arouse the Interest of Trainees During the Training Period A trainer has to consider alternative methods of presenting Training material to participants also from the point of view of their ability to stimulate interest and facilitate retention of the matter. (d) Availability of Competent Trainers A training method is as effective as the ability of the trainer.

He is the most important figure in the entire training programme. Therefore before venturing into a training programme we have to first find a good trainer. (e) Availability of Finance Availability of finance is crucial for any training programme.

To make a training programme effective adequate finance is necessary. (f) Availability of Time Training cannot be done in a hurry. Adequate time is necessary to make the training programme a success. 3.3 EXECUTIVE OR MANAGEMENT

DEVELOPMENT

Executive or management development

is

a long-term educational process utilizing a systematic and organized procedure by which managerial personnel learn conceptual and theoretical knowledge.

Development is a related process.

It covers not only those activities which improve job performance, but also those, which bring about growth of the personality; help individuals in the progress towards maturity and actualisation of their potential capacities so that they become not only good employees but also better human beings. In organizational terms, it is intended to equip persons to earn promotion and hold greater responsibility. Training a person for a bigger and higher job is development.

According to Harold Koontz and Cyril O'Donnell, "Developing a manager is a progressive process in the same sense that educating a person is. Neither development nor education should be thought of as something that can ever be completed, for there are no known limits to the degree one may be developed or educated. Manager development concerns the means by which a person cultivates those skills whose application will improve the efficiency and effectiveness with which the anticipated results of a particular organizational segment are achieved."

According to

G.R. Terry, "Management development should produce change in behaviour which is more in keeping with the organization goals than the previous behaviour. The change frequently consists of a number of small steps resulting from training but the cumulative effect is considerable. It is also basic that a terminal behaviour is identified before the development efforts starts". Thus, Executive or Management Development

implies that there will be a change in knowledge and behaviour of the

individuals undergoing development programme. The individual will not only be able to perform his job better but also increase his potential for future assignments through

the acquisition, understanding

Human Resource Management NOTES 58

Self-Instructional Material and use of new knowledge, insights and skills.

Self-development is an important concept in the whole programme of management

development. 3.3.1

Need and Importance of Executive Development In this age of "professionalisation of Management" importance of executive development cannot be minimized. Executive talent is the most important asset of an organization. According to Peter Drucker "

An institution that cannot produce its own managers will die. From an overall point of view the ability of an institution to produce managers is more important than its ability to produce goods efficiently and cheaply".

The need for executive development is felt because: (

a)

There is a shortage of trained managers.

The organization has to develop the talented employees and maintain an inventory of executive skills to meet the future demands; (

b)

The performance of a company depends upon the quality of its managers; Executive development, therefore, is of paramount importance to have effective and desired managerial talents to meet the organization's demand;

and (c)

Obsolescence of managerial skills is another factor, which calls for continuous executive development. A manager must regularly update himself to successfully meet new challenges. 3.3.2

Objectives of Executive Development (a) To ensure a steady source of competent people at all levels to meet organizational needs at all times. (b) To prevent managerial obsolescence by exposing the managers to new concepts and techniques in their respective fields of specialization. (c) To prepare the employees for higher assignments so that they may be promoted from within. (d) To develop a second line of competent managers for future replacements. (e) To promote a high morale and good organizational climate. 3.3.3 Methods of Executive Development These can be classified into two broad categories: (a) On-the-Job Methods, and (b) Off-the-Job Methods. (a) On-the-Job Methods (i)

Coaching: This is learning through on-the-job experience. Coaching involves direct personal instructions and guidance usually with demonstration

and

continuous critical evaluation and correction. On-the-job coaching is given by a superior as he teaches job knowledge and skills to a subordinate. The coaching method offers certain advantages: ? It provides an opportunity to a trainee to develop himself. ? It provides quick feedback to the trainee as well as trainer of what they lack and what measures can be taken to overcome their shortcomings. (ii) Job Rotation: Job rotation is a means for management development offers certain positive contributions. It allows the managers to appreciate the intricacies involved in difficult jobs and how their own jobs are affected by such intricacies. Further, managers may develop broader horizon and perspectives of a generalist rather than the narrower horizon of a specialist.

The trainee is periodically rotated from job to job so that he acquires a general background of different jobs. (

iii) Special Projects: Under this method, an trainee is assigned a project that closely related to the objectives of his department. The trainee will study the problem and make recommendations upon it.

Personnel Development Programme NOTES Self-Instructional Material 59 (iv) Committee Assignments: Under this method, an ad hoc committee is constituted and assigned a subject to discuss and make recommendations. The committee will make a study of the problem and present its suggestions to the departmental head.

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The trainees have to work together and offer solutions to the problem.

This method helps trainees to solve an actual organisational problem. The advantage of committee assignments is to help trainees develop team spirit and work together towards common goals. (b) Off-the-Job Methods (i) Role Playing: Role playing as a method of learning that involves human interaction in an imaginary situation. In drama and play, actors play various roles wherein they assume themselves to be persons whose role they play. Similar is the case in role playing training where the trainee is given a role to play. Role playing technique is used in groups where various individuals are given the roles of different managers who are required to solve a problem or to arrive at a decision. Role playing helps the trainees to develop better perspective in performing their jobs because they may see the jobs from different angles. It also develops sensitivity amongst trainees which is quite helpful in maintaining better human relations. (ii) Case Study: Case method of learning has the following objectives: ? It introduces realism into formal instruction. ? It develops the decision-making ability in the trainee. ? It develops a cooperative approach and independent thinking in work-related situations. ? It demonstrates various types of goals, facts and conditions obtained from real organisational settings. The case study method of training

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employs simulated business problems for trainees to solve. The trainee is expected to study the information given in the case and make decisions based on the situation. Typically, the

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case method is used in the classroom with an instructor who serves as a facilitator.

The trainees may be given a problem to discuss which is more or less related to the principles already taught.

This method gives the trainee an opportunity to apply his knowledge to the solution of realistic problems. (

iii) Conference Training:

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In this method, the trainer delivers a lecture and involves the trainees in a discussion so that doubts,

if any, are clarified.

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The conference method is a group-centred approach where there is a clarification of ideas, communication of procedures and standards to the trainees.

The trainee as a member can learn from others. The conference is ideally suited to

learning problems and issues and examining them from different angles. (iv)

Management Games: A management game is a classroom exercise in which teams of students compete against each other to achieve common objectives. The game is designed to be a close representation of real-life conditions. Here, two or more teams participate depending on the situation, with each team having 4 to 7 participants.

Each competing team is given a company to operate in the light of the situation provided in the game. If designed and conducted properly, management games contribute in the development of participants in the following ways: ? The participants develop skills particularly diagnostic decision-making

skills and group interactions skills. ? Participants learn to operate in a competitive environment

Check Your Progress 5. What is executive develop- ment? 6. Define management development? 7. Explain the need for executive development. 8. What are the objectives of executive development?

Human Resource Management NOTES 60 Self-Instructional Material (v) Sensitivity Training, or T Group Training: It is an experience in interpersonal relationships which results in change in feeling and attitudes towards oneself and others. In sensitivity training, a small group of ten to twelve people is

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assisted by a professional behavioural scientist who acts as a catalyst and trainee for the group. There is no specified agenda

and a leaderless group discussion takes place where group members express their ideas and feelings freely. They can discuss anything they like. As the members discuss and engage in a dialogue, they are encouraged to learn about themselves and the way they should interact with others. (vi) In-basket Exercise: Also called 'In-tray' method of training, it is built around the 'incoming mail' of a manager.

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In this method, the participants are given a number of business papers such as memoranda, reports and telephone messages that would typically

come to a manager's desk. One method is to present the exercise to the trainee and to note his reaction. A slight variation is that business papers are given to the participant and he

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is required to act on the information contained in these papers.

Initially assigning a priority to each particular matter is required. Through the feedback, the trainee comes to know his behavioural pattern and tries to overcome the one which is not productive or functional. Thus, he can learn techniques of giving priorities to various problems faced by him. (vii) Syndicate Method: This refers to a method of management development technique wherein groups of trainees consisting of 8–10 members in each group are involved in the analysis of a problem. Each group is given a brief about the problem. Each group independently discusses the issues involved and

presents its ideas. These are then evaluated by group members with the help of the trainer. Such exercises are repeated so as to enable the participants to look at the problems in the right perspectives. This

enables trainees to develop decision making skills. (vii) Multi-management: Also known as 'Junior-Board of executives', it is a system in which permanent advisory committees are constituted to study problems of the organizations and make recommendations to top level management. In multi- management, the constituted committees discuss actual problems and offer alternative solutions. The recommendations are made based on the best alternative. (ix) Special Courses:

The executives may be required to attend special courses, which are formally organized by the enterprise with the help of experts from educational institutions.

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A career is a sequence of positions or jobs held by a person during the course of his working life. It consists of a series of

properly sequenced role experience leading to an increasing level of responsibility, status, power and rewards. According to Flippo, "a career is a sequence of separate but related

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work activities that provide continuity, order and meaning in a person's life".

Douglas T. Hall defines career as "an individually perceived sequence of attitudes and behaviours associated with work related experiences and activities over the span of the person's life". Wrether and Davis define various terms of career planning as below: "Career goals are the future positions one strives as a part of a

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career". "Career Planning is the process by which one selects career goals and the path

of these goals". "

Career development is those personal improvements one undertakes to achieve a personal career plan". "

Career management is the process of designing and implementing goals, plans and strategies to enable the organization to satisfy employee needs while allowing individuals to achieve their career goals."

Personnel Development Programme NOTES Self-Instructional Material 61 Career planning is not a series of work related experiences but

a sequence of attitudes and behaviours associated with work related activities over the span of a person's life. Career, thus, represents an organized, well-timed and positive move taken by a person across time and space.

92%

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A person's career is shaped by many factors e.g., education, experience,

performance, job experience, age level or luck. 3.4 CAREER PLANNING What is Career Planning?

Normally, employees want to advance and grow in their careers. Most individuals develop quite early in life an idea or a mental image

of what career they would like to pursue. Unless an organization meets these desires and aspirations of its employees it cannot make optimum use of its human resources. But organizations have their own requirements and constraints which limit their capacity to meet the employee expectations. Career planning is an important technique for productive resolution of this conflict, between the individual and the organization.

From employees view point

career planning can be defined as a systematic

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process by which one decides his/her career goals and the path to reach these goals.

While, from an organization's point of view, career planning stands for the forward looking employment policies in which employees are helped to plan their careers in terms of their capacities within the context of organization's needs. 3.4.1

Aims and Objectives of Career Planning Career planning aims at matching individual potential for promotion and individual aspirations with organizational needs and opportunities. Career

planning is making sure

that the organization has the right people with the right skills at the right time.

It

opens avenues for growth to higher levels of responsibilities for each and every employee of the organization through hierarchy of position, and training and development activities to equip the individuals with the requisites for succession. The principle objectives of career planning are: ? To secure the right person at the right time for the right job. ? To provide adequate career avenues to employees to higher levels of responsibilities. ? To strengthen the retention programme of the organization and ? To maintain a contended team of employees. 3.4.2 Needs for Career Planning Career planning is necessary due to the following reasons: ? To attract competent persons and retain them in the organization. ? To provide suitable promotional opportunities. ? Map out careers of employees suitable to their ability, and their willingness to be trained and developed for higher positions. ? To ensure better utilization of managerial reserves within an organization. ? To reduce employee dissatisfaction and turnover. ? To correct employee placement. ? To improve employee morale and motivation by matching their skills to job requirements. ? To achieve higher productivity and organization development. ? To provide guidance and encourage employees need to fulfil their potentials.

Human Resource Management NOTES 62 Self-Instructional Material 3.4.3 Benefits of Career Planning Career planning helps employees enhance their job performance and thus, helps in the overall effectiveness of the organization. When employees are developed for future positions the organization is assured of qualified and committed employees to replace the higher level employees. In short, career planning benefits not only the individual employees but also the organization. The figure below explains the benefits of a career development system. Table 3.1 Benefits of a Career Development System Managers/Supervisors Employees Organization Increased skill in careers Helpful assistance with career decisions Better use of managing own employee skills Greater retention of valued employees Enrichment of present job and increased job satisfaction Dissemination of information at all organizational levels Better communication between manager and employee Better communication between employee and manager Better communication with the organization as a whole More realistic staff development More realistic goal planning and expectations Greater retention of valued employees Productive performance appraisal discussions Better feedback on performance Expanded public image as a people developer Greater understanding of the organization Current information the firm and the future Increased effectiveness of personnel systems Enhanced reputation as a people developer Greater personal responsibility for career Greater clarification of goals of the organization Source: Z. B. Leibowitz, C. Farren and B.L Kaye, Designing Career Development Systems, Jossey-Bass CA: San Francisco (1986) Page 7 3.4.4 Process of Career Planning Career planning is a process to assist the employees to achieve a better match between their career goals and the opportunities available in the organization.

90%

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The career planning process generally involves the following steps: (a) Identifying Individual Needs and Aspirations

It is necessary to identify and communicate the career goals, aspirations and career anchors of every employee because most individuals may not have a clear idea about these. Therefore, an analysis of the employee career anchors, aspirations and goals must be done through objective assessment. This assessment is based on personnel inventory. Personnel inventory will reveal the age, qualifications, experience and aptitude of present employees. Appraisal of employees is then carried out to identify the employees having the necessary potential for climbing up the ladder and are willing to be promoted and to take up higher responsibilities. Such appraisal will reveal three categories of employees: (i) Employees who are already fit and willing to take up higher responsibilities. (ii) Employees who have the potential and willingness to take up higher responsibilities but would need training to refine their expertise. (iii) Employees who have the capacity to take up higher responsibilities but lack the interest or desire. Organizations have to take the aspirations of the 1st two categories of employees and outline career paths for them. Check Your Progress 9. What are the aims of career planning? 10. What are the needs of career planning? Personnel Development Programme NOTES Self-Instructional Material 63 (

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b) Analysing Career Opportunities Once career aspirations and goals of employees are known,

there is a need to analyse various career opportunities available to offer under prevailing career paths in the organization. Career paths can be determined for each position. It is also necessary to analyse career demands in terms of knowledge, skills, experience, aptitude etc. Long term and short term career goals can be defined after relating specific jobs to different career opportunities. Career paths indicate career progression. Here also, since many employees may not be aware of their own career progression path,

it needs to be made known to them. At a particular level, there may be young direct recruits as well as older persons who have risen to the level through promotions. The former aspire for quick career progression due to their better education and training. The latter cannot be expected to move up very high due to limited professional education. Therefore, promotions and direct recruitment at every level must be so planned as to ensure a fair share to each group. This is called age balance in career paths. (c) Identifying Congruence and Incongruence At this stage, a mechanism for identifying congruence between employee career aspirations and organizational career system is developed. This helps to identify specific areas where mismatch or incongruence prevails. For this purpose specific jobs are related to different career opportunities. Such matching helps to develop realistic career goals for both long term and short term. (d) Action Plans and Periodic Review Alternative strategies and action plans for dealing with mis-match are formulated and implemented. Some of the strategies used are given below: ? Changes

in career system by creating new career paths, new incentives, new rewards by redesigning jobs for lateral movement. ? Change in the employee's hopes and aspirations by creating new needs, new goals and new aspirations. ? Seek new basis of integration through problem solving, negotiations, compromises etc. ? Training and development of suitable people, so as to meet the needs of both the individuals and the organization. After initiating these strategies, it is also necessary to review the same every now and then.

Review will indicate to employees in which direction the organization is moving, what changes are likely to take place and what skills are needed to adopt to the changing needs of the organization.

Alpin and Gester have suggested a framework of career planning process aimed at integrating the individual and organizational needs. This is presented in the Figure 3.1: FEEDBACK Individual needs and aspirations Personal counseling and assessment Individual development Placement on career path Organizational needs and opportunities Personal planning and career information Formal Training and development programmes Synthesizing Complementing Figure 3.1 Career Planning Process

Human Resource Management NOTES 64 Self-Instructional Material Source: Alpin, J C and Gester D K "Career Development: An Integration of Individual and Organizational Needs" Personnel, March-April 1978, American Management Association: New York

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After an employee has been selected for a job, has been trained to do it and has worked on it for a period of time, his performance should be evaluated. Performance appraisal or

merit rating is the mechanism to assess the contribution of all human resources working at each level of the organization during a specific period of time. Performance appraisal enables the employees to know as to how they are performing in comparison with the set standards. 3.5

PERFORMANCE APPRAISAL Definitions: According to Wendell French, performance appraisal is, "the formal, systematic assessment of how well employees are performing their jobs in relation to established standards, and the communication of that assessment to employees". According

to

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

Dale

Yoder, "Performance appraisal includes

all formal procedures used to evaluate personalities and contributions and potentials of group members in a working organization. It is a continuous process to secure information necessary for making correct and objective decisions on employees".

According to C.D. Fisher, L.F. Schoenfeldt and J.B. Shaw, "Performance appraisal is the process by which an employee's contribution to the organization during a specified period of time is assessed". From the above definitions we can conclude that

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performance appraisal is method of evaluating the behaviour of employees in the

work spot,

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normally including both the quantitative and qualitative aspects of job performance. It is a systematic and objective way of evaluating both work-related behaviour and potential of employees. It is a process that involves determining and communicating to an employee how he is performing the job and ideally establishing a plan of improvement. Performance appraisal

emphasises individual development.

Now

it is used for evaluating the performance of all the human resources working at all levels of organization and of all types. It evaluates the performance of technical, professional, and managerial staff. 3.5.1 Objectives of Performance Appraisal Performance appraisal plans are designed to meet the needs of the organization and the individual. It is increasingly viewed as central to good human resource management.

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Performance appraisal could be taken either for evaluating the performance of employees or for developing them. The

evaluative purpose has a historical dimension and is concerned primarily with looking back at how employees have performed over a given time period, compared with required standards of performance. The developmental purpose is concerned with the identification of employee's training and development needs. Appraisal of employees' serves several useful purposes: (

a)

Feedback It serves

as a feedback to

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the employee. It tells him what he can do to improve his present performance and go up the "organizational ladder".

The appraisal thus facilitates self- development. It also makes the employee aware of his key performance areas. (

b) Compensation Decisions It provides inputs to system of rewards. The

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approach to compensation is at the heart of the idea that raises should be given for merit rather than for seniority.

Personnel Development Programme NOTES Self-Instructional Material 65 (c) Data Base

It provides a valid database for personal decisions concerning placements, pay, promotion, transfer etc. Appraisal also makes the employee aware of his key performance areas.

Permanent performance appraisal records of employees help management to do planning without relying upon personal knowledge of supervisors who may be shifted. (

d)

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Personal Development Performance appraisal can help reveal the causes of good and poor employee performance. Through discussions with individual employees, a line manager can find out why they perform as they do and what steps can be initiated to improve their performance. (

e)

Training and Development Programme

By identifying the strengths and weaknesses of an employee it serves

as a guide for formulating a suitable training and development programme

to improve his performance.
It can also

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inform employees about their progress and tell them what skills they need to develop to become eligible for pay

rises and/or promotions. (f)

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Promotion Decisions It can serve as a useful basis for job change or promotion.

By establishing whether the worker can contribute still more in a different or a higher job it helps in his suitable promotion and placement.

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If relevant work aspects are measured properly, it helps in minimising feelings of frustration of those who are not promoted. (

g) Improves Supervision

The existence of a regular appraisal system tends to make the supervisors more observant of their subordinates because they know that they will be expected periodically to fill out rating forms and would be called upon to justify their estimates. This

improves supervision.

JOB ANALYSIS JOB DESCRIPTION AND JOB SPECIFICATION ESTABLISHING STANDARDS OF PERFORMANCE COMMUNICATING PERFORMANCE STANDARDS TO EMPLOYEES MEASURING ACTUAL PERFORMANCE COMPARING ACTUAL PERFORMANCE WITH STANDARDS AND DISCUSS WITH EMPLOYEES INITIATING CORRECTIVE ACTION, IF NECESSARY Figure 3.2 Performance Appraisal Process

Human Resource Management

NOTES 66 Self-Instructional Material Performance appraisal helps to have comparative worth of employees.

Appraising employee performance is, thus, useful for compensation, placement and training and development purposes. In the words of M.W.

Cummings, " the overall objective of performance appraisal is to improve the efficiency of enterprise by attempting to mobilise the best possible efforts from

individual

employed in it. Such appraisals achieve four objectives including the salary reviews, the development and training of individuals, planning job rotation and assistance promotions".

The information can also be used for grievance handling and keeping the record. It helps in improving the quality of supervision and better the employee-employer relationship. 3.5.2 Uses of Performance Appraisal Performance appraisal is a significant element of the information and control system in organization. Performance appraisal is used in order to: (a)

Provide valuable information for personnel decisions such as pay increases, promotions, demotions, transfers and terminations. The information provided forms the basis for suitable personnel policies. (b)

Provide feedback about the level of achievement and behaviour of subordinates, rectifying performance deficiencies and to set new standards of work, if necessary.

It also identifies individuals with high potential who can be groomed up for higher positions. (c) Tell a subordinate how he is doing and suggesting necessary changes in his knowledge, behaviour and attitudes. It thus provides information, which helps to counsel the subordinate. It also serves to stimulate and guide employee's development. (d) Analyse training and development needs. These needs can be assessed because performance appraisal shows people who require further training how to remove their weaknesses.

By identifying the weaknesses of an employee, it serves

as a guide for formulating a suitable training and development programme

to improve his performance in his present work. (

e)

Performance appraisal serves as means for evaluating the effectiveness of devices used for the selection and classification of

employees. It therefore helps to judge the effectiveness of recruitment, selection, placement and orientation systems of the organization. (f) Performance appraisal facilitates human resource planning and career planning, permanent performance appraisal records of employees help management to do human resource planning without relying upon personal knowledge of supervisors. (

g) Performance appraisal promotes a positive work environment, which contributes to productivity. When achievements are recognised and rewarded on the basis of objective performance measures, there is improvement in work environment.

Performance appraisal therefore, provide the rational foundation for incentives, bonus etc. The estimates of the relative contributions of employees helps to determine the rewards and privileges rationally. (

h)

The existence of a regular appraisal system tends to make the supervisors and executives more observant of their subordinates because, they know that they will be expected periodically to fill out rating forms and would be called upon to justify their estimates. This knowledge results in improved supervision. (i) Performance appraisal records protect management from charges of favouritism and discrimination. Employee grievance can also be reduced as it helps to develop confidence among employees.

Personnel Development Programme NOTES Self-Instructional Material 67 3.5.3 Purpose of Performance Appraisal

Organizations use performance appraisals for three purposes: (a)

Administrative: It commonly serves as an administrative tool by providing employers with a rationale for making many personnel decisions, such as decisions relating to pay increases, promotions, demotions, terminations and transfers. (b)

Employee Development: It provides feedback on an employee's performance. Appraisal data can also be used for employee development purposes in helping to identify specific training needs of individuals. (c) Programme Assessment:

Programme assessment requires the collection and storage of performance appraisal data for a number of uses. The records can show how effective recruitment, selection and placement have been in supplying a qualified workforce. It is generally accepted that performance appraisals serve one or more of

the following purposes: (i) To create and maintain a satisfactory level of performance; (ii) To meet an individual's development needs; (

iii) To bring about better operational or business needs; (iv)

To facilitate fair and equitable compensation based on performance; (v)

To help the superiors to have a proper understanding about their subordinates; (vi) To

provide information useful for manpower planning by identifying employees with a potential for advancement; and (vii)

To facilitate for testing and validating selection tests, interview techniques through comparing their scores with performance appraisal ranks.

Need of Performance Appraisal The need of performance appraisal is that it enables the management to make effective decisions. The need of an appraisal is concerned with: (i) Creating and maintaining a satisfactory level of performance of employees in their present job. (ii) Fixation of salary, allowances, incentives and benefits. (iii) Evaluating the effectiveness of training and development programmes. (iv) Assessing the strengths and weaknesses of HR. (v) Performance appraisal helps employees to improve by giving him feedback. 3.5.4 Process of Performance Appraisal

Performance appraisal is planned, developed and implemented through a series of steps. (a)

Job Analysis, Job Description and Job Specification Performance appraisal is a process not to be undertaken in isolation of various human resources functions. It begins with job analysis, job description and job specification. These help in establishing the standard performance. (b) Establishing Standards of

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Performance Appraisal systems require performance standards, which serve as benchmarks against which performance is measured.

The standards set for performance must be clearly defined and unambiguous. It should be attainable by every employees.

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To be useful, standards should relate to the desired result of each job.

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Performance standards must be clear to both the appraiser and the appraisee. The performance standards or goals must be developed

with the supervisors to ensure that all the relevant factors have been included. Where the output can be measured, the personal characteristics, which contribute to employee performance, must be determined.

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Goals must be written down. They must be measurable within certain time and cost considerations. (

c) Communicating Performance Standards to Employees

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Performance appraisal involves at least two parties; the appraiser who does the appraisal and the appraisee whose performance is being evaluated.

The

performance standards specified in the second step above are to be communicated and explained to the employees (both appraiser and appraisee) so that they know what is expected of them. Feedback should also be given so that there is no confusion or misunderstanding. Through feedback the manager knows that the information has reached the employees. If

necessary the

standards may be revised or modified in the light of feedback obtained from the employees and evaluators.

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As pointed out by DeCenzo and Robbins, "too many jobs have vague performance standards and the problem is compounded when these standards are set in isolation and do not involve the employee". (d) Measuring Actual Performance After the performance standards are set and accepted, the next step is to measure actual performance. This requires

choosing the right technique of measurement, identifying the internal and external factors influencing performance and collecting information on results achieved.

It can be affected through personal observation, written and oral reports from supervisors. The performance of different employees should be so measured that it is comparable.

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Performance measures, to be helpful must be easy to use,

be

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reliable and report on the critical behaviours that determine performance.

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Performance measures may be objective or subjective. (i) Objective Performance Measures:

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objective performance measures are indications of job performance that can be verified by others and are usually quantitative. Objective criteria include: ? Quality of production. ? Degree of training needed. ? Accidents in a given period. ? Absenteeism. ? Length of service etc. (ii) Subjective Performance Measures:

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Subjective performance measures are ratings that are based on the personal standards

of

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opinions of those doing the evaluation and are not verifiable by others. Subjective criteria include: ? Ratings by supervisors. ? Knowledge about overall goals. ? Contribution to socio-cultural values of the environment. It should be noted here that objective criteria could be laid down while evaluating lower level jobs, which are specific and defined clearly. This is not the case with middle level

and higher-level positions that are complex and vague. (e) Comparing Actual Performance with Standards and Discuss the Appraisal with Employees. Actual performance is compared with the predetermined performance standards.

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Actual performance may be better than expected and sometimes it may go off track.

Deviations if any from the set standards are noted. Along with the deviations, the reasons behind them are also analysed and discussed. Such discussions will enable an employee to know his weaknesses and strengths. The former are discussed so that the employee is motivated to improve his performance.

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The assessment of another person's contribution and ability is not an easy task. It has serious emotional overtones as it affects the self-esteem of the appraisee. Any appraisal based on subjective criteria is likely to be questioned by the appraisee and leave him quite dejected and unhappy when the appraisal turns out to be negative.

Initiating Corrective Action, if any The last step in the process is to initiate corrective action essential to improve the performance of the employee. Corrective action is of two types: (i) The employee, can be warned so that he himself can make necessary attempts to improve his performance. But this is not enough or proper. (ii) Through mutual discussions with employees, the steps required to improve performance, are identified and initiated. The reasons for low performance are identified and initiated. The reasons for low performance should be probed, is taken the employee into confidence and motivated for better performance. Training, coaching, counselling etc. are examples of corrective actions that help to improve performance. 3.5.5 Essentials of

a Good Appraisal System A sound appraisal system should comply with the following : (a) Reliability and Validity The system should be both valid and reliable. The validity of ratings is the degree to which they are truly indicative of the intrinsic merit of employees. The reliability of ratings is the consistency with which the ratings are made, either by different raters, or by one rater at different times. Both validity and reliability result from objective database.

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Appraisal system should provide consistent, reliable and valid information and data, which can be used to defend the organization—even in legal challenges. (

b)

Job Relatedness The evaluators should focus on job-related behaviour and performance of employees. In order to focus attention on behaviour under the employee's control, raters must become familiar with the observed behaviour. It is also necessary to prepare a checklist so as to obtain and review job performance related information. Ratings should be tied up with actual performance of units under the rater's control. The information generated through evaluators should be tailored to the needs of the organization, performance requirements and norms of behaviour. Multiple criteria should be used for appraisal and it should be done periodically rather than once a year. (c) Standardization Well-defined performance factors and criteria should be developed.

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Appraisal forms, procedures, adminiztration of techniques, ratings etc., should be standardized as appraisal decisions affect all employees of the group.

It will help to ensure uniformity and comparison of ratings.

The appraisal techniques should measure what they are supposed to measure. They should also be easy to administer and economical to use. (

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d) Practical Viability The techniques should be practically viable to administer, possible to implement and economical to undertake continuously.

It must have the

support of all line people who administer it. If the line people think

it

is too theoretical, too ambitious, too unrealistic, or that ivory-tower staff consultants who

have

no comprehension of the

demands on time of the line operators have foisted it on them, they will resent it. (e) Training to Appraisers The evaluators

or appraiser should be provided adequate training in evaluating the performance of the employees without any bias.

Evaluators should also

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.

Familiarity with rating errors can improve rater's performance and this may inject the needed confidence in appraisers to look into performance ratings more objectively.

Human Resource Management NOTES 70 Self-Instructional Material (f) Open Communication The system should be open and participative. Not only should it provide feedback to the employees on their performance, it should also involve them in the

goal setting process. This helps in planning performance better.

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. The overall purpose of appraisals should be developmental rather than judgemental. (g)

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Employee Access to Results Employees should receive adequate feedback on their performance. If performance appraisals were meant for improving employee performance, then withholding appraisal result would not serve any purpose.

If the result of appraisal is negative and goes against the employee, it should be immediately communicated to him so that he may improve his performance or he may go for appeal before the appropriate authority in case he is not satisfied. Such provisions should be made. This will enable the management to gain the confidence of the employees. (h) Clear Objectives The appraisal system should be objective oriented. It should fulfil the desired objectives like determining the potential for higher jobs or for sanction on annual increment in the salary or for granting promotion or for transfer or to know the requirements for training. The objectives should be relevant, timely and open. The appraisal system should be fair so that it is beneficial to both the individual employee and the organization. The system should be adequately and appropriately linked with other subsystems of human resource management. (i) Post Appraisal Interview After appraisal, an interview with the employee should be arranged. It is necessary to supply feedback, to know the difficulties under which the employees work and to identify their training needs. The appraiser should adopt a problem solving approach in the interview and should provide counselling for improving performance. (j) Periodic Review The system should be periodically evaluated to be sure that it is meeting its goals. Not only is there the danger that subjective criteria may become more salient than the objective standards originally established, there is the further danger that the system may become rigid in a tangle of rules and procedures, many of which are no longer useful. (k) Not Vindictive in Nature It should be noted by the executives at the helm of affairs of the organizations that the aim of performance appraisal or any system for that matter is to improve performance, organizational effectiveness and to accomplish organizational objectives and not to harass the employees and workers of the organizations who are the vital human resource. 3.5.6 Methods or Techniques of Performance Appraisal

A number of different performance appraisal methods or techniques are available for evaluating the performance of the employees. These methods try to explain how management can establish standards of performance and devise ways and means to measure and evaluate the performance. There is no fool proof method of evaluating the performance of employees. Every method suffers from certain drawbacks in spite of some merits. These methods can broadly be divided into traditional and modern methods.

Personnel Development Programme NOTES Self-Instructional Material 71 1. Unstructured method 2.

Straight ranking method 3. Paired comparison method 4. Man to man comparison method 5. Grading method 6. Graphic rating method 7. Forced choice method 8. Check list method 9. Weight check list method 10. Free essay method 11.

Critical incidents method 12. Field review method 13.

Confidential reports 1. BARS Behavioural Anchored Rating Scale method. 2. Result Oriented Appraisal or MBO method 3.

Assessment centre method 4. Human Resource Accounting method 5. Psychological Appraisal method 6. 360 degree

appraisal PERFORMANCE APPRAISAL TECHNIQUES TRADITIONAL METHODS MODERN METHODS Figure 3.3

Performance Appraisal

Methods Traditional Methods These methods are the old methods of performance appraisal based on personal qualities like knowledge, capacity, judgement, initiative, attitude,

loyalty, leadership, judgement etc.

The following are the traditional methods of performance appraisal. (a) Unstructured Method of Appraisal Under this method, the appraiser has to describe his impressions about the employee under appraisal in an unstructured manner. This is a simple method of performance appraisal. The rater has to list his comments specifically on qualities, abilities, attitude, aptitude and other personal traits of the employees. This makes the method highly subjective in nature. (b) Straight Ranking Method In this technique, the evaluator assigns relative ranks to all the employees in the same work unit doing the same job. Employees are ranked from the best to the poorest on the basis of overall performance. This method is also highly subjective and lacks fairness in assessing the real worth of an employee. (c)

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Paired Comparison Method Ranking becomes more reliable and easier under the paired comparison method.

This method is an attempt to improve upon the simple ranking method. Under this method employees of a group are compared with one another at one time. If there is a group of five employees A, B, C, D and E

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then A's performance is compared with that of B's and decision is taken as to whose

performance is better. Similarly, A's performance is compared with C, D, and E and decisions regarding comparatively better performance are taken. Comparison is made on the basis of overall performance. The number of comparisons to be made can be decided on the basis of the following formula: $N(N - 1) / 2$ where N is the number of persons to be compared.

Human Resource Management NOTES 72 Self-Instructional Material This method is illustrated in Figure 3.4. Employees Rated Performance Compared with A B C D E Final Rank A * - - + 3 B + * - + 2 C + + * + 1 D - - * + 4 E - - - * 5 Figure 3.4 Ranking employees through paired comparison method. Note 1: Here, plus (+) sign means the employee is considered better and minus (-) sign means worse than the other employee in the pair. Note 2: C gets the highest number of plus signs (4 plus signs) and therefore his rank is the highest (rank no.1) Note 3: E gets the lowest number of plus signs (nil) and therefore his rank is the lowest (rank no.5)

The paired comparison method is more reliable but the method is not suitable when large number of employees is to be evaluated. (d) Man-to-Man Comparison Method In man-to-man comparison method, the performance of an employee is evaluated by obtaining ratings about their performance from the evaluators. A team of evaluators is involved in giving ratings to the employee performance. Each member of the team gives the appropriate ratings, lowest, low, middle, high and highest performers, to the employees. These ratings are then used to determine the appraisal procedure for a particular employee. The main benefit of this method is that the ratings are based on the real performance of the employees. However, the drawback of this technique is that the ratings given by each evaluator may not be consistent because each evaluator has his or her own scaling criteria making it difficult to evaluate an employee's performance correctly. (e) Grading Method Under this technique of performance evaluation certain categories of worth are determined in advance and they are carefully defined. These selected and well defined categories include Grade 'A' for outstanding Grade 'B' for very good Grade 'C' for average Grade 'D' for poor etc. These grades are based on certain selected features such as knowledge, judgement, analytical ability, leadership qualities, self-expression etc. The actual performance of employees is compared with the above grades and employees are allotted grades that speak for their performance. (

f) Graphic Rating Scale Perhaps the most commonly used method of performance evaluation is the graphic rating scale. The evaluator is asked to rate employees on the basis of job related characteristics and knowledge of job. Evaluator is given printed forms. The performance is evaluated on

Personnel Development Programme NOTES Self-Instructional Material 73

the basis of these traits on a continuous scale. It is a standardised, quantitative method of performance appraisal. The scores are tabulated indicating the relative worth of each employee.

POOR AVERAGE GOOD EXCELLENT Note: Just above the category notions an uninterrupted line is provided. The rater can tick at any point along its length. (g)

Forced Choice Method This method was developed during World War II for evaluating the performance of American army personnel. The evaluators rate the performance as high, moderate or low and escape the important responsibility assigned to them.

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The primary purpose of the forced choice method is to correct the tendency of a rater to give consistently high or low ratings to all the employees. This method makes use of several sets of pair phrases, two of which may be positive and two negative and the rater is asked to indicate which of the four phrases is the most and least descriptive of a particular worker. Actually, the statement items are grounded in such a way that the rater cannot easily judge which

statement applies to the most effective employee. The evaluator is forced to select from each group of statements (normally two). The statements may be the following. (i) Good work organizer. (ii) Shows patience with slow learners. (iii) Dishonest or disloyal. (iv) Careful and regular. (v) Avoid work. (vi) Hard working. (vii) Cooperates with fellow workers. (viii) Does not take interest in work. From the above list of statements, favourable statements are marked plus and unfavourable statements are marked zero. Under this method subjectivity of evaluator is minimised. (h) Check List

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A checklist represents, in its simplest form, a set of objectives or descriptive statements about the employee and his behaviour. The rater

checks to indicate if the behaviour of an employee is positive or negative to each statement. The performance of an employee is rated on the basis of number of positive checks.

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The following are some of the sample questions in the checklist. ? Is the employee regular on the job? Yes/No ? Is the employee respected by his subordinates? Yes/No ?

Is the employee always willing to help his peers? Yes/No ? Does the employee follow instructions properly? Yes/No ? Does the employee keep the equipment in order? Yes/No

The objections to this method are: (i) It is difficult to

construct a good checklist. (ii) A separate checklist is needed for each job because statements used in one checklist to evaluate one category of workers cannot be used in another checklist to evaluate other category of workers. (i) Weighted Checklist The checklist provides to the evaluator containing statements relating to work related behaviour of the employees. Every statement is given equal importance. However,

under

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weighted checklist the items having significant importance for organizational effectiveness are given weightage. Thus, in weighted checklist, weights are assigned to different statements to indicate their relative importance. (

j) Free Essay Method Under this method no quantitative approach is undertaken. It is open-ended appraisal of employees. The evaluator describes in his own words what he perceives about the employee's performance.

95%

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While preparing the essay on the employee, the rater considers the following factors: (i) Job knowledge and potential of the employee. (ii) Employee's undertaking of the company's programmes, policies, objectives, etc. (iii) The employee's relations with co-workers and superiors. (iv) The employee's general planning, organizing and controlling ability. (v) The attitudes and perceptions of the employee in general.

The description is expected to be as factual and concrete as possible. An essay can provide a good deal of information about the employee especially if the evaluator is asked to give examples of each one of his judgements. (k) Critical Incidents Method Under this method, the performance of the worker is rated on the basis of certain events that occur during the performance of the job (i.e., the evaluation is based on key incidents).

96%

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These critical incidents or events represent the outstanding or poor behaviour of employees on the job. The rater maintains logs on each employee, whereby he periodically records critical incidents of workers' behaviour. At the end of the rating period, these recorded critical incidents are used in the evaluation of the workers' performance.

Critical incidents method helps to avoid vague impressions and general remarks as the rating is based on actual records of behaviour/ performance. The feedback from actual events can be discussed with the employee to allow improvements. The rater can fully defend his ratings on the basis of his record. (l) Field Review Method In this method, a HR specialist interviews line supervisors to evaluate their respective subordinates. The interviewer prepares in advance the questions to be asked. By answering these questions a supervisor gives his opinions about the level of performance of his subordinate, the subordinate's work progress, his strengths and weaknesses, promotion potential etc. The evaluator takes detailed notes of the answers, which are then approved by concerned supervisor. The concerned supervisor then approves these. These are then placed in the employee's personnel service file.

100%

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Since an expert is handling the appraisal process, in consultation with the supervisor, the ratings are more reliable. However, the use of HR experts makes this approach costly and impractical for many

organizations. (

m) Confidential Report

A confidential report by the immediate supervisor is still a major detriment of the subordinate's promotion or transfer.

This is a traditional form of appraisal

87%

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used in most government organizations. It is a descriptive report prepared, generally at the end of every year, by the employee's immediate superior. The report highlights the strengths and weaknesses of the subordinate. The

disadvantages of this method are as under: (i) It involves a lot of subjectivity because appraisal is based on impressions rather than on data. (ii) No feedback is provided to the employee being appraised and, therefore, its credibility is very low. (ii) The method focuses on evaluating rather than developing the employee. The employee who is appraised never knows his weaknesses and the opportunities available for overcoming them.

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In recent years, due to pressure from courts and trade unions, the details of a negative confidential report are given to the appraisee. (

n) Forced Distribution Method One of the errors in rating is leniency; of clustering a large number of employees around a high point on a rating scale. The forced distribution method seeks to overcome this problem by compelling the rater to distribute the rates on all points on the rating scale.

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The primary purpose of the forced choice method is to correct the tendency of a rater to give consistently high or low ratings to all the employees.

The forced distribution method operates under the assumption that the employee performance level conforms to a normal statistical distribution. Generally, it is assumed that employee performance levels conform to a bell-shaped curve. The major weaknesses of the forced distribution method are: 1. The assumption that employee performance levels always conform to a normal distribution. 2. Forced distribution method is not acceptable to raters and ratees, especially when members are all of high ability. 3.

The results of the forced choice method may not be useful for training employees because the rater himself does not know how he is evaluating the worker.

Modern Methods Modern methods are an improvement over the traditional methods. Modern methods are an attempt to remove defects from old methods. These are discussed below: (

a)
Behaviourally Anchored Rating Scales (BARS) It is designed to identify critical areas of performance of a job. Under this method the behaviourally anchored ratings scales are outlined to recognise the critical areas of effective and ineffective performance behaviour for getting results. The evaluator is required to observe the behaviour of the employee while performing the job. He then compares these behavioural observations with the behaviourally anchored rating scales. This method is more valid and expected to give more reliable results as it minimises the errors in performance appraisal. It identifies measurable behaviour and is therefore more scientific. Following are some of the important features of BARS method: ? Performance areas of the employees that need

to be assessed are determined and described by the individuals who will use the scales. ? The scales are attached with the explanations of the actual job behaviour to represent particular levels of performance. ? All the areas of performance that need to be examined are based on the observable behaviours and are significant to the job, which is being evaluated because BARS are customised for the job. ? As the raters who will use the scales actively participate in the development process, they are more dedicated to the final product.

BARS were introduced to present results to improve the performance of the employees of a company. BARS also help in overcoming rating errors. (

b)
Result Oriented Appraisal or MBO Technique The result-oriented appraisals are based on the concrete performance targets, which are usually established by superior and subordinates jointly. Objectives (MBO) have known this procedure as Management. Much of the initial impetus for MBO was provided by Peter Drucker (1954) and by Douglas McGregor (1960). Drucker first described MBO in 1954 in the Practice of Management. Drucker pointed to the importance of managers having clear objectives that support the purposes of those in higher positions in the organization. McGregor argues that by Human Resource Management NOTES 76 Self-Instructional Material

establishing performance goals for employees after reaching agreement with superiors, the problems of appraisal of performance are minimised. MBO in essence involves nothing clearly defined goals of an employee in agreement with his superior. Refinements brought out by George Odione, Valentine, Humble and others have enriched the concept and made it more acceptable as an appraisal technique. MBO process has the following four steps: ? The first step is to establish the objectives by the superiors that should be attained by each employee. These objectives are used to evaluate the performance of each employee in the organisation. ? The second step is to set the standards for evaluating the performance of the employees. As employees perform, they know fairly well the standards against which their performance is to be judged. ? The third step is to compare the actual level of attained objectives with the objectives set by the organisation. The evaluator depicts the reasons for the objectives that were not met. This step helps in determining the needs to provide training to the employees of the organisation. ? The final step is to establish new strategies for the objectives that were not met. This step involves active participation of superiors and subordinates in setting objectives. This process is most useful at the managerial and subordinate level. MBO does not apply to the assembly line workers whose jobs have less flexibility and their performance standards are already defined. (c)

Assessment Centre Method This method of appraising was first applied in the German Army in 1930. Later business organizations also started using this method. This is not a technique of performance appraisal by itself. In fact, it is a system, where assessment of several individuals is done by various experts by using various techniques.

In this approach, individuals from various departments are brought together to spend two or three days' working on an individual or group assignment similar to the ones they would be handling when promoted. Evaluators observe and rank the performance of all the participants. Experienced managers with proven ability serve as evaluators. This group evaluates all employees both individually and collectively by using simulation techniques like role playing, business games and in basket exercises. Assessments are done generally to determine employee potential for promotion.

Following are the drawbacks of this method: 1. Costly: Organisations have to pay for the travel and lodging cost of the employees to be assessed. Moreover the work of an organization also suffers for the time period they are away from the job. Also the companies have to pay heavy expenditure in establishment of assessment centres. 2. Impression of the employees: Centre staff is influenced by the subjective elements, such as social skills and personality of the employee rather than the quality of their work. 3. Demoralize an employee: A negative report for an employee may demoralize an employee.

It may have an adverse effect on the behaviour and work of an employee who is not promoted. 4. Promotes Unhealthy competition: It promotes strong and unhealthy competition among the employees that are assessed. 5. Over emphasis on centre results: This method

lay over emphasis

on the result of the centre, which is based on judgment of employees over a short span of time.

Personnel Development Programme NOTES Self-Instructional Material 77 (d) Human Resource Accounting Method
Human resources are a valuable asset of any organization. This asset can be valued in terms of money. When competent, and well-trained employees leave an organization the human asset is decreased and vice versa.

Human Resource Accounting deals with cost of and contribution of human resources to the organization. Cost of the employee includes cost of manpower, planning, recruitment, selection, induction, placement, training, development, wages and benefits etc. Employee contribution is the money value of employee service which can be measured by labour productivity or value added by human resources. Difference between cost and contribution will reflect the performance of employees. Human resource accounting method is still in the transition stage. The contribution made by employee can be measured in terms of output. If the cost incurred on employee is greater than the contribution made than this is an indicator of finding out the causes of low performance, analysing it and then making a proper check to control such causes. In case the contribution is more or equivalent to the cost incurred than this also requires review for future reference.

The various techniques under human resource accounting methods are: ? Probationary reviews ? Informal one-to-one review discussions ? Counselling meetings ? Observation on the job ? Skill- or job-related tests ? Assignment or task followed by review, including secondments (temporary job cover or transfer) ? Survey of opinion of others who have dealings with the individual ? Graphology (handwriting analysis) All these techniques are related to each other. The manager must keep a written record of all these for future reference. (e) Psychological Appraisals Psychological appraisals are conducted to assess the employee potential. Large organisations recruit full-time psychologist to assess the future performance of the employees. Psychological appraisals include in-depth interviews, psychological test, and discussions with supervisors. Psychological appraisals are conducted to assess the following features of the employees: ? Intellectual abilities ? Emotional stability ? Reasoning and analytical abilities ? Sociability ? Interpretation and judgement skills ? Motivational responses ? Ability to foresee the future Psychological evaluation can be done either to evaluate the performance of employees for a particular job opening or to assess the future potential of all employees globally. Psychological appraisal results are useful for decision-making about employee placement, career planning and development, and training.

Human Resource Management NOTES 78 Self-Instructional Material (f) 360

Degree Appraisal It is a method of appraisal in which employees receive their performance feedback from their boss, colleagues, customers, peers and their own subordinates in the organisation. This form of performance evaluation can be very beneficial to managers because it typically gives them a much wider range of performance-related feedback than a traditional evaluation. This method helps individuals to know their strengths and weaknesses and thus, helps them to develop their interpersonal skills. It also improves communication between employees and their customers, as they will be able to know what the customers think about them. Thus, it is an efficient method to improve interpersonal skills of employees and to attain higher customer satisfaction level. Following are some of the drawbacks of this method: ? It is possible that the team member can have personal problems with the employee and thus, he may not take honest decision. ? It involves lot of time required in selecting the team that will rate the performance, preparing questionnaires, and analysing the collected information. 3.5.7

Post-appraisal Analysis Performance appraisal system should be effective as a number of crucial decisions are made on the basis of score or ratings given by the appraiser. All organizations use performance appraisal for purposes such as salary increase, determining training needs, motivating employees or establishing a basis for future personnel decisions. The ideal approach to performance evaluation is that in which the evaluator is free from personal biases and

prejudices. This is because when an evaluator is objective, it minimises the potential dysfunctional behaviour of the evaluator, which will be detrimental to the achievement of the organizational goals. Given that all appraisals entail judgements and given that judgements, may not always be fair, a variety of techniques to make appraisal more objective have been introduced. An appraisal system to be effective should possess the following essential characteristics: (

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a) Reliability and Validity Appraisal system should provide consistent reliable and valid information and data, which can be used to defend the organization – even in legal challenges.

However,

a single foolproof evaluation method is not available. Inequities in evaluation often destroy the usefulness of the performance system – resulting in inaccurate, invalid appraisals, which are unfair too.

92%

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If two appraisers are equally qualified and competent to appraise an employee with the help of same appraisal techniques, their ratings should agree with each other.

Then the technique satisfies the conditions of inter-rater reliability. (b) Confidence and

Trust The existence of an atmosphere of confidence and trust

is necessary to discuss matters frankly and offer suggestions for the improvement of the employee so that the

organization as well as employee stands to benefit. (c) Immediate Superior as Appraiser The immediate superior of the

ratees must make the ratings, but the personnel department can assume the responsibility of monitoring the system.

The superior should analyse the strengths and weaknesses of an employee and advice him on correcting

the weaknesses. (d) Swift and Economical The appraisal programme should be less time-consuming and economical.

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Appraisal forms, procedures, administration of techniques, ratings etc., should be standardised.

An appraisal programme should bring maximum benefit.

Personnel Development Programme NOTES Self-Instructional Material 79 (e) Open Communication

The results of the appraisal, particularly when they are negative, should be immediately communicated to the employees, so that they may try to improve their performance.

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A good appraisal system provides the needed feedback on a continuing basis. The appraisal interviews should permit both parties to learn about the gaps and prepare themselves for future. (

f) Post-appraisal Interview A post-appraisal interview should be arranged so that employees are given feedback and the organization understands the difficulties under which employees work, so that their training needs may be discovered. Permitting employees to review the results of their appraisal allows them to detect any errors that may have been made. If they disagree with the evaluation, they can even challenge the same through formal channels. (

g) Job Relatedness

Suggestions for improvement should be directed towards the objective facts of the job.

Plans for the future must be developed alongside in

consultation with subordinates. The individual as a person should never be criticised.

Problems of Performance Appraisal

None of the methods for appraising performance is absolutely valid or reliable. Each has its own strengths and weaknesses.

In spite of knowing that a completely error-free performance appraisal can only be

an idealised model, we can isolate a number of factors that significantly impede objective evaluation. The major problems in performance appraisal are: (

a)
Rating Biases Most appraisal methods involve judgements. The performance appraisal process and techniques relies on the evaluator who has his own personal biases, prejudices and idiosyncrasies. It would be naïve to assume that all evaluators will impartially appraise their subordinates. The evaluator or raters biases include (i) Leniency and Strictness Error: Errors of leniency are caused by the tendency of the lenient rater to put most of the ratees on the higher side of the scale, while the tough rater places them on the lower side of the scale. This is so because every evaluator has his own value system,

which

acts as a standard against which appraisals are made. Relative to the true or actual performance an individual exhibits, some evaluators mark high and others low. The former is referred to as positive leniency error and the latter as negative leniency error (strictness error). When evaluators are positively lenient in their appraisal, an individual's performance becomes overstated. Similarly, a negative leniency error understates performance, giving the individual a lower appraisal. If the same person appraised all individuals in an organization, there would be no problem. Although there would be an error factor, it would be applied equally to everyone. The difficulty arises when there are different raters with different leniency errors making judgements. (

ii)
Halo Error: The 'halo effect' is a tendency to allow the assessment on one trait to influence assessment on others. According to Bernardin and Beatty halo effect is a 'tendency to rate high or low on all factors due to the impression of a high or low rating on some specific factors'. This arises when traits are unfamiliar, ill-defined and involve personal reactions.

One way of minimising the halo effect is by appraising all the employees will one trait before going on

to rate them on the basis of another trait. (iii) Central Tendency Error: The central tendency error refers to the tendency of not using extreme scale scores on the judgement scale; most of the rates are clustered in the middle. According to Bernardin and Beatty, central tendency is 'the reluctance to make extreme ratings (in either direction); the inability to distinguish between and among ratees; a form of range restriction'. Raters who are prone to the central

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tendency error are those who continually rate all employees as average.

They follow play safe policy because of answerability to management or lack of knowledge about the job and person he is rating or least interest in his job.

This type of rating will create problems, especially if the information is used for pay increases. (iv) Personal Prejudice: The rater's personal prejudice can influence the objectivity of performance appraisals. If the rater dislikes an employee he may rate him poorly. (v) Consequence of Appraisal: If the evaluator knows that a poor appraisal could significantly hurt the employee's future (particularly opportunities for promotion or a salary increase) the evaluator may be reluctant to give a realistic appraisal. (vi)

The Recency Effect: Raters generally remember the recent actions of the employee at the time of rating.

If a favourable action has taken place recently, the employee will be given a high rating. Conversely, he will be given a poor rating if an unfavourable action has taken place recently. (

b)
Opportunity Bias This results when the amount of output is influenced by factors beyond the control of employees. Some employees have better working conditions, supportive supervisors, more experienced co-workers and hence their output may be greater than others working on identical tasks. (c) Group Cohesiveness Cohesive groups with high morale can produce more than less cohesive groups with low morale. (d) Knowledge of Predictor Bias A rater's knowledge of the performance of an employee on predictors can influence his appraisal ratings. An employee who topped in the selection list might leave the impression that he is the best among the employees and hence, the rater may rate him as 'good' when his performance is moderate. (e) Similarity Error When evaluators rate other people in the same way that the evaluators perceive themselves, they are making a similarity error. Based on the perception that evaluators have of themselves, they project those perceptions on others.

For example, the evaluator who perceives himself as aggressive may evaluate others by looking for aggressiveness. 3.5.8 Ways for Improving Performance Appraisals (

a)

Choosing the Appraisal Method With a wide range of appraisal methods currently available, an organization is faced with the difficult task of selecting the best approach to meet its needs. Before selecting the method of appraisal to be followed we should examine two areas with special care: (a) Various factors that can help or hinder the implementation of a particular appraisal programme and (b) The appropriateness of the appraisal method for the special jobs to which the appraisal system will apply. (b) Multiple Raters As the number of raters' increases, the probability of getting accurate information increases. If a person has had ten supervisors, nine have rated him excellent and one poor, we can discount the value of the one poor evaluation. Therefore, by moving employees about within the organization so as to gain a number of evaluations, we increase the probability of achieving more valid and reliable evaluation.

Check Your Progress 11. Define performance appraisal? 12. What is the purpose of performance appraisal? 13. What is 360-degree appraisal? 14. What are the essentials of a good appraisal system?

Personnel Development Programme NOTES Self-Instructional Material 81 (c)

Training Appraisers If you cannot find good raters, the alternative is to make good raters. Evidence indicates that the training of appraisers can make them more accurate raters. Common errors such as halo and leniency have been minimised or eliminated in workshops where managers can practice observing and rating behaviours. (d) Ongoing Feedback Employees like to know how they are doing. If managers share with the subordinate both expectations and disappointments on a day-to-day basis by providing the employee with frequent opportunities to discuss performance before any reward or punishment consequences occur, there will be no surprises at the time of the annual formal review. (e) Selective Rating It has been suggested that appraisers should rate in those areas in which they have significant job knowledge. If raters make evaluation on only those dimensions on which they are in a good position we increase the inter-rater agreement and make the evaluation a more valid process. (f) Peer Evaluation The main advantages of peer evaluation are that: (i) there is a tendency for co-workers to offer more constructive insight to each so that, as a unit, each will improve and (ii) the recommendations of peers tend to be more specific regarding job behaviours. However, for peer assessments to function properly, the environment in the organization must be such that politics and competition for promotions are minimised. (g) Post-appraisal Interviews It is necessary to communicate to employees how they have performed. To meet this need, managers must take the time to schedule a meeting with their subordinates to discuss the results of the performance evaluation. Employees need to know how they are doing, be recognised for outstanding achievements and be notified about where there is room for improvement. (h) Rewards to Accurate Appraisers The managers who are evaluating must perceive that it is in their personal and career interests to conduct accurate appraisals. If they are not properly rewarded for doing effective appraisals, they will take the easy way out by first trying to avoid the process entirely. If pushed, they will complete the appraisals, but these can be expected to suffer from positive leniency and low differentiation. Encouraging and rewarding accurate appraisers will remove this flow. To conclude, we can say that performance evaluations are an integral part of every organization. Properly developed and implemented, the performance evaluation can help an organization achieve its goals by developing productive employees. 3.6

CASE STUDIES 3.6.1 Hotel Mangalore Private Ltd Hotel Mangalore Private Ltd., is located in Hampankatta, Mangalore. It is at a distance of one km from Mangalore railway station. Though started about two years ago, it is now attracting business customers from all over the country. Mr. R.K Shetty who has served in five star hotels in Mumbai and Chennai wants to make it the number one hotel in Mangalore.

Human Resource Management NOTES 82 Self-Instructional Material The staff and employees of this hotel are recruited locally. Since most of them do not have an experience of working in five star hotels, they do not have the attitudes and skills to deal with the hotel's customers. In contrast, the supervisory staff are qualified, with degrees in Hotel Management and have undergone intensive training in five star hotels in Mumbai before joining Hotel Mangalore. However their assistants in the front office, lobby, restaurant, kitchen and housekeeping, do not have any formal training in their respective jobs. The supervisory staff therefore finds it difficult to give them suitable instructions. The employees and staff are not of the standard expected of them from the business customers, who compared the service at Hotel Mangalore with other five star hotels. Of late, there have been increasing number of complaints about general cleanliness, housekeeping, room service and service at restaurants. Mr Shetty had called a number of meetings with departmental heads and supervisory staff. They strongly recommended a formal training programme for staff and employees of the hotel. It was therefore agreed that suitable training be given to the staff and employees. However, the supervisory staff do not wish to relieve the staff during working hours and the staff are not willing to attend the training programme after the working hours. You have been appointed as management consultant for Hotel Mangalore and have been asked to give a comprehensive training plan for the employees giving the needs, duration of training, contents, methodology, resource persons, and a formal appraisal method to evaluate the effectiveness of the training programme. Questions: 1. How will you make a comprehensive training plan for all the staff who needs to be given training? 2. What would be the contents of the training programme? 3. How will you assess the training needs? 4. How will you motivate the staff to be trained for attending the training programme? 3.6.2 I.G. Ferns and Advertisers Ivan Gandoo has been working in I.G. Ferns and Advertisers for about five years as a copyman. His job as copyman is to design advertisements for newspapers and magazines for the company's clients. He must work closely with the girls in the photography section, with members of the sales and promotion department and with the vice-president who is in-charge of the sales & promotion department. Ivan is an extremely enthusiastic worker with many good ideas. But he has considerable trouble in dealing with people. He is too impatient with the girls in the photography section and is constantly chasing them to finish his own work in time. On one occasion he went into the ladies dressing room where the girls were putting make up and asked them to speed up. Though the girls expressed their displeasure they did not complain. He makes it clear to everyone that his ideas are always the best and this is not taken kindly by others in the sales & promotion department. On another occasion, during a conference, when the vice-president was making a speech, Ivan cut the speech short by an aggressive answer. It was a good answer and the vice-president took it sportingly. He even congratulated Ivan on his innovative ideas. Though the girls did not complain and the vice president did not mind, some others in the department thought that Ivan did not behave properly. Ivan always created unpleasantness wherever he went. As a manager you are concerned about the animosity he is creating in your department. As per the performance appraisal policy of the company, each employee has to undergo an performance evaluation interview every year. The rating of the employee is based in terms of achievement and evaluation of behavioural attributes. Based on the rating the employee will be given an increment.

Personnel Development Programme NOTES Self-Instructional Material 83 Questions: 1. As Ivan's manager, what should your strategy be in handling the performance evaluation interview with Ivan ? 2. What remedial measures do you suggest to tackle the situation ? 3. As an appraiser do you suggest withholding Ivan's increment ? Give reasons. 3.6.3 S K Pharma Company S K Pharma Company has its headquarters in Mangalore. It is manufacturing and marketing drugs and medicines. The company has met severe competition from large pharma companies with foreign collaboration. Mr. K V Nayak, Vice-president marketing, has been with the company for the last two years. He has ambitious plans for capturing a sizeable share of the South Kanara market and in Kerala. As the company is medium-sized, Mr. Nayak has kept his marketing department and team lean and trim. The medical representatives were given aggressive targets and were pushed to reach their respective targets. The representatives worked hard to complete their respective targets. Mr. Nayak himself worked almost 12 to 14 hours a day. However, there was no formal appraisal and reward system in S K Pharma. During the last year, more than 25 medical representatives had left the company due to unsatisfactory increments and promotions. Those who left the company were excellent workers. Mr. Nayak did not care for this high turnover. He was overconfident that he would be able to hire freshers since S K Pharma paid the highest salary in the industry. Mr. Nayak also felt that he could select candidates who were not happy with their remunerations in other companies. Mr. Nayak had never communicated to the Medical Representatives about their performance or reasons for not recognising their outstanding performance. Questions: 1. What do you perceive is the basic problem in S K Pharma? Suggest the steps you will take to correct the situation. 2. What type of post-appraisal interview would you recommend? Should the system include post appraisal rewards like increments and promotions. Give reasons. 3.7 SUMMARY

In a rapidly changing society, employee training and development is not only an activity that is desirable but one that an organization must commit resources to if it is to maintain a viable and knowledgeable workforce.

Training is a process of learning a sequence of programmed behaviours. It is application of knowledge.

A programme of

training becomes essential for the purpose of meeting the specific problems of a particular organization arising out of the introduction of new lines of production, changes in design, the demands of competition etc. Types of training programmes include Induction or Orientation Training, Job-training, refresher training etc. Training programme includes a number of steps like: Discovering or Identifying Training needs, Preparing the Instruction or getting ready for the job, Preparing the trainee, Presenting the operation, Try out the trainees' performance, Follow-up or Rewards and feedback. Executive or management development

is a long-term educational process utilizing a systematic and organized procedure by which managerial personnel learn conceptual and theoretical knowledge. Development is a related process.

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A career is a sequence of positions or jobs held by a person during the course of his working life. It consists of a series of

properly sequenced role experience leading to an increasing level of responsibility, status, power and rewards.

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Performance appraisal is, "

the formal, systematic assessment of how well employees are performing their jobs in relation to established standards, and the communication of that assessment to employees" 3.7 ANSWERS TO '

CHECK YOUR PROGRESS' 1. In order to achieve its objective, any training programme should try to bring positive changes in: ? Knowledge: It helps a trainee to know facts, policies, procedures and rules pertaining to his job. ? Skills: It helps him to increase his technical and manual efficiency necessary to do the job and ? Attitude: It moulds his behaviour towards his co-workers and supervisors and creates a sense of responsibility in the trainee 2. The importance of training is: (i) Training enables the management to face the pressure of changing environments. (ii) Training usually results in the increase of quantity and quality of output. (iii) Training leads to job satisfaction and higher morale of the employees. (iv) Trained workers need lesser supervision. (v) Trained workers enable the enterprise to face competition from rival organization. (vi) Training enables employees to develop and rise within the organization and increase their earning capacity. (vii) It moulds the employee's attitudes and helps them to achieve better co-operation with the organization. (viii) Trained employees make better economic use of materials and equipment resulting in reduction of wastage and spoilage. (ix) Training instructs the workers toward better job adjustment and reduces the rate of labour turnover and absenteeism. 3. The benefits of a training programme to employees ? Personal Growth ? Development of new skills ? Higher Earning Capacity ? Helps adjust with changing Technology ? Increased Safety ? Confidence 4. The following steps are usually considered as necessary. (a) Discovering or Identifying Training needs. (b) Preparing the instruction or getting ready for the job. (c) Preparing the trainee. (d) Presenting the operation. (e) Try out the trainees' performance. (f) Follow-up or Rewards

and feedback. 5. Executive or management development

is

a long-term educational process utilizing a systematic and organized procedure by which managerial personnel learn conceptual and theoretical knowledge.

Personnel Development

Programme NOTES Self-Instructional Material 85 6.

Management development should produce change in behaviour which is more in keeping with the organization goals than the previous behaviour. 6. The

need for executive development is felt because (a)

There is a shortage of trained managers.

The organization has to develop the talented employees and maintain an inventory of executive skills to meet the future demands. (

b)

The performance of a company depends upon the quality of its managers. Executive development, therefore, is of paramount importance to have effective and desired managerial talents to meet the organization's demand. (c) Obsolescence of managerial skills is another factor, which calls for continuous executive development. A manager must continuously update himself to successfully meet new challenges

as they occur. 8. (a) To ensure a steady source of competent people at all levels to meet organizational needs at all times. (b) To prevent managerial obsolescence by exposing the managers to new concepts and techniques in their respective fields of specialization. (c) To prepare the present employees for higher assignments so that they may be promoted from within. (d) To develop a second line of competent managers for future replacements. (e) To promote a high morale and good organizational climate 9. Career planning aims at matching individual potential for promotion and individual aspirations with organizational needs and opportunities. It opens avenues for growth to higher levels of responsibilities for each and every employee of the organization through hierarchy of position, and training and development activities to equip the individuals with the requisites for succession. 10. Career planning is necessary due to the following reasons: ? To attract competent persons and retain them in the organization. ? To provide suitable promotional opportunities. ? Map

out careers of employees suitable to their ability, and their willingness to be trained and developed for higher positions. ? To ensure better utilization of managerial reserves within an organization. ? To reduce employee dissatisfaction and turnover. ? To correct employee placement. ? To improve employee morale and motivation by matching their skills to job requirements. ? To achieve higher productivity and organization development. ? To provide guidance and encourage employees need to fulfil their potentials 11.

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 12.

Organizations use performance appraisals for three purposes: (a) Administrative (b) Employee development (c) Programme assessment 13. 360

Degree appraisal is a method of appraisal in which people receive performance feedback from those on all sides of them in the organization – their boss, their colleagues and peers and their own subordinates.

Human Resource Management NOTES 86 Self-Instructional Material 14. A sound appraisal system should comply with the following: ? Reliability and validity ? Job relatedness ? Standardisation ? Practical viability ? Training to Appraisers ? Open communication ? Employee access to results ? Clear Objectives ? Post Appraisal Interview ? Periodic Review ? Not Vindictive in Natur 3.8 QUESTIONS AND EXERCISES Short-Answer Questions 1. Define 'training'. What are the differences between training and development? 2. What is

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the importance of performance appraisal in an industrial organization. How would you make it more effective? 3.

What are the limitations of appraisal methods? How can these be overcome? 4. Performance appraisal by objective is considered to eliminate the subjectivity in appraisal. Do you agree? Long-Answer Questions 1. Discuss the various methods of imparting training. 2. Discuss the essential features of a good training programme. 3. "No organization can choose today between training and no training". Comment. 4. Describe the process of performance appraisal. 5.

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Performance appraisal is not merely for appraisal but is for accomplishment and improvement of performance. Discuss. 3.9

FURTHER READING 1.

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Job Compensation NOTES Self-Instructional Material 87 UNIT 4 JOB COMPENSATION

Structure 4.0 Introduction 4.1 Unit Objectives 4.2 Job Evaluation 4.2.1 Definition of

Job Evaluation; 4.2.2 Objectives of Job Evaluation; 4.2.3 Principles of Job Evaluation

Programmes; 4.2.4 Advantages of Job Evaluation; 4.2.5 Disadvantages of Job Evaluation; 4.2.6

Methods of Job Evaluation; 4.2.7 Essentials for Success of Job Evaluation

Programmes 4.3 Wage and Salary Administration 4.3.1 Methods of Wage Payment; 4.3.2 Incentive Wage Plans; 4.3.3

Variable Compensation Individual and Group; 4.3.4 Broad Categories of Wage Incentive Schemes; 4.3.5 Requisites for the

Success of an Incentive Plan; 4.3.6 Fringe Benefits; 4.3.6 Concept of Variable Compensation 4.4 National Wage Policy

4.4.1 Objectives of National Wage Policy; 4.4.2 Regulations Adopted; 4.4.3 Wage Policy in a Developing Economy; 4.4.4

Principal Constituents of a National Wage Policy; 4.4.5 Failure of The National Wage Policy 4.5 Case Study: Corp Bank 4.6

Summary 4.7 Answers to 'Check Your Progress' 4.8 Questions and Exercises 4.9 Further Reading 4.0

INTRODUCTION

Job evaluation is concerned with assessing the value of one job in relation to another, for it is only when each job has been properly evaluated that a sound wage structure can be built. Job evaluation is

the output provided by job analysis. It uses the information in job analysis to evaluate each job for a suitable compensation. It is

a formal and systematic comparison of jobs in order to determine the worth of one job relative to another. 4.1

UNIT

OBJECTIVES

After going through this unit you will be able to: ? Know the

Principles of

a Job Evaluation Programmes ? Explain the Advantages and Disadvantages

of a Job Evaluation ? Understand the Various Methods of Job Evaluation ?

Learn about Incentive Wage Plans ? How to make success of Incentive Wage Plans ? Know and Understand the Various

Individual and Group Incentive Schemes ? Learn about the National Wage Policy 4.2

JOB EVALUATION 4.2.1 Definition of

Job Evaluation 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".

Wendell French defines job evaluation

as "a process

of

determining the relative worth of the various jobs within the

organization, so

the

differential wages may be paid to jobs of different worth".

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The

British Institute of Management has defined

job evaluation as "the process of analysis and assessment of jobs

to ascertain reliably their relative worth, using the assessment as a basis for a balanced wage structure".

The ILO defines

job evaluation as "

an attempt to determine and compare demands which the normal performance of a particular job makes on normal workers without taking into account the individual

abilities or performance of the workers concerned". 4.2.2

Objectives of Job Evaluation According to Knowles and Thomson, "job evaluation is useful in eliminating many evils to which nearly all systems of wage and salary payments are subject. They are: (

a) Payment of high wages and salaries to persons who hold jobs and positions not requiring great skill, effort and responsibility; (b) Paying beginners less than they are entitled to receive in terms of what is required of them; (c) Giving raise to persons whose performance does not justify it; (d) Deciding rates of pay on the basis of seniority rather than ability; (e) Payment of widely varied wages and salary for the same or closely related jobs and positions; and (f) Payment of unequal wages and salaries on the basis of race, sex, religion or political differences". 4.2.3 Principles of Job Evaluation Programmes According to Kress, certain broad principles should be kept in mind before implementing a job evaluation programme. These principles are listed below: (a) "

Rate the job and not the man. Each element should be rated on the basis of what the job itself requires; (b) 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; (c) The elements should be clearly defined and properly selected; (

d) 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; (e) Foremen should participate in the rating of jobs in their own departments; (f) Maximum co-operation can be obtained from employees when they themselves have an opportunity to discuss job ratings; (

g) 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; and (h)

Too many occupational wages should not be established. It would be unwise to adopt an occupational wage for each total of point values". 4.2.4

Advantages of Job Evaluation

According to an I.L.O publication, job evaluation enjoys the following advantages: (a)

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; (b) In the case of new jobs, the method often facilitates fitting them into the existing wage structure; (c) The method helps in removing grievances arising out of relative wages; and it improves labour-management relations and workers morale. In providing a yardstick, by which Job Compensation NOTES Self-Instructional Material 89 workers' complaints or claims can be judged, the method simplifies discussion of wage demands and enables differences in wages to be explained and justified; (d) 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; (e) The method may lead to greater uniformity in wage rates, thus simplifying wage administration; (f) 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; and (g) Such information also reveals that workers are engaged in jobs requiring less skill and other qualities than they possess, thereby pointing to the possibility of making more efficient use of the plants' labour". 4.2.5 Limitation of Job Evaluation

There are a number of limitations of job evaluation. These are: (

a) Though it is claimed that job evaluation is an objective and logical method of ranking jobs and removing unjust differentials in the existing wage structure, in practice, it is not so. Rapid changes in technology have given rise to problems of adjustment: (b) Justifying different rates of pay for different jobs often becomes a difficult task for the management.

When job evaluation is applied for the first time in any organization, it creates doubts

and fears in the minds of employees: (c) Job evaluation takes a long time to install. It may be costly and therefore, the possibility of implementing the changes may be restricted by the financial limits within which the firm has to operate: (d) Job factors fluctuate because of changes in production. Therefore frequent evaluation of a job is essential. This requires specialized technical personnel and may be costly; (e) Higher rates of pay for some jobs and lower rate of pay for some other jobs based on job evaluation often give rise to human relations problems and lead to grievances among those holding jobs which are allocated lower wages; (f) Job evaluation fails to consider a number of variables like supply and demand of a particular skill, career prospects, social status etc., which influence the value of a given job; (g) Job evaluation is a highly subjective process because it is based on human judgement; (h) Traditional job evaluation is not well suited to determine the relative worth of managerial jobs; and (i) Job evaluation tends to destroy traditional wage differentials which have had long- standing acceptance. 4.2.6

Methods of

Job Evaluation Determining the relative worth of all jobs in the enterprise is difficult. This is so because, jobs differ with respect to the demands made on the employees as well as the value of the job to the enterprise. The comparison and evaluation may be made on two bases: (

a) Non-analytical or non-quantitative system and (b) Analytical or quantitative system. (a)

Non-Analytical or Non-Quantitative System This system utilizes non-quantitative methods of listing jobs in order of difficulty. The comparison and evaluation made on non-quantitative basis is made by ranking or classifying the jobs from the lowest to the highest. Non-analytical system is usually of two types. These are:

Human Resource Management 90 NOTES 90 Self-Instructional Material (i) Ranking System. (ii) Job Classifications or Grading System. (i)

Ranking System: This is a very simple method of job evaluation. Under this system the job raters simply rank one job against another without assigning point values. The ranking method consists of ranking the jobs in the organization from the lowest to the highest.

Merits of Ranking System ? The ranking method is simple, quick and inexpensive. ? It is particularly suitable for small organizations which cannot afford to employ outside consultants. ? As the system is simple and easy to understand, it becomes easy for the organization to explain to the employees or trade union. ? It is less expensive than other systems and as such is useful and suitable for small organizations. Demerits of Ranking System ? The ranking method is somewhat crude as specific job requirements are not normally analyzed separately. Therefore in the absence of any yardstick, each rater has his own set of criteria. The ranking process is initially based on judgement and therefore tends to be influenced by the personal bias of the rater. ? The system merely produces a job order but it does not indicate how much one job differs from another.

As the size and complexity of an organization increases, it becomes difficult to find raters acquainted with all jobs to be ranked. (ii) Job Classification or Grading System: Under this system, a number of pre-determined grades or classifications are first established and then the various jobs are assigned within each grade or class. Job classification system begins with an overall comparison of all jobs, on the basis of common sense and experience. For each class a general specification is prepared indicating the nature of work and responsibility that are included. Each class is assigned a salary range with maximum and minimum limits. After that, actual jobs are fitted into these predetermined classes.

Merits of Job Classification or Grading System ? This method is best suited to small organizations as it is easy to understand and inexpensive to administer. ? Since employees think of jobs in clusters or groups, this method makes it easier for them to understand ranking. ? Job grading is considered to be an improvement over ranking because a predetermined yardstick consisting of job classes is provided. ? Job grading makes pay determination problems administratively easier to handle. Demerits of Job Classification or Grading System ? It is difficult to write comprehensive and unambiguous class descriptions. ? The rater can be easily influenced by title, personality and existing pay rate of a job. Thus, the judgement in respect of a whole range of jobs may produce an incorrect classification. ? Lack of substantiating data makes it difficult for the management to defend ratings to their employees. ? This method leaves much to be desired because personal evaluations by raters establish the major classes and determine into which classes each job should be placed. ? This system is unsuitable for large organizations as it is a very rigid system.

Job Compensation NOTES Self-Instructional Material 91 (b) Analytical or Quantitative System In the method discussed above, i.e.,

ranking system and grading system, the relative ranking of jobs was determined without reference to any numerical values (points). However, in the quantitative system, various factors of a job are considered and points are assigned to them according to their relative worth. The analytical or quantitative systems of job evaluation are: (i) The Point Rating System (

ii) The Factor Comparison Method. (i)

The Point Rating System: The point rating system is based on the assumption that it is possible to assign points to the different factors as well as to each degree of each factor involved in jobs and that the sum—

total of the points will give an index of the relative value of jobs. The method was originally designed and developed by the Western Electric Company. The point rating system is based on the assumption that it is possible to assign points to respective factors which are essential for evaluating an individual's job.

Merits of Point Rating System ? The use of fixed and predetermined factors forces the evaluator to consider the same job elements when rating jobs. ? The method forces job raters to consider individual factors rather than the job as a whole. ? It gives us a numerical basis for wage differentials. ? Prejudice and human judgement are minimized. A clear record of the judgements of the evaluator is later available for explaining the results of the evaluation. ? The assignment of point values indicates not only which job is worth more than another but how much more it is worth. ? As the system is more systematic and objective than any other job evaluation methods, the worker's acceptance can be assured. Demerits of Point Rating System ? It is very difficult to give a fair evaluation of the relative worth of each job in the organization. ? The listing of factors may omit some elements that are important in certain jobs. ? Workers find it difficult to fully comprehend the point rating system. ? The task of defining job factors and assigning value to each degree is a time consuming and difficult task. ? The point rating system entails considerable clerical work like recording and summarizing the rating scale. ? The system is inflexible as the same point systems cannot generally be used for production and office jobs. (

ii) The Factor Comparison System: This system is similar to the point rating system. The factor comparison system was developed by Eugene J Benge at the Philadelphia Rapid Transit Company in 1926. He developed this system in order to solve the two problems faced by the point rating system i.e., determining the relative importance of factors and describing their degrees. This method begins by finding out the major factors which are present in more or less degree in all the jobs in a particular organization.

Each job is ranked several times—once for each compensable factor selected. For example, jobs may be ranked first in terms of the factor skill. Then, they are ranked according to their mental requirements. Next, they are ranked according to their 'responsibility' and so forth. Then these ratings are combined for each job in an overall numerical rating for the job. Thereafter, it is easy to assign money value to these jobs in some direct proportion to the points assigned under evaluation.

Human Resource Management 92 NOTES 92 Self-Instructional Material Merits of Factor Comparison Method ? It is a systematic, quantifiable method for which detailed step-by-step instructions are available. ? This method can be used to evaluate a combination of unlike jobs such as clerical, manual and supervisory jobs. ? It uses the job-by-job comparison technique which is a far more accurate method of measurement. ? It is a fairly easy system to explain to employees because the weights selected are not entirely arbitrary but reflect existing wage and salary practice. ? The reliability and validity of the system are greater than the other methods of job evaluation. Demerits of Factor Comparison Method ? The difficulty of the system is that it is very expensive and complicated and cannot be readily explained to the workers. ? The method is somewhat difficult to operate. ? Money rates, when used as a basis of rating, tend to influence the rater.

4.2.7 Essentials for Success of Job Evaluation Programmes According to the findings of the International Relations Sections of Princeton University, the following conditions are necessary for the successful operation of a job evaluation programme: (a) It must be carefully established by ensuring that: (i) The management's aims are clear to all concerned and that not only the manual workers but also all levels of supervisory and management employees fully understand its implications; (ii) All the relevant internal and external factors have been taken into account in arriving at the final form of the scheme. (b) It must have the full approval and continued support and backing of the top management. (c) It must have obtained the acceptance of trade unions. (d) Adequate administrative control must be set up to ensure - (i) A centralized co-ordination of the scheme; (ii) The evaluation of new and changed jobs; (iii) A proper control of individual rate ranges; and (iv) The conduct of wage surveys to provide to necessary information about the intra- plant ranges. (v) The importance of factors, other than job content, in wage rate determination must be recognised and taken into consideration while launching a job evaluation programme. (e) Before launching a job evaluation programme certain issues should be decided before hand. They are: (i) Which category of employees is to be covered and up to what range? (ii) Who will evaluate a job—outside consultants or trade analysts or the personnel of the personnel department? (iii) How will the employees be consulted in regard to the method of putting the programme through? (iv) Does a proper atmosphere exist for launching of the programme? Check Your Progress 1. Define job evaluation. 2. What is ranking system of Job evaluation? 3. What are the demerits of the factor comparison method?

Job Compensation NOTES Self-Instructional Material 93 Use of Job Evaluation Some form of job evaluation is invariably a part of a formal wage and salary programme.

Job evaluation is concerned with assessing the value of one job in relation to another for it is only when each job has been properly evaluated that a sound wage structure can be built.

According to Sibson, job evaluation process plays a key role in wage and salary administration in the following ways: (a) Job evaluation is the most effective means of determining internal pay relationships for most types of jobs. (b) It can be used as an instrument for implementing the company's basic pay policies. (c) Equitable base-pay relationships set by job evaluation serve as a foundation for incentive or bonus plans. Through job evaluation, the company is able to establish the standard job value upon which extra incentive earnings, bonus payments or merit increases can be established. (d) Job evaluation provides a reasonable basis for personnel moves. Unless relative classes of jobs are established in the first place, managers will not know whether a personnel move represents a promotion or a demotion or a transfer. (e) Useful controls over wage and salary costs can be greatly aided by job evaluation. (f) Job evaluation provides a realistic foundation for gearing company pay scales to the pay-scales of competing companies. This, in turn, gives reasonable assurance that the company will get the numbers and types of persons needed to operate the business and at the same time, maintain wage costs at a competitive level. (g) It assists managers in meeting day-to-day problems. This in turn contributes to the reduction of employee grievances, to higher employee productivity through higher morale and to fewer turnovers.

4.3 WAGE AND SALARY ADMINISTRATION

Services rendered by individuals to organizations have to be equitably paid for. This compensation generally comprises cash payments which include wages, bonus, and shared profits. Good compensation plans have a salutary effect on the employees. They are happier in their work, cooperative with management and productivity is up. Although, there can be both monetary and non-monetary forms of compensation, it is the monetary and non-monetary forms of compensation which is the most basic element by which individuals are attracted to an organization and are persuaded to remain there. Wages in the widest sense mean any economic compensation paid by the employer under some contract to his workers for the services rendered by them.

The Payment of Wages Act 1936, sec 2 (vi) defines wages as, "any award of settlement and production bonus, if paid, constitutes wages".

4.3.1 Methods of Wage Payment

Compensation paid to the labour for the service offered is called as wages or salary.

Giving satisfactory and fair amount of compensation, can probably eliminate most of the labour disputes. The fundamental methods of compensating the workers are: (a) Time Wage (b) Piece Wage. (a) Time Wage It is based on the amount of time spent. Wage is measured on the basis of unit of time e.g.:– per day, per month etc. Wages do not depend on the performance of the employee. Features of Time Wage: (i) It is more widely used as it is very simple to compute the earnings. (ii) It provides guaranteed and secured income, thereby removing the fear of irregularity of income.

Human Resource Management 94 NOTES 94 Self-Instructional Material (iii) It facilitates payroll function. Advantages of Time Wage System: (i) Sense of security of income. The worker knows exactly the amount he is to get. (ii) Conducive climate is provided for better labour-management relations as disputes are minimized. (iii) The worker will give greater care and attention on quality and therefore workmanship can be assured. Disadvantages of Time Wage System: (i) Time Wage System offers no incentive for employees to put forth their best efforts. Efforts and reward have no direct positive correlation. (ii) There is no encouragement for better performance. Merit is discounted and inefficiency is at a premium as all receive the same salary. It is an unsound, unscientific and arbitrary basis of wage payment. (iii) Ambitious workers receive no monetary reward for their talents. (iv) It demands intensive and strict supervision. (b) Piece Wage System It is based on the amount of work performed or productivity.

The earnings of the employee are directly proportional to his output or performance.

Features of piece wage system are: (i)

It can offer direct connection between effort and reward.

Hence,

it is the best method to ensure higher productivity. (

ii) Wage cost determination is easy. Advantages of Piece Wage System (i) Direct connection between effort and reward. (ii) It is simple and easy to understand. (iii) The worker is interested in higher efficiency. (iv) Cost accounting and control by management is made easy. Disadvantages of Piece Wage System (i) Danger of overwork. This leads to risk of accident and excessive fatigue. (ii) We require a lot of supervision to maintain the quality and standard of work. (iii) It is an ineffective method, if quality is to be given top preference.

4.3.2 Incentive Wage Plans A system of wage payment which would maintain both quality and quantity is called Incentive wage plan and it is naturally a judicious combination of both basic systems of wage payments i.e., Time and Piece wages. Under the incentive plans of wage payment, both Time Wage and Piece Wage systems are blended together in such a manner that the workers are induced to increase their productivity. Essentials of a Sound Wage Incentive Plan: (a) Measurement of the amount of work done. (b) Establishment of standard output on the basis of which the incentive has to be worked out. (c) Setting up a suitable rate of incentive.

Types of Incentive Plans: The following are some important plans of incentive wage payment (a) Halsey Plan: It is a plan originated by F.A. Halsey to encourage efficiency amongst workers as well as to guarantee them wages according to time basis. The standard time required for a job is determined beforehand on the basis of time and motion studies.

Workers who perform the job in less than the standard time and thus save time are rewarded with a bonus but the worker who takes longer than the standard

Job Compensation NOTES Self-Instructional Material 95 time is not punished, and is paid wages according to time wage system. The total earnings of a worker under this plan consist of wages for the actual time plus a bonus which is equal to the money value of 33 % of the time saved in case of standard time set on previous experience, and 50% of the time saved when the standards are scientifically set. (b) Rowan Plan: Wages, according to time basis, are guaranteed and the slow worker is not made to suffer. A standard time is determined before and a bonus is paid according to time saved. The only difference between Halsey Plan and Rowan Plan relates to the calculation of bonus. Under this plan bonus is based on

that proportion of the time saved which the time taken bears to the standard time.

It can be expressed as follows: $Bonus = Time\ Saved \times Time\ Taken \times Hourly\ Rate$

Standard Time Thus if a 20 hour job is done in 16 hours and if the hourly rate is 80 paisa, the total earnings of the worker will be: $[16 \times .80] + [4 \times (20 - 16) \times .80] = 12.80 + 2.56 =$

Rs.15.36 (c) Taylor's Differential Piece Wage Plan: Under this plan, there is no guarantee of wages. The standard of output is fixed per hour or per day and two piece wage rates are laid. Those exceeding the standard or even just attaining it, are entitled to the higher rate and those, whose output is less than the standard output are paid at a lower rate.

For example, the standard may be fixed at 40 units per day and the piece rates may be 30 paisa and 25 paisa per unit. If a worker produces 40 units

he should get wages at the rate of 30 paisa i.e., Rs.12. If he produces only 39 units he would be paid at the rate of 25 paisa per unit so his wages will be Rs.9.75. (d) The Emerson Efficiency System: In this system, the worker is allowed a certain time within which he is required to complete his job. If he completes the job within the required time, he is paid bonus. If he takes longer than the required time, he receives a lower bonus. Under this system, the daily wage is guaranteed. (e) The Gantt System: This system is similar to the Emerson efficiency system. The worker receives the bonus only if he attains the required standard of efficiency. No bonus is paid to a worker where his efficiency is less than 100%. The foreman is also given a bonus if the worker under his care attains the required standard of efficiency. (f) Bedeaux Point Premium Plan: The chief novelty of this plan is that the value of time saved is divided between workers and foreman, 3/4 to workers and 1/4

to foreman. This is done on the basis that a worker cannot show good results if his foreman does not fully co-operate with him. Therefore, the foreman is also entitled to an incentive. 4.3.3 Variable Compensation Individual and Group Incentive compensation, also called 'payment by result', is essentially a managerial device for

increasing worker's productivity. Further, it is a method of sharing gains in productivity with workers by rewarding them financially for their increased rate of output.

The payment by results scheme is directly related to an employee's productivity. There are many variations of incentive wage system. The most simple method is that of paying a workman by the number of units of a product he produces. The objective of an incentive wage system is one relating wages to output, thereby stimulating greater output at lower costs. Incentive system also helps in narrowing the gap

Human Resource Management 96 NOTES 96 Self-Instructional Material between management and workers and bringing them closer together with a commonality of goals and targets. Many authors have defined the term wage incentives. In the words of

Hummel and Nickerson, wage incentives "refers to all the plans that provide extra pay for extra performance in addition to regular wages for a job". According to Scott, Wage incentives "

is any formal and announced program under which the income of an individual, a small group, a plant work force or all the employees of a firm are partially or wholly related to some measure of productivity output". 4.3.4

Broad Categories of Wage Incentive Schemes A wide variety of incentive wage plans has been devised by industries under which the workers earnings are related directly to some measurement of work done either by himself or by his group. There are three broad categories of incentive schemes as classified by Dunn and Rachel. They are: (a) Simple Incentive Plan. (b) Sharing Incentive Wage Plan. (c) Group Incentive Plan. (a) Simple Incentive Plan: The simplest of all wage incentives may be described as the straight piece-rate system. The piece-work method is perhaps one of the oldest and simplest of the incentive plans. The basis of computation is the rate per piece multiplied by the number of pieces produced. For example, if the piece-rate is Rs.2 for each unit of output, then a worker who produces 10 units in a given time, say 8 hours, will be paid Rs.20. Another worker whose production is 12 units in the given time (i.e., 8 hours) will receive Rs.24 and so on. This method of payment is suitable if the process of production is standardized and large quantities are produced by repetition. The system is not suitable where workers by working rapidly to earn more wages are likely to lower the quality of the goods they produce. (b) Sharing Incentive Wage Plan: There are a large number of plans in this category. These plans are the modifications of the Taylor's differential piece rate incentive plan. Under this plan, the workers exceeding the standard or even just attaining it, are entitled to the higher rate and those, whose output is less than the standard output are paid at a lower rate. Taylor's philosophy was to attain a high level of output and therefore, there was a differential piece rate, low rates for output below the standard, and high rate for output above the standard. (c) Group Incentive Plan: Individual incentive scheme is not suited to cases where several workers are required to perform jointly a single operation. In such cases, a team approach is called for, with all the members of that team doing their share to achieve and maintain the output. The advantage of group incentive plans is that they encourage team spirit and a sense of mutual cooperation among workers. Under the group incentive plan, each member of the group is determined first of all by measuring the amount of the production which passes inspection as it leaves the group. The total earnings for the group are then determined and if all the members are of equal skill, these earnings are usually divided among them equally. There are three broad categories of incentive schemes (i) Simple Incentive Plan. (ii) Sharing Incentive Wage Plan. (iii) Group Incentive Plan. 4.3.5 Requisites For The Success of an Incentive Plan An incentive scheme is based on three basic assumptions. They are 1. The belief that money is a strong motivator. 2. There is a direct relationship between effort and reward. 3. The worker is immediately rewarded for his efforts. Though monetary incentive plans do motivate employees, these plans will not be effective unless certain requisites are met. Several authorities on the subject have suggested a list of Check Your Progress 4. What are the fundamental methods of compensating workers? 5. What are the features of time wage? 6. What are features of piece wage system? 7. What are the essentials of a sound wage incentive plan? 8. What are the broad categories of incentive schemes of wage payments?

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requisites that monetary incentive plans should meet if they are to be attractive to the employees. These requisites are given below: (a) The relations between management, supervisory staff and workers should be cordial and free from suspicion. Management must, therefore, ensure association of workers during the development and installation of the scheme. (b) The incentive plan should reward employees in direct proportion to their performance. The standard set has to be attainable; necessary tools, equipment, training etc., should be provided and the employee should have adequate control over the work process. (c) The plan should be easily understood by the employees so that they can easily calculate personal cost and personal benefit for various levels of effort put in by them. Complicated plans and formulae sow seeds of doubt and mistrust in the worker's mind. (d) The plan should provide for rewards to follow quickly after the performance that justifies the reward. Employees do not like to be rewarded next month for extra effort expended today. (e) The plan must be within the financial and budgetary capacity of the organization. In other words, the plan should not be very costly in operation. It should be ascertained in advance that these costs (incentives) are amply covered by the resultant benefits. (f) The work standard once established should be guaranteed against change. The work standard should be viewed as a contract with the employees. This rule must be strictly adhered to by management. Once the plan is operational, great caution should be used before decreasing the size of the incentive in any way. (g) The plan should be set on reasonable standards, i.e., it should not be too difficult or too easy. If the standards set are too difficult they make the employees unenthusiastic about it. If the standards set are too easy, the employees would hardly experience any competition. Thus, a fair and just standard is the key to any incentive plan. (h) The reward must be valuable to the employees. The incentive payments under the plan should be large enough in relation to the existing income of employees. (i) The incentive plans must encourage employees to support each other rather than be non-cooperative. (j) The plan should not be detrimental to the health and welfare of the employees. It should therefore include a ceiling on the maximum earnings by way of incentives. (k) Individual's or group's contributions and efforts must be clearly identifiable, if rewards are to be given for specific performance. (l) A guaranteed base rate should be included in any plan. Employees want to be assured that they will receive a minimum wages regardless of their output. This introduces a element of security for the employees.

4.3.6 Fringe Benefits Fringe benefits are the additional benefits and services that are provided by a company to its employees in addition to their direct salary. Therefore, fringe scan be defined as the additional benefits and services that a company provides to its employees on the basis of the performance of their performance. Both the terms, benefits and services, are considered similar by most people but some believe that they are entirely different. According to them, benefits are applicable only for those items that can be associated with some monetary value whereas services is applicable for the items that cannot be associated with any direct money values. However, more or less, both the terms, benefits and services, mean the same in reference to fringe benefits.

Today, mostly every company provides additional benefits to its employees along with the scheduled salary. Employees are attracted and get encouraged with these additional benefits

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and services. There are a lot of advantages of fringe benefits that attract the employees. Firstly, as most of the fringe benefits are not taxed benefits, they are not included in the taxable income. Another advantage of fringe benefits is that the employees can avail the fringe benefits, such as health and insurance with less expenditure. Companies also use these benefits to attract and maintain the existing employees by providing them additional benefits. Along with attracting the employees, fringe benefits such as vacations along with holidays and rest break also help the employees to get fresh and perform their duty with more encouragement. Therefore, we can say that the fringe benefits helps:

1. Lessen fatigue
2. Oppose labour unrest
3. Satisfy employee objectives
4. Promote recruitment
5. Minimise turnover
6. Reduce overtime costs

4.3.6.1 Principles of Fringe Benefits There are few factors that must be considered while determining the fringe benefits, which must be provided to the employees of a company. These are:

1. Benefits and services must be provided to the employees of a company to provide them better protection and encourage their well being.

The top management should not feel as if they are doing some charity by giving incentives to their employees.

2. The benefits that are provided to the employees should fulfil the real life requirements of the employees.
3. The benefits and services should be cost effective.
4. Fringe benefits should be monitored with proper planning.
5. While determining the fringe benefits, the requirements of employees that are communicated by union representatives must be considered.
6. The employees of a company should be well informed so that can make better utilisation of fringe benefits.

Table 4.1 lists some examples of monetary benefits:

Benefits	Example
Legally required payments	Old age, survivors and health insurance
Worker's compensation	Unemployment compensatio
Dependent and long term benefits	Pension plan
Group life insurance	Group Health insurance
Prepaid legal plans	Sick leave
Dental benefits	Maternity leav
Payments for time not worked	Vacations
Holidays	Voting pay allowanc
Other benefits	Travel allowance
Company car and subsidies	Child care facilities
Employee meal allowances	Moving expense

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4.3.6.2 Types of Fringe Benefits As we have discussed in the concept,

fringe benefits can be of two types. One that can be measured in terms of money value and the other type of benefits are those that cannot be measured in terms of money value. Fringe benefits such as medical insurance and holiday pay that can be associated with money value, are known as monetary benefits whereas benefits such as company newspaper and company service that cannot be associated with any money value, are known as non-monetary benefits.

Table 4.2 Examples of Non-monetary Benefits

Benefits	Example	Treats
Free lunch	Coffee breaks	Picnics
Birthday treats	Dinner for the family	Knick-Knacks
Company watches	Desk accessories	Wallets
T-shirts	Diaries and planner	

4.3.6.3 Important Fringe Benefits In the previous section, we came to know about the various fringe benefits that are provided by a company to its employees. Out of those benefits, there are few benefits that are much important for the employees. These are: ? Payment for the time employees have not worked ? Insurance benefits ? Compensation benefits ? Pension plans

Payment for the Time Employees have not Worked: This fringe benefit forms an important benefit for the employees of company. Mostly every company provides the payment for time not worked benefit to its employees. Payment for time not worked benefit can be of two types, on-the-job free timer payment and off-the-job free time payment. On-the-job free time includes lunch periods, coffee breaks, rest periods, get-ready times and wash-up times whereas off-the-job free time includes vacations, sick leaves, public holidays and casual leaves.

Insurance Benefits: Insurance benefits are also an important fringe benefit for the employees of a company. Nowadays, every company provides its employees the facility of purchasing insurance policies at prices, which is much less than the cost the employees have to pay for if they buy insurance themselves.

Compensation Benefits: Companies also provide compensation benefits to its workers against some disability or injuries to the employees or their family members. Other employees of the company contribute to the funds that are collected for the ill or injured employees. All these compensation benefits are synchronized by the Workmen's Compensation Act.

Pension Plans: Companies also provide supplementary income or pension to its employees after their retirement. These pension plans can be company paid or both company and employee paid. In addition to the pensions, companies also provide bonus to the employees reaching to superannuation.

Human Resource Management 100 NOTES 100 Self-Instructional Material 4.3.6.4 Monitoring Fringe Benefits

Implementing the fringe benefits in a company is not enough for the proper functioning of the company and employee satisfaction. It is necessary to monitor the fringe benefits to ensure that they are implemented properly and utilised fully by the employees of the company. Following are the steps that must be performed to monitor the fringe benefits: 1. Setting up benefit objectives 2. Assessing environmental factors 3. Determining competitiveness 4. Conveying benefit information 5. Controlling benefit costs and evaluation

Figure 4.1 shows the sequence of various steps involved in monitoring fringe benefits.

E N V I R O N M E N T

Setting up benefit objectives Assessing environmental factors Determining Competitiveness Conveying benefit information Controlling benefits costs and evaluation

Figure 4.1 Various Steps of Monitoring Fringe Benefits

Setting Up Benefit Objectives: To ensure the proper implementation of fringe benefits, a company needs to set up certain objectives for the benefit programmes. Following are the main three objectives that must be accomplished while setting up fringe benefits: ? Encouraging external competitiveness ? Enhancing cost effectiveness ? Fulfilling the needs and preferences of each employee ? Adhering to the legal compulsion

Assessing Environmental Factors: While monitoring the fringe benefits, a company needs to identify various internal and external environmental factors that may affect the fringe benefits provided to the employees. External factors include government policies and regulations, unions and economic factors. Internal factors include the economic conditions. It means that if a company is well established, they can provide better fringe benefits to its employees than an emerging company.

Determining Competitiveness: While monitoring the fringe benefits, a company also need to assess the fringe benefits provided by its competitors to their employees. To monitor the

Job Compensation NOTES Self-Instructional Material 101 competitor's strategies of providing fringe benefits, the company needs to conduct surveys to obtain information about various benefits offered by their competitor. Conveying Benefit Information: The employees of a company must be informed about the different types of benefit programmes through different communication media such as booklets, regular employee meetings, brochures and slide presentations. The most effective method of conveying the benefits information to the employees is through calendars, in which each month shows the benefits and services availed by the employees of the company every month.

Controlling Benefit Costs and Evaluation: An important method of determining the usefulness of the fringe benefits is to ascertain that to which extent the non-monetary fringe benefits are helpful to the employees. To obtain the correct feedback about the non-monetary fringe benefits, following questions should be answered: ? Have the earnings of the employees enhanced? ? Have the benefits provided by the company able to attract the employees? ? Has the confidence of the employees risen? ? Have the industrial relations of the company improved? The answers of the above mentioned questions help the HR manager to assess the effectiveness of the fringe benefits. 4.3.7 Concept of Variable Compensation Variable compensation refers to the incentive schemes that are given to the workers on the basis of their productivity. These schemes may use bonuses or variety of rates as incentives to compensate for the superior performances of workers. These schemes are popular all over the world and are used extensively for raising productivity. The various incentive schemes are discussed in the next section. 4.3.7.1 Types of Incentive Schemes Incentives schemes are several and varied. They are broadly classified under two heads: ? Individual incentive scheme. ? Group incentive scheme.

Human Resource Management 102 NOTES 102 Self-Instructional Material Individual Incentive Schemes: Individual incentive scheme may be time based or production based. International Labour Organization (ILO) has classified the schemes of payment by results into four categories (refer to the figure): (a) Schemes where the Workers' Earnings Vary in the Same Proportion as Output The chief characteristic of this scheme is that any gains or losses resulting from a workers output accrue to him. Whereas when the worker is paid on hour, day or month basis, all gains or losses resulting from the change of his output accrue to the employer. The success of this kind of scheme depends upon accurate measurement of standard and individual outputs. The two methods under this scheme are: The Straight Piecework Method: It is the simplest, oldest and most commonly used method. Under this system, the rate of output is fixed per unit and the total earning of a worker is arrived by multiplying the total output (measured in terms of units) by the rate per unit. Therefore, the earning of the worker directly depends upon his performance. For example, if the total output of an employee is 100 units and the rate per unit is 10 paise, then his earnings would be $100 \times 0.10 = \text{Rs.}10$. But there is one limitation under this method is that a worker has to go without wages if he fails to produce the required output. In order to overcome this limitation, this method is modified in one respect that is the workers time rate is guaranteed. Under average conditions the time rate is fixed below piece rate .It is designed to protect the worker against unduly low earnings caused due to factors beyond his control. The Standard Hour Method: This method is also called as 100% gains- sharing. Under this method, standard time in terms of hours is fixed for the compensation of a job and the rate per hour is then determined. The worker is paid on a standard time - rate for completion of job on or before standard time. In case time wages are not guaranteed he will be paid same wages calculated on the basis of standard time even if he takes more than the standard time. If time wages are guaranteed, then he is paid on the basis of the time taken multiplied by the time rate. The following example illustrates this method: Standard time = 10hrs Rate per hour = Re1 Case (i) Time taken = 8 hrs Earnings= $10 \times 1 = \text{Rs.}10$ Case (ii) Time taken = 12 hrs (a) Earnings if time wages are not guaranteed = $10 \times 1 = \text{Rs.} 10$ (b) Earnings if time wages are guaranteed = $12 \times 1 = \text{Rs.} 12$ (b) Schemes where the Workers' Earnings Vary Less Proportionately as Output Under this scheme, four allied but different plans come under these methods: (a) Halsey plan (b) Rowan plan (c) Barth plan (d) Bedaux plan The most common feature of all these plans is that bonus is paid on the time saved. These are called the gain sharing schemes as both the employer and the employee share the gains from the time saved. The worker would be paid for half (or any other fraction) of the time saved and employer would be getting the balance amount.

Job Compensation NOTES Self-Instructional Material 103 These plans are often applied in cases where it is not possible to set standards or to measure the workers output accurately. Under some of these plans, it is possible for the worker to earn more for a certain levels of outputs as when compared to piece wage method under production difficulties.

Halsey Plan: Under this plan, standard time is fixed for the completion of a job and the rate per hour is then determined. The worker will be paid wages on time rate in case he takes standard time or more. But if he takes less than the standard time then he is paid for the actual time plus a bonus, which is calculated on a specified percentage of the time saved. The percentage may vary from 30 to 70%. The usual share is 50%, the remaining go to the employer. The following example illustrates the plan: Standard time = 10 hrs Rate per hour = Re. 1 Case (1) Time taken = 10 hrs Earnings = $10 \times 1 = \text{Rs. } 10$ Case (2) Time taken = 12 hrs Earnings = $12 \times 1 = \text{Rs. } 12$ Case (3) Time taken = 8 hrs Earnings: Time wages = $8 \times 1 = \text{Rs. } 8$ Bonus = $\frac{1}{2} \times 2 \times 1 = \text{Rs. } 1$ Rs. 9

Rowan Plan: Under this plan, standard time and rate per hour are fixed. If the time taken to complete the job is equal to or exceeds the standard time then the employee is paid for the actual time taken at the rate per hour. If the time taken is less than the standard time then the employee is paid entitled to bonus in addition to time wages. The bonus takes the form of the percentage of the workers time rate. This percentage is equal to the proportion of the saved time, to the standard time. The following example illustrates the plan: Standard Time = 10 hrs Rate per hour = Re. 1 Case (1) Time taken = 10 hrs Earnings = $10 \times 1 = \text{Rs. } 10$ Case (2) Time taken = 12 hrs Earnings = $12 \times 1 = \text{Rs. } 12$ Case (3) Time taken = 8 hrs Earnings = $8 \times 1 = \text{Rs. } 8$ Bonus = $\frac{2}{10} \times 8 = \text{Rs. } 1.6$ Rs. 9.60

Barth Plan (Variable Sharing Plan): Unlike Halsey and Rowan, it does not guarantee the time rate. The workers earning is ascertained by multiplying the standard hour by the number of hours actually taken to complete the job and then taking the square root of the product and multiplying it by the workers hourly rate. The following examples illustrates this plan: Standard time = 10 hrs Rate per hour = Re. 1 Case (1) Time taken = 12 hrs Earnings = $\sqrt{12 \times 10} \times 1 = \text{Rs. } 10.95$ Case (2) Time taken = 10 hrs Earnings = $\sqrt{10 \times 10} \times 1 = \text{Rs. } 10$ Case (3) Time taken = 8 hrs Earnings = $\sqrt{8 \times 10} \times 1 = \text{Rs. } 8.94$

Bedaux Plan: Under this plan, the standard time for the job is determined. Each minute of the allowed time is called a point or B, thus there are 60 Bs in an hour. Each job has a standard number of Bs. The worker receives bonus in addition to his hourly rate earns, which under the original plan is equal to 75% of the number of points earned in excess of 60 per hour multiplied by one sixth of the workers hourly rate. The worker is paid time rate if he does not achieve the standard time. The following examples illustrate the Bedaux plan: Standard time = 10 hrs Rate per hour = Re. 1 Case (1) Actual time = 12 hrs Earnings = $12 \times 1 = \text{Rs. } 12$ Case (2) Actual time = 8 hrs Earnings: Time wages = $8 \times 1 = \text{Rs. } 8$ Bonus: Standard Bs = $10 \times 60 = 600$ Actual Bs = $8 \times 60 = 480$ Bs saved = 120 Bonus = $\frac{75}{100} \times (120 \times 1) / 60 = 1.50$ Total earnings = $8 + 1.50 = \text{Rs. } 9.50$

(c) Schemes where the Workers' Earnings Vary Proportionately More than Output Under this scheme we have two methods: (a) The high piece rate method (b) The high standard hour method Under the high piece rate method, the earnings of the worker are in proportion to his output as in straight piece method but the increment in earnings for each unit of output above the standard is greater. For example, for each one percent increase in earnings as compared to one percent increase in output above the standard, there may be 4/3 times increase in earnings as compared to one percent increase in earnings under the straight piece rate method. The higher rates start applying after the standards have been reached. Similarly, high standard hour method can be understood by applying logic. The main feature of these two methods is that the direct labour cost per unit increases for levels of output above standard, making workers also share the earnings in overhead costs. The amount that the workers share depends on the size of the increments in earnings payable at different levels of output. (d) Schemes where the workers' Earnings Differ at Different Levels of Output This scheme involves several methods such as: The Taylor's Differential Piece Rate Method: Under this method, there is low piece rate fixed for output below standard and high piece rate fixed for output above standard plus a bonus of 50% of the time rate on attainment of standard output or more. The following example will illustrate this method: Standard output = 100 units Rate per unit = 10 paise

Job Compensation NOTES Self-Instructional Material 105 Differential to be applied: 120% of piece rate at or above the standard 80% of piece rate when below the standard Case (1) output = 120 units Earnings = $120 \times 120/100 \times 0.10 = 14.40$ Case (2) output = 90 units Earnings = $90 \times 80/100 \times 0.10 = 7.20$ The Merrick Differential Piece Rate System: This method is a modification over the Taylor's method in a sense that it uses three rates instead of two. One large step is broken into two in order to encourage new and average workers. Straight piece rates are paid up to 83% of the standard output at which a bonus of 10% of the time rate is payable with a further 10% bonus on reaching the standard output. High piece rates are paid for outputs above the standard. The following example will illustrate this method: Standard output = 100 units Piece rate = 10 paise Case (1) Output = 80 units Efficiency = $80/100 \times 100 = 80\%$ Earnings: As the efficiency is less than 83%, only the base piece rate applies: $80 \times 0.10 = \text{Rs.}8$ Case (2) Output = 90 units Efficiency = $90/100 \times 100 = 90\%$ Earnings: As the efficiency is more than 83% but less than 100%, 110% of the base piece rate applies: $90 \times 110/100 \times 0.10 = \text{Rs.}9.90$ Case (3) Output = 110 units Efficiency = $110/100 \times 100 = 110\%$ Earnings: As the efficiency exceeds 100% therefore 120% of the base piece rate applies: $110 \times 120/100 \times 0.10 = \text{Rs.}13.20$ The Gantt Task Method: Under this method, the worker is guaranteed time rate for output below the standard. On reaching the standard output, the worker is given a bonus of 20% of the time wages. For the output above the standard, high piece rates are paid. The following example illustrates the method: Rate per hour = 0.50 High piece rate = Re.0.10 Standard output = 80 units Time taken = 8 hrs Case (1) output = 70 units As the output is less than the standard, only time wages are paid to the worker. Earnings = $8 \times 0.50 = \text{Rs.}4$ Case (2) output = 80 units As the output is equal to the standard, the worker is entitled to time wages plus 20% of time wages as bonus. Time wages = $8 \times 0.50 = \text{Rs.}4$ Bonus = $20/100 \times 4 = \text{Re.}0.80$ Total earnings = Rs. 4.80

Human Resource Management 106 NOTES 106 Self-Instructional Material Case (3) output = 110 units As the output is more than the standard, the worker is given high piece rate = $110 \times 0.10 = \text{Rs.}11$ The Emerson's Plan: Under this method, standard time is fixed for each job and the efficiency of each worker is determined by dividing time taken with the standard output. Up to 67% of efficiency, the worker is paid by time rate thereafter 100% efficiency he is paid a bonus of 29%. He is paid an additional 1% bonus for every additional 1% efficiency. The following example will illustrate this method: Standard output in 8 hours = 100 units Rate per hour = Re. 1 Case (1) output in 10 hours = 50 units Earnings: Efficiency = 50% As the efficiency is below 67% the worker is entitled to time wages only. $10 \times 1 = \text{Rs.}10$ Case (2) output in 10 hours = 100 units Earnings: Efficiency = 100% The worker is entitled to time wages plus a 20% of time wages as bonus. Time wages = $10 \times 1 = \text{Rs.}10$ Bonus = $20/100 \times 10 = \text{Rs.}2$ Rs. 12 Case (3) output in 10 hours = 130 units Earnings: Efficiency = 130% At the rate of 20% at 100% efficiency and 1% increase for every 1% increase in efficiency the worker gets 50% of time wage as bonus. Time wages = $10 \times 1 = \text{Rs.}10$ Bonus = $50/100 \times 10 = \text{Rs.}5$ Rs. 15 The Accelerated Premium Method: Under this method, with the increase in the level output, there is a proportionate increase in the earnings of a worker. This motivates the worker to produce, more since by producing more they can earn more. This method is complicated to understand and implement. Group Incentive Schemes: Group incentive schemes are common in most of the industrial establishments. Any individual scheme discussed before can be applied to a group of worker, the most common among them is piece rate method. Depending upon the incentive scheme that is followed, the total earnings of a group are determined, and then the earnings are divided among the members of group on some equitable basis: ? If the group consists of members with equal skills, then the earnings are equally divided among them. ? If the group consists of members with unequal skills, then the earnings will be divided among the members in proportion to their individual time rates or specified percentages. Some of the advantages of group incentive schemes are: 1. Better cooperation among the workers. 2. Less supervision 3. Reduced incidence of absenteeism 4. Reduced clerical worker 5. Shorter training time

Job Compensation NOTES Self-Instructional Material 107 Some of the disadvantages of group incentive schemes are: 1. An efficient worker may be penalised for the inefficiency of the other members of the group 2. The incentive may not be strong enough to serve its purpose 3. Rivalry among the members of the group defeats the very purpose of teamwork and cooperation 4.4 NATIONAL WAGE POLICY

One of the objectives of economic planning is to raise the standard living of the people. This means that the benefits of planned economic development should be distributed among the different sections of society. Therefore, in achieving a socialistic pattern of society the needs for proper rewards to

the working class of the country can never be overemphasized.

A national wage policy thus aims at establishing

wages at the highest possible level, which the economic conditions of the country permit

and ensuring that the wage earner gets a fair share of the increased prosperity of the country as a whole resulting from the economic development. The term 'wage policy' here refers to legislation or government action calculated to affect the level or structure of wages or both, for the purpose of attaining specific objectives of social and economic policy.

4.4.1 Objectives of National Wage Policy (a) To eliminate malpractices in the payment of wages. (b) To set minimum wages for workers, whose bargaining position is weak due to the fact that they are either unorganized or inefficiently organized. In other words, to reduce wage differential between the organized and unorganized sectors. (c) To rationalize inter-occupational, inter-industrial and inter-regional wage differentials in such a way that disparities are reduced in a phased manner. (d) To ensure reduction of disparities of wages and salaries between the private and public sectors in a phased manner. (e) To compensate workers for the raise in the cost of living in such a manner that in the process the ratio of disparity between the highest paid and the lowest paid worker is reduced. (f) To provide for the promotion and growth of trade unions and collective bargaining. (g) To obtain for the worker's a just share in the fruits of economic development. (h) To avoid following a policy of high wages to such an extent that it results in substitution of capital for labour thereby reducing employment. (i) To prevent high profitability units with better capacity to pay a level of wages in excess to the prevailing level of wages in other sectors. (j) To permit bilateral collective bargaining within national framework so that high wage islands are not created. (k) To encourage the development of incentive systems of payment with a view to raising productivity and the real wages of workers. (l) To bring about a more efficient allocation, utilization of man-power through wage differentials and appropriate systems of payments.

4.4.2 Regulations Adopted In order to achieve the above objectives under the national wage policy, the following regulations have been adopted by the state: Human Resource Management 108 NOTES 108 Self-Instructional Material (a) Prescribing minimum rates of wages. (b) Compulsory conciliation and arbitration. (c) Wage boards. (a) Minimum Wages: In order to prescribe the minimum rate of wages, the Minimum Wages Act 1948 was passed. The act empowers the government to fix minimum rates of wages in respect of certain sweated and unorganized employments. It also provides for the review of these wages at intervals not exceeding five years. (b) Compulsory Conciliation and Arbitration: With the object of providing for conciliation and arbitration, the Industrial Disputes Act 1947 was passed. It provides for the appointment of Industrial Tribunals and National Industrial Tribunals for settlement of industrial disputes including those relating to wages. (c) Wage Boards: A wage board is a tripartite body with representatives of management and workers, presided over by a government nominated chairman who can

act as an umpire in the event of disagreement among the parties. Technically, a wage board can make only recommendations, since there is no legal sanction for it, but for all practical purposes, they are awards which if made unanimously are considered binding upon employers.

4.4.3 Wage Policy in a Developing Economy A suitable wage policy for a developing economy must ensure economic growth with stability. If the wage level is too high it will hamper industrial growth. If the wage level is too low, it will adversely affect the workers. Therefore, a proper wage level is necessary to sustain a steady growth of the economy. There are two main considerations in wage fixation. They are: (a) To adjust wages to cost of living (need based wages), (b) To link wages with productivity. (a) Need Based Wages The meaning of the term 'need-based wage' is that the wage should enable the worker to provide for himself and for his family not merely the bare necessities of food, clothing and shelter but also include education for children, protection against ill-health, requirements of essential social needs and a measure of insurance against misfortunes and old age. The Indian Labour Conference held in 1957 accepted the following norms of determining the need based wage: (i) The standard working family should consist of three consumption units. (ii) The minimum requirements of

85%

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food should be calculated on the basis of net intake of calories as recommended by Dr. Aykroyd. (

iii) The clothing requirements should be taken as 18 yards per head per annum. (iv) As for housing, the rent corresponding to minimum provided under the Government Industrial Housing Scheme. (v)

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Fuel, lighting, and other miscellaneous items should constitute 20 per cent of the total minimum wage.

However need-based wage has many practical difficulties. If wages are raised to the need-based wage level and there is no corresponding increase in productivity, there is bound to be inflationary rise in prices. Further the capacity of the industry to pay is relevant. This capacity of industry to pay will depend on the productivity of labour. (b) Linking Wages with Productivity Improvement in wages can result mainly from increased productivity. However, no attention is being paid to productivity, and wages are being either increased on an ad hoc basis or on the basis of cost of living. The Third Plan observed that 'for workers no real advance in their standard of living was possible without steady increase in productivity, because any

Job Compensation NOTES Self-Instructional Material 109 increase in wages generally beyond certain narrow limits, would otherwise be nullified by a rise in prices'. However, linking wages with productivity arises on account of the following difficulties. They are : 1. Productivity in India is low. Since productivity is low, wages will have to be low. This position is totally unacceptable to the workers. 2. Employers are opposed to the linking of wages with productivity because they are not interested in productivity but profitability. 3. Even employees are opposed to the linking of wages with productivity because they feel that low productivity is due to poor management. 4. Employers argue that the raise in output is not due to the worker's effort but because of improvement in technology, plant and machinery. 5. There is the difficulty of assessing productivity especially in industries where the output does not consist of standardized units. A Suitable Wage Policy A suitable wage policy in a developing economy should aim at: 1. Containing the raise in prices which can be achieved through a suitable monetary and fiscal policy. 2. Linking wage increases to increase in productivity. 4.4.4 Principal Constituents of a National Wage Policy Three reports on national wage policy were presented in the post-independence period. They are: 1. Report of the National Commission on Labour (1969). 2. Professor S. Chakrovarty Committee Report (1973). 3. S. Bhoothalingam Committee Report (1978). The above mentioned reports have raised several issues concerning wage policy. They are: (a) Minimum Wage: The National Commission on labour describes living wage as "

a measure of frugal comfort including education of children, protection against ill health, requirements of essential social needs and some insurance against the more important misfortunes".

Thus according to this definition 'living wage' provides for a bare physical subsistence and for the maintenance of health. On the other hand, 'minimum wage' includes not only living wage but also provides for some measure of education, medical requirements and amenities. In other words, "minimum wages" provides a worker with physical subsistence, maintenance of health, requirements of essential social needs and some measure of education for self and for children. The National Commission on Labour states 'the first claim is of the worker for a basic minimum wage irrespective of any other consideration'. Thus, the minimum wage prescribes the lower limit; the upper limit will be

set by the capacity of the industry to pay. (b) Fair Wage:

The Committee on Fair Wages felt that between the

two limits, the actual wage would depend on: (i)

The productivity of labour; (ii) The prevailing rate of wages; (iii)

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The level of national income and its distribution; (iv) The place of industry in the economy of the country and (v) The

degree of unionization of labour in the industry. Thus, fair wage is something more than the minimum wages. It is the wage fixed by considering several factors such as wage rate prevailing in other industries in the location, similar industries, ability of the firm to pay wages etc.

Human Resource Management 110 NOTES 110 Self-Instructional Material (c) Wages and Productivity: Wages should be linked to productivity because an industry's capacity to pay would be determined by productivity. Furthermore, a raise in productivity provides legitimacy to the claims of labour for a higher wage. Productivity is measured by VAM (value added by manufacture). VAM is not the result of the effort of labour alone. Along with labour, capital, technology and management also contribute towards productivity. Therefore, it would be highly incorrect to appropriate the entire productivity to labour alone. The National Commission on Labour disclosed that in the first decade of planning, labour did not benefit from the gains in productivity of the industry. However, in the next two decades, a part of the gains in productivity was shared by labour, though labour did not share it in a disproportionate manner. 4.4.5 Failure of The National Wage Policy Although several commissions have deliberated on the need for evolving a National Wage Policy, put so far there is not enough evidence towards its emergence. There is all round failure in implementing minimum wages in the private sector. There still exist inter-industry and inter-occupational differences in wages. Further, there is the failure to restrain the increase of wages and salaries in the public sector far in excess of the raise in consumer price index. Even though, the National Wage Policy has failed on many counts there is still a sufficient degree of consensus on the objectives of national wage policy. 4.5 CASE STUDY Corp. Bank The 1990s were a watershed for the Indian Banking Industry, and particularly for nationalized banks which hitherto had a monopoly in the industry. Following the deregulation of the financial sector, the bank has faced increased competition from other financial institutions like Can fin Homes Ltd, LIC Housing Corporation and foreign private sector banks. These specialized financial institutions were giving a tough competition to corporation bank resulting in an intense squeeze on profit margins and the need to make considerable efforts to retain its clientele. Under such pressure, Corp Bank introduced new technology, new financial products and new reward system for bank managers and staff. Information and communication technologies (ICTs) enabled the bank to process much larger volumes of business and just as importantly, the new ICTs themselves facilitated the development of new, technically based products and services (such as home banking, smart cards and debt cards) which Corp Bank started to market to its customers. Running parallel with these technical changes was the dismantling of the paternalistic Human Resource Management system. In essence, Corp Bank's bureaucratic culture and its associated belief system for managers and staff of appropriate behaviour being rewarded by steady promotion through the ranks was swept aside. The new culture in the fast-changing environment, emphasized customer service and the importance of measuring and rewarding staff according to their performance. The new performance-related reward system was introduced at the board meeting held in June 2002. Mr. N. K. Singh, Chairman and Managing Director of the bank said that the proposed reward system would be a key strategy to 'maintain our reputation and market share'. He outlined that in future the salary of bank managers would be tied to their leadership skills and the quality of customer service. Accordingly, the reward system would link manager's pay to behaviour traits that relate to leadership and customer service. The variable pay for both managers and staff would be based on what is accomplished because customer service is central to Corp Banks' strategic plan. A three category rating system that involves 'not meeting' customer expectations, 'meeting' them or 'far exceeding them' is the essence of the new reward system. Job Compensation NOTES Self-Instructional Material 111 Questions: 1. Outline the merits and limitations of Corp Bank's proposed reward system for the managers and staff. 2. Develop an alternative reward system for Corp Bank's employees and explain why it is superior than the proposed reward system. 4.6 SUMMARY Job evaluation is a formal and systematic comparison of jobs in order to determine the worth of one job relative to another. Job evaluation is useful in eliminating many evils to which nearly all systems of wage and salary payments are subject.

Job evaluation

is a logical and, to some extent, an objective method of ranking jobs relative to one another.

There are number of limitations of job evaluation. Though it is claimed that job evaluation is an objective and logical method of ranking jobs and removing unjust differentials in the existing wage structure, in practice, it is not so.

The comparison and evaluation may be made on two bases: (i) Non-analytical or non-quantitative system and (ii) Analytical or quantitative system. Services rendered to organizations by individuals have to be equitably paid for.

Good compensation plans have a salutary effect on employees. The fundamental methods of compensating the workers are: (a) Time Wage (b) Piece Wage Incentive compensation, also called 'payment by result', is essentially a managerial device for increasing workers' productivity. 4.7 ANSWERS TO 'CHECK YOUR PROGRESS' 1. Job Evaluation is an effort to determine the relative value of every job in a plant to determine what the fair basic wage for such a job should be. 2.

Ranking System is a very simple method of job evaluation. Under this system the job raters simply rank

on job against another without assigning point values. 3. Demerits of Factor Comparison Method (a) The difficulty of the system is that it is very expensive and complicated and cannot be readily explained to the workers. (b) The method is somewhat difficult to operate. (c) Money rates, when used as a basis of rating, tend to influence the rater. 4. The Fundamental methods of compensating the workers are: (a) Time wage (b) Piece wage 5. (a) It is more widely used as it is very simple to compute the earnings quite easily. (b) It provides guaranteed and secured income, thereby removing the fear of irregularity of income. (c) It facilitates payroll function 6. The Features of Piece Wage System (a) It can offer direct connection between effort and reward.

Hence,

it is the best method to ensure higher productivity. (

b) Wage cost determination is easy 7. Essentials of a Sound Wage Incentive Plan ? Measurement of the amount of work done. ? Establishment of standard output on the basis of which the incentive has to be worked out. ? Setting up a suitable rate of incentive

Human Resource Management 112 NOTES 112 Self-Instructional Material 8. There are three broad categories of incentive schemes as classified by Dunn and Rachel. They are: ? Simple incentive plan. ? Sharing incentive wage ? Group incentive plan. 4.8 QUESTIONS AND EXERCISES Short-Answer Questions 1. How does the British Institute of Management define job evaluation? 2. List the principles of job evaluation programmes. 3. What are the essentials of a sound wage incentive plan? 4. Which are the three basic assumptions on which the incentive scheme is based? 5. List the objectives of national wage policy. Long-Answer Questions 1. Describe the methods of job evaluation. 2. What are the conditions that are necessary for the successful operation of a job evaluation? Explain 3. Explain the methods of wage payment. 4. Outline the types of incentive plans with a short note on each. 5. How would you classify incentive schemes. Explain with the help of a diagram. 4.9 FURTHER READING 1. Bhonsle Y. B. Personnel Management: Indian Scene, S. Chand and Company, New Delhi (1977). 2. Chhabra T N., Ahuja N.K and Jain S.P., Managing people at work, Dhanpat Rai and Sons, New Delhi (1977). 3. Chandan J.S. Modern Management, Vikas Publishing House, New Delhi (1986) 4. Davar R.S "Personnel Management and Industrial Relations in India" Vikas Publishing House, New Delhi (1982). 5. Flippo, Edwin B., Principles of Personnel Management, McGraw Hill Book Company, New York (1980). 6. Pigors, Paul and Myres, Charles A and Malm (eds.), "Management of Human Resources: Readings in Personnel Administration" McGraw Hill Book Company, New York (1960). 7. Yoder Dale, Personnel Management and Industrial Relations, Prentice Hall, New Delhi (1982).

MODULE - 2

Human Resource Management NOTES 114 Self-Instructional Material

Promotions, Demotions, Transfers, Separation, Absenteeism and Turnover NOTES Self-Instructional Material 115 UNIT 5 PROMOTIONS, DEMOTIONS, TRANSFERS, SEPARATION, ABSENTEEISM AND TURNOVER Structure 5.0 Introduction 5.1 Unit Objectives 5.2 Promotion 5.2.1 Definition of Promotion; 5.2.2 Types of Promotion; 5.2.3 Basis of Promotion; 5.2.4 Promotion Policy 5.3 Demotion 5.3.1 Causes of Demotion; 5.3.2 Conditions for Demotion 5.4 Transfer 5.4.1 Types of Transfers; 5.4.2 Transfer Policy; 5.4.3 Transfer Procedure 5.5 Separation 5.6 Absenteeism 5.6.1 Rate of Absenteeism; 5.6.2 Causes of Absenteeism; 5.6.3 Measures to Control Absenteeism 5.7 Labour Turnover 5.7.1 Measurement of Labour Turnover; 5.7.2 Causes of Labour Turnover; 5.7.3 Measures to Reduce Labour Turnover 5.8 Case Study 5.9 Summary 5.10 Answers to 'Check Your Progress' 5.11 Questions and Exercises 5.12 Further Reading 5.0

INTRODUCTION Promotion is the transfer of an employee to a new position which commands higher pay, privileges or status compared with the old position. It may be the recognition of his good work, behaviour or simply to keep up with economic inflation. Contrary to it, a worker may be punished by demotion for inefficiency, destructiveness or absenteeism. Resignations and dismissals form part of separation. Transfers may be for utilizing one's talents in other areas. Labour turnover is detrimental to the growth of a company and needs to be controlled. This unit discusses all these in due detail. 5.1 UNIT

OBJECTIVES After going through this unit you will be able to: ? Explain the Different Types of Promotion ? Understand the Basis of

Promotion and Explain a Promotion Policy ? Understand the Conditions for Demotions ? Explain the Policy and Procedure of Transfer ? Know the Different Types of Transfers ? Explain What is Meant by Separation ? Explain the Measures to Control Absenteeism ? Understand What is Labour Turnover

Human Resource Management NOTES 116 Self-Instructional Material ? Understand the Causes of Labour Turnover ? Explain the Measures to Reduce Labour Turnover 5.2

PROMOTION 5.2.1 Definitions of

Promotion Some definitions given by authorities on the subject are listed below: According to Scott and Clothier, "A promotion is the transfer of an employee to a job which pays more money or one that carries some preferred status." According to

Prof Mamoria, "Promotion is a term which covers a change and calls for greater responsibilities, and usually involves higher pay and better terms and conditions of service and, therefore, a higher status or rank."

According to

Arun Monappa and Saiyadain, "

Promotion is

the upward reassignment of an individual in an organization's hierarchy, accompanied by increased responsibilities, enhanced status, and usually with increased income, though not always so."

From the above definitions, we can say that promotion usually implies several things to the person concerned—higher status, both at work and in the community outside, more pay and fringe benefits, perhaps greater job security and a more senior position from which a person renders better service to his organization. Employees expect to be informed about ladders of promotion, how they can prepare themselves for advancement and what will be expected of them from the higher rated jobs.

5.2.2 Types of Promotion The different types of promotions are: (a) Limited Promotion Limited promotion is also known as upgrading. It is the movement of an employee to a more responsible job within the same occupational unit and with a corresponding increase in pay. Thus, upgrading means an increase of pay on the same job or moving to a higher scale without changing the job. (b) Dry Promotion Dry promotion is a promotion as a result of which there is no increase in the employee's pay.

Dry promotions are those which are given in lieu of increases in compensation. It is usually made decorative by giving a new and longer title to the employee. (

c) Multiple Chain Promotion Multiple chain promotion provide for a systematic linking of each position to several other positions. Such promotions identify multi-promotional opportunities through clearly defined avenues of approach to and exist from each position in the organization. (d) Up and Out Promotion Up and Out Promotion often leads to termination of services. In this type of

promotion, a person must either earn a promotion or seek employment elsewhere. 5.2.3

Basis of Promotion Different promotion

systems are used in different organizations. Of them the following are considered the most important: (

a) Promotion Based on Seniority (b) Promotion Based on

Merit (c) Merit Cum Seniority Promotion

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d) Promotion by Selection (e) Time Bound Promotion (f) Temporary Promotion (

a) Promotion Based on Seniority Seniority based promotion systems are based on the length of service of an employee in an organization. Seniority systems put a premium on length of service and job experience.

In the case of promotion based on seniority, the employees are promoted to higher positions purely based on their length of service irrespective of their qualifications, experience, performance and track record. Trade unions prefer seniority as a basis of promotion because by-offs, recalls and discharges are usually based on seniority. The seniority promotion plan is as old as civilization itself. In business, however, it is not always dependable as a promotional policy. It survives simply because no better system has been evolved. If the seniority principle is adopted, capable young men will look for better prospects elsewhere. Normally, this method of promotion policy is seen in Government services and in services of quasi Governmental organizations. Unless the official has a very poor and bad work record, he is automatically promoted to higher position based on his service seniority.

Arguments for Promotion by Seniority ? All employees are assured of promotion which will come automatically when it is due. ? Seniority is a factor which can be measured quantitatively; it is easily explained and understood and therefore, escapes charges of favouritism and discrimination. ? The management will have a known man. This reduces the risk associated with bringing an unknown person from outside. ? Seniority as a criterion for promotion makes its impact on reduction in employee turnover. ? Seniority is considered to contribute to the employees' ability on the assumption that the longer a person does a job, the more he learns about it. ? Promotion by seniority satisfies the personal aspirations of the employees. This results in better morale of the employees. Arguments against Promotion by Seniority ? If the seniority principle is adopted, capable young men are likely to become impatient and will look for better prospects elsewhere. ? The internal sources may be inadequate to meet the growing requirements of the organizations. ? If the worth of an employee is not appreciated and given due recognition, it results in frustration and low morale of the

employees. ? Promotions by seniority leads to capable young men looking for better prospects elsewhere.

Consequently, the organization comes to be run by second-grade people, who have stayed because they do not have sufficient calibre to move elsewhere. ? With the fast changing world of technology it is necessary to infuse new blood into the organization. This is denied when the policy of promotion is by

seniority. (b) Promotion Based on Merit Under promotion based on merit, employees are promoted to higher positions purely on their performance and work record. Here, the management will look into the qualifications, experience, previous work record, performance capability etc. The service seniority of the employee would not be considered for promotion. In principle, it is felt that promotion should be based on merit. However, the use of merit as a basis for promotion can cause problems because what management regards as merit, trade unions may see as favouritism. Therefore, as far as possible, merit rating should be based on operating facts.

Check Your Progress 1. Define promotion. 2. State the different types of promotion. 3. What are the different bases of promotion? 4. What are the arguments for promotion by seniority? 5. Explain the arguments for following promotion by merit. 6. Name the aspects that a comprehensive promotion policy should contain.

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Promotion by merit method is normally followed in majority of commercial and industrial enterprises where the main consideration for assessment is efficiency and work performance. The argument in favour of using merit or ability as a criterion for promotion is that it enhances organizational efficiency, and maximizes utilization of talent, since only deserving employees are promoted after a thorough assessment of their abilities for the next job of higher responsibility and status.

Arguments for Promotion by Merit: ? Promotion by merit brings rewards for meritorious work. This encourages an employee to work hard and advance in the organization. ? Promotion by merit enhances organizational efficiency and maximizes utilization of talent. ? Promotion by merit acts as a motivator. This leads to increased productivity. Arguments against Promotion by Merit: ? When management adopts merit as a basis for promotion, it must evolve controls to recognize merit objectively which will refute the allegations of favouritism. This is very difficult to achieve. ? Trade unions regard merit as favouritism. They distrust the sincerity of management when it claims the right to promote solely on merit. ? Efficiency in the present job does not necessarily predict ability to do well in a job with greater responsibility. ? The devices used for judging ability such as performance appraisal ratings and confidential reports are not above subjectivity. It is this problem of bias in judging merit that makes employees oppose merit as a base for promotion. (

c) Merit cum Seniority Promotion Promotion based on "Merit cum Seniority" would have a blend of the advantages of both the systems discussed above. Both the service seniority and work efficiency will be taken into account in promoting an employee. These two possibly conflicting factors - seniority and merit - frequently pose problems in considering employees for promotion. From the point of view of organizational efficiency, merit seems to be the logical basis of promotion and therefore, management would like it to be the only factor. Trade unions want seniority to be considered as the basis for promotion since it is an objective and impartial method of judging employees for promotion. A sound management will pursue a policy of properly balancing these two factors i.e., seniority and merit. An employee who has service seniority with the desired level of merit and efficiency would be given priority in promotion to the next cadre as compared to others having only one of them. Merit cum seniority method has been considered as the best method of promotion as it gives due weightage to the skill efficiency and better service record of the employee. (d) Promotion by Selection Promotion by selection is a process through which employees are promoted after undergoing rigorous test and screening. The service records of all the employees due for promotion are screened and scrutinised by a committee appointed for that purpose. The Committee will scrutinise the past records, merit, qualification and experience of the employees due for promotion to a cadre. Under this system employees with service seniority or better qualifications and experience need not be promoted automatically. The employees are put to various tests and interviews before a final selection is made and some employees are promoted. (e) Time Bound Promotion Scheme Under this method, employees would be promoted according to standards of time set for promotions to higher cadre subject to the condition that they possess the minimum

Check Your Progress 7. Define demotion. 8. What are the causes of demotion?

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qualifications required for entry into a higher position. Neither seniority nor merit will be considered here. The employees may have to pass some departmental examinations or tests for being considered for such a promotion. (f) Temporary Promotion Scheme Also known as officiating promotion scheme, under the temporary promotion scheme, officials are promoted temporarily to higher positions in case there are vacancies and if they are due for promotion. Such temporary promotion is no guarantee for a permanent promotion, though normally temporary promotions are automatically made permanent if the service of the employee during the officiating period is satisfactory. It is like keeping the employee under some sort of probation at the higher position before he is confirmed. 5.2.4 Promotion Policy Whatever may be the type of promotion followed by the management, there should be a definite promotion policy which should be effective and protect the interests of the employees due for promotion. A concrete, comprehensive and realistic promotion policy should be evolved covering the following points: (a) Promotion Policy Statement A corporate policy on promotion helps to state formally the organization's broad objectives, and to formulate both the organization's manpower and individual career plans. (b) Ratio of Internal Promotion Vs External Recruitment A promotion policy statement must state the ratio of internal promotions to external recruitment at each level. Such a statement will help manpower planners to project numbers of internally available candidates for vacancies. (c) Decide the Basis for Promotion A promotion policy statement must decide the basis on which promotions are to be given. Usually promotions are decided on the basis of performance appraisals. (d) Decide the Routes for Promotion We have to identify the network of related jobs. Such an exercise will help in succession planning and also help aspirants to acquire the necessary formal qualifications or on-the-job training. This process would help in identifying promotion channels. Once it is finalised, it should be made known to the employees concerned. (e) Communicate the Promotion Policy The organization should communicate its promotion policy to its employees. Such an exercise will help aspirants to acquire the necessary formal qualifications, encourage them to attend suitable external development programmes etc. (f) Lack of Promotional Avenues There may be some deserving candidates who will not get promoted due to lack of available positions. In such cases where employees perform adequately in their present jobs, wage increments should be forthcoming. (g) Determination of Seniority A ticklish area in the formation of a promotional policy is the determination of an employee's seniority. Should the seniority be plant-wise, unit-wise or occupation-wise? Generally, seniority is unit wise. (h) Relationship of Disciplinary Action to Promotion Another area to look into while formulating a promotional policy is whether there is a relationship between any disciplinary action taken against an employee and promotion. Does a disciplinary action cause a loss in employee seniority? If yes, then to what extent?

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Advantages of a Promotion Policy The following are the benefits of a good promotional policy: (i) A good promotion policy provides an incentive to work more effectively as it recognises an employee who comes out with

better work. It must however tell employees in advance what avenues exist for advancement. (ii) It develops employee loyalty by rewarding him and placing him in a higher position in the organization for his efficiency. (iii) It facilitates and increases job satisfaction. (iv) It increases work effectiveness in the organization. (v) It also attracts efficient employees to the organization. (vi) It increases employee interest in training and self-development. (vii) A promotion policy makes employees believe that their turn too will come and so they remain with the company. This reduces labour turnover. 5.3 DEMOTION

Demotion is a process by which the employee is downgraded and sent to a lower position from the one he is holding at present. When an employee is moved to a job with less responsibility, status or compensation he is said to be demoted. Demotion is the reverse of promotion. It is more a punishment for inefficiency or incompetence.

According to D.S Beach, Demotion is "

the assignment of an individual to a job of lower rank and pay usually involving lower level of difficulty and responsibility".

According to Arun Monappa and Saiyadain Demotion "is a downward assignment in the organization's hierarchy to a lower level job which has less responsibility, pay and status. Because of this hierarchical repositioning it has a negative connotation and may lead to employee dissatisfaction". Demotions, being a serious penalty, must be handled tactfully.

The usefulness of demotion as a punitive measure is questioned on many grounds. A demoted employee will be disgruntled and his dissatisfaction may spread to co-workers which will adversely affect morale, productivity and discipline of the workforce. 5.3.1 Causes of Demotion ? Demotion may be used as a disciplinary weapon. ? Demotion may be resorted to when employees, because of ill health or personal reasons, cannot do their job properly. ? If a company curtails some of its activities, employees are often required to accept lower-level position until normally is restored. ? If an employee finds it difficult to meet job requirement standards, following his promotion he may be reverted to his old position. 5.3.2

Conditions for Demotion Demotions serve a useful purpose in the sense that they keep the employees alert and alive to their responsibilities and duties.

Demotion will serve its purpose if it satisfies the following conditions: ? Violations of rules and regulations of the organization would subject an employee to demotion. Here it should be noted that serious violations if rules and regulations would only warrant such a drastic action. Demotion should never be made as penalty for violation of the rules of conduct, poor attendance record or insubordination. ? There should be a proper and detailed investigation of any alleged violation of rules and regulation.

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If any violations occur,

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there should be a consistent and equitable application of the penalty.

A hasty decision should be avoided. ? There must be a provision for review. ? Demotions have a serious impact on the employees. Therefore, demotions are made infrequently. 5.4

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TRANSFER A transfer is a change in job assignment. It

does not involve a change in responsibility and status. A movement of an employee between equivalent positions at periodical intervals is called "transfer". A transfer therefore does not involve a change of responsibility or compensation. Transfers are normally made to place employees in positions where they are likely to be more effective or where they are likely to get greater job satisfaction. Transfers may be either organization-initiated or employee- initiated. An organization may initiate a transfer to place employees in positions where they are likely to be more effective or where they are better able to meet work schedules of the organization. Employee initiated transfers also known as "personnel transfers" may be initiated for several reasons. These could range from wanting a change of boss or a change of location or to avoid interpersonal conflicts with their present colleagues or to join their friends and relatives.

Yoder has defined transfer

as "

a lateral shift causing movement of individuals from one position to another usually without involving any marked change in duties, responsibilities, skills needed or compensation."

According to Arun Monappa and Mirza Saiyadain, transfer "is a change in assignment in which the employee moves to another job at approximately the same level of responsibility, demanding about the same skill and at about the same level of pay." According to R.S. Davar, transfer is "a lateral movement of an employee, not involving promotion or demotion. A transfer therefore does not involve a material change in responsibility or compensation." A transfer may be either temporary or permanent, depending upon the need, and may occur within a department, between departments and divisions, or between plants within a company. A transfer may require an employee to change his work group, work place or organizational unit. It should be the aim of any company to change positions of employees as soon as the capacities increase and vacancies warrant. 5.4.1

Types of Transfers There are different types of transfers depending on the purpose for which the transfers are made.

Judging from the

view-point of purpose, there are nine type of transfers. (a) General (b) Production (c) Replacement (d) Shift (e) Remedial (f) Versatility (g) Punishment or Penal (h) Request or Personal (i) Mutual (

a) General General transfers are normally affected during a particular period of the year wherein all employees having completed a given period of service in a post or at a place are involved. Definite rules and regulations are to be followed in affecting such transfers. Such transfers are followed in big organizations, quasi-governmental organizations and government departments.

Check Your Progress 9. Define transfer? 10. State the different types of transfers.

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b) Production Production transfers are normally made from one department to another where the need for the employee is more. This type of transfer is made to avoid lay-off of efficient and trained employees by providing them with alternative positions in the same organization. These changes help to stabilise employment in an organization and therefore require centralised control. Although it is called production transfer, similar situations can exist in non-manufacturing enterprises or divisions too where an employee is transferred from one department to another for similar reasons. (c) Replacement These are transfers of long-service employees to similar jobs in other departments where they replace or 'bump' employees with shorter service. Replacement transfers are affected to replace persons leaving the organization, due to resignations, retirements, dismissal or death. Quite often such transfers are affected to change a new employee who has proved to be ineffective in the organization. Even though the objective of these transfers is to retain the efficient and trained employees in this process some short-service employees may lose their jobs. (d) Shift Shift transfers are transfers of workers from one shift to another on the same type of work. Workers generally dislike second or third shift as it affects their participation in community life. To minimise this, shift transfers are effected. Shift transfers also help workers to be out of routine fatigue. (e) Remedial Remedial transfers are transfers made to remedy some situation primarily concerned with employee on the job. Remedial transfers provide management with a procedure whereby an unsatisfactory placement can be corrected. Initial placement might be faulty or the type of job might not suit his health in such cases the worker would benefit by transfer to a different kind of work. (f) Versatility The objective of these transfers is to increase the versatility of the employee by shifting him from one job to another. In this way, the employee is provided a varied and broad job experience. This transfer is like a rotation transfers.

Versatility transfers, besides resulting in greater satisfaction of the workers through job enlargement, also creates a work force which can be conveniently shifted to other jobs in time of necessity. (g) Punishment or Penal This transfer is made as punishments to erring employees. Quite often the employees are transferred from one place

be another so that they are made to work in a situation of risks and hazards. Employees are posted to such places as a matter of punishment for the errors and omissions they have committed. Sometimes, transfer is used as a concealed penalty. A trouble-maker may be transferred to a remote branch where he cannot continue his activities. (h) Request Transfers This type of transfer is done on the request of the employee. It is normally done on humanitarian grounds to help the employee to look after his family and personal problems. (i) Mutual Transfers When transfers turn out to be mutual between two employees they are referred to as mutual transfers. Usually the organization concedes to request of employees for transfer if another employee is willing to go to the other place.

Promotions, Demotions, Transfers, Separation, Absenteeism and Turnover NOTES Self-Instructional Material 123 5.4.2 Transfer Policy It is clear that transfers are made for a number of reasons and are initiated by either the supervisor or the subordinate. If transfers are left entirely to the discretion of supervisors or employees, a number of problems are likely to occur such as favouritism or victimization. To avoid these problems, it is necessary that every organization evolve its transfer policy. Every organization should have a just and impartial transfer policy which should be known to each employee. It is, therefore, important that the company should formulate a policy to govern the administration of all types of employee transfers, rather than decide each case solely on the characteristics of that case. The absence of a well-formulated transfer policy will breed a state of uncertainty amongst the employees. For a successful transfer policy, proper job description and job analysis should be done. Further, care should be taken to ensure that frequent or large-scale transfers are avoided by laying down adequate procedures for the purpose. A systematic transfer policy should provide for the following: ? A transfer policy should clarify the types and circumstances under which transfers will be used. The organization should specifically clarify the types of transfers and the conditions under which these will be made. ? The transfer policy must locate the authority that may initiate and implement the transfer. In other words, it should indicate who would be responsible for initiating and approving the transfers. ? A transfer policy should indicate whether the transfer could be made only within a sub-unit or also between departments, divisions and plants. ? The transferability of both jobs and individuals needs should be examined in terms of job descriptions, streams of specialization and individual background and training. ? A transfer policy should indicate the basis for transfer. Should it be on the basis of seniority or skill and competence? ? A transfer policy should prescribe whether, when an employee is transferred, his previous seniority credit will be retained. ? The transfer policy should indicate to the transferee the pay scales, the exact wages and perquisites that he would receive in the transferred job. If there is any difference, it should be specified. ? A transfer policy should provide for timely communication of the transfer decision. The transferee should be intimated of the transfer well in advance. ? A transfer should be in writing and duly communicated to all concerned. ? Transfers should not be made frequently. Industrial practices vary and each organization must formulate its own policy and rules in connection with transfers. In making transfers, it is advisable for the organization to pay to the employee the actual cost of moving the household to the place of transfer. A transfer policy will help effective employee redeployment and protect employees from arbitrary transfers. 5.4.3

Transfer Procedure (a) Intra-departmental Transfers Transfers may be from one section to another in the same department. Such cases of transfer are decided upon by the Plant Manager and oral order is enough there is no need to issue a transfer letter to the employee. It is however desirable that the personnel manager be informed of such transfers. (b) Inter-departmental Transfers Transfers may be from one department to another within the same organization. Such transfers are known as Inter-departmental transfers. These are made by mutual consultations between the Plant managers concerned. If such a transfer is permanent, a letter of transfer should be issued communicating to the employee concerned that he has been transferred. Written orders, signed by the personnel manager are issued to the employee. Check Your Progress 11. Explain the main types of separation of employees from the organization. 12. What are the factors that lead employers to layoff?

Human Resource Management NOTES 124 Self-Instructional Material (c) Branch Transfers Transfers may be from one branch to another or from head office to branch or from branch to head office. Since this type of transfer involves transferring a worker to a new working environment, they should be discouraged. Branch transfers involves a considerable change in working conditions for the employees. It is also very costly from the point of view of the organization. In case of such a transfer, advance notice should be served to the employee. 5.5

SEPARATION Separation means cessation of service of agreement with the organization. Separation can be the result of: (a) Resignation (b) Discharge (c) Dismissal (d) Retrenchment (e) Lay-off (f) Golden handshake (g) Retirement (a) Resignation A resignation is a voluntary separation. When a termination is initiated by the employee himself, it is termed a resignation. Resignations may be put in voluntarily by the employees on grounds of marriage especially in case of young girls, health, physical disability, better opportunities elsewhere, or maladjustment with company policy and affairs. The personnel department should investigate the real reasons behind such resignations. A study of exit interviews over a period of time may disclose a fiscal pattern suggesting improvements in the personnel management functions. Resignation may also be compulsory when an employee is asked to put in his papers if he wants to avoid termination of services on the ground of gross negligence of duty or some serious charge against him. (b) Discharge A discharge involves permanent separation of an employee from the organization because of poor performance, violation of rules or poor code of conduct. A discharge becomes necessary when (i) The business volume is reduced thereby reducing the employment opportunities in the organization, (ii) The employee fails to work according to the requirements of the job, or (iii) The employee forfeits his right to a job. Discharges are generally made in accordance with the standing orders. The action taken should be bonafide and not a punitive measure or a case of victimisation. (c) Dismissal When the termination is initiated by the organization, it is termed as dismissal. A dismissal is the termination of the services of an employee by way of punishment for some misconduct, or for prolonged absence from duty. A dismissal is a drastic step. Therefore, it must be supported with a just and sufficient cause. It is generally done as a last resort after all attempts at reconciliation have failed. Before an employee's services are terminated, he should be given an opportunity to explain his conduct and show cause why he should not be dismissed. The principle of natural justice should be followed to ensure that the punishment is in proportion to the offence. As a safeguard, responsibility for dismissal should not rest on the immediate supervisor. The approval of the next higher authority should generally be taken and the personnel manager should be consulted. Dismissals can be on the ground of unsatisfactory performance, misconduct, or want of qualifications for the job, or excessive absenteeism. Promotions, Demotions, Transfers, Separation, Absenteeism and Turnover NOTES Self-Instructional Material 125 (d) Retrenchment Retrenchment is termination of service due to redundancy. It is a permanent termination of the services of an employee for economic reasons in a going concern. It must be noted that termination of services as a punishment given by way of disciplinary action or superannuation or continued ill health does not constitute retrenchment. The term retrenchment is applied to continuing operations where a part of the workforce is found to be superfluous. Retrenchment has many unstabilising effects. It influences the attitudes and contributions of other employees who become disturbed by rumours, gossips, resentment and a sense of insecurity about their own fate. The principle in the procedure of retrenchment is that the last person employed in each category must be the first person to be retrenched. For this purpose, the employer prepares a list of all the workers in the category where retrenchment is contemplated, arranged according to the seniority of service of the employees in that category. When vacancies arise after retrenchment, the organization gives an opportunity to the retrenched workers to offer themselves for re-employment; and they are given preference. (e) Layoff According to Section 2 (KKK) of the Industrial Disputes Act, a layoff is "the failure, refusal or inability of an employer, on account of shortage of coal power or raw materials, or

the accumulations of
stocks or breakdown
of machinery
for any reason,
to give employment to a workman whose name is borne
on
the muster roll of his individual establishment and who has not been retrenched”.

According to this definition, a lay off refers to an indefinite separation of the employee from the pay roll due to factors beyond the control of the employer. The employee is expected to be called back in the foreseeable future. The laid-off employee is not a discharged employee and is still carried on the roll as an employee. Lay-off is resorted to by the employer for factors beyond his control. Such factors could be: ? Fluctuations in the market resulting in loss of sales. ? Shortage of raw materials or power. ? Accumulation of stock. ? Breakdown of machinery. ? Production delays.

Section 25c of the Industrial Disputes Act, 1947 gives the right to the laid-off workman to lay off compensation which shall be equal to 50 per cent of the total of basic wages and dearness allowance payable to him. In order to claim layoff compensation, the laid off

workman must satisfy the following conditions: (i) He should not be a badli or casual workman, (ii) His name must appear on the muster rolls of the industrial establishment, (iii) He must have completed not less than one year of continuous service, and (

iv) The industrial establishment should not be one in which work is performed on a seasonal basis. In order to receive his lay-off compensation, the workman

100%

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must present himself on each working day at the appointed time.

If he is required to report a second time during the same day, he should do so. At the time of the second reporting, he is paid his lay-off compensation provided he has not been given employment at either time of reporting. A workman ceases to be eligible for lay-off compensation if (i) He refuses to accept alternative employment at a place within 5 miles of the establishment from which he has been laid-off. (ii) If he does not present himself for work at the appointed time during normal working hours. (iii) If the lay-off is due to a strike or slowing down of production on the part of workmen in another part of the establishment. Check Your Progress 13. Define absenteeism. 14. What are the causes of absenteeism?

Human Resource Management NOTES 126 Self-Instructional Material (

f) Golden Handshake It is a method of retrenchment wherein the employees with a certain minimum service can opt for voluntary retirement and get a fat lumpsum in return. Golden handshake is usually offered by the Government to reduce the size of the bureaucracy and close down chronically loss-making public sector enterprises. Many thinkers on the subject are of the opinion that golden handshake is the fallout of the new economic policy followed by the Government of India. In the 1992–93 Union Budget, the Government had provided Rs. 450 crores for the Voluntary Retirement Scheme (VRS) for its employees. (g) Retirement In India, the retirement age is 58 or 60 years. Some employers may extend the age upward or downward from this base. For those employees who retire, it is a significant milestone. Regardless of the age at which retirement occurs, workers may need preparation through counselling. They should be informed about pension choices and insurance benefits after retirement. Employees at retiring age often feel they could continue to work effectively and there is a strong resistance from many to give up employment. For an organization, in times of staff shortage, retired employees are of great help. 5.6

ABSENTEEISM Absenteeism means unauthorised absence of the worker from his job or the absence of worker when work is available. In other words, it signifies the absence of an employee from work when he is scheduled to be at work; it is unauthorised, unexplained, avoidable and willful absence from work.

According to Webster’s

Dictionary, “absenteeism is the practice or habit of being ‘absentee’, and an ‘absentee’ is one who habitually stays away.”

According to the

Labour Bureau, Simla, “absenteeism is the total man-shifts lost because of absences as a percentage of the total number of man shifts scheduled to work.”

The Indian Labour Journal defines it as, “

Absence is

the

failure of a worker to report for work when

he is scheduled to work. A

worker is to be

considered as scheduled to work when the employer has work available for him and the worker is aware of it". 5.6.1

Rate of Absenteeism

For calculating the rate of absenteeism, we require two factors: the number of persons scheduled to work and the number actually present. The

following formula can help us to calculate the rate of absenteeism. $\text{Rate of Absenteeism} = \left[\frac{\text{No. of total man shifts lost}}{\text{No. of total man shift scheduled}} \right] \times 100$ It is important to reduce the rate of absenteeism for increasing industrial production. The efficiency and experience of the worker is affected by the rate of absenteeism. Hence, the success of an industry will depend to the extent to which absenteeism is reduced. 5.6.2 Causes of Absenteeism There are various reasons for which a worker remains absent from work. They can be classified as under: (a) Maladjustment with Factory Conditions Urban life has no attraction for workers. They are pushed, not pulled to the city. The insanitary conditions prevailing in the cities coupled with strict discipline which was unknown to them in the villages makes life difficult for them. These factors persuade him to maintain his contacts with his village. Therefore, workers go back to the villages frequently resulting in increased rate of absenteeism.

Promotions, Demotions, Transfers, Separation, Absenteeism and Turnover NOTES Self-Instructional Material 127 (b) Social and Religious Functions Social and religious functions divert workers from work to social activities. In a large number of cases, workers are absent from work on occasions of social and religious festivals. In all concerns, absenteeism is high during local festivals. The problem is compounded if the workers are from villages as they want to join their families on such occasions for which they take long leave. (c) Stress Due to fast technological changes, the pace and pressure of life has increased. The need for a behavioural adjustment to this changing life and work style produces stress. "Stress out of the work" refers to a physical or psychological deviation from the normal human state of mind as a result of work environment. External pressures on day-to-day life also effects the individual reaction to the work for instance, a conflict with a co-worker or supervisor may result in job stress. Many studies have indicated that stress disorders result in increased rate of absenteeism. (d) Alcoholism and Drug Abuse Alcoholism has long been recognised as a major problem at the work spot which results in increased rate of absenteeism. The habit of alcoholism among workers is a significant cause of absenteeism especially during the first week of each month when they receive their wages. The workers rush to liquor shops and pleasure spots and drink liquor to forget their immediate worries. (e) Unsatisfactory Housing Conditions Workers experience severe housing difficulties in urban areas. Due to lack of houses, workers prefer to leave their families in villages and stay alone in cities.

The lack of balance between family involvement and job responsibility is the principal cause of absenteeism. They frequently go to the villages to unite with the family. (f) Sickness

The sick and old remain absent from work for reasons of ill health, weak constitution, chronic disease or old age. Sickness is responsible for a considerable part of absenteeism in most industries. The workers who come to towns experience housing difficulties. Forsaken places like the slopes along the railway lines, waste land adjoining dirty localities in towns and open spaces earmarked for dumping the town refuse are chosen by them. Health conditions are naturally bad, leading to high morbidity and consequent ill health. (g) Unhealthy Working Conditions Working conditions like heat and moisture, noise and vibrations, bad lighting conditions dust and fumes and over-crowding etc, keep the workers under constant strain. In order to escape from these unhealthy working conditions they remain absent for a long time.

(h) Rural Exodus Workers go back to the villages during the sowing and harvesting seasons. This is an important cause of high absenteeism among rural labour force. (i) Absence of Adequate Welfare Facilities Absenteeism is also due to the inadequate welfare facilities available to workers. The statutory welfare amenities which include sanitation, washing and bathing facilities, first aid appliances, drinking water, canteens, shelters, rest rooms etc., have not been properly and adequately provided. Fed up with the inadequate absent basic facilities, the workers often migrate to his rural home. (j)

Managerial Attitude A traditional manager treats workers in a sub-human condition. This attitude of the management also contributes to absenteeism as a close affinity with organization is lacking. Check Your Progress 15. Define labour turnover. 16. What are the main methods of ascertaining labour turnover? 17. How can labour turnover be reduced? Human Resource Management NOTES 128 Self-Instructional Material (k) Over-identification

with Family Affairs The lack of balance between family involvement and job responsibility is the principal cause of absenteeism. Chronic illness of one or other family member, litigation, delinquency, working wife etc., force the workers to be absent from work. (l) Desire for Money, Status and Power Some workers desire money, status and power, but are unwilling to work for their achievement. The discrepancy between their aspirations and abilities invariably results in withdrawals or make-believe situations.

Work is a frustrating experience and they seek to avoid it

as much as possible. This is another desire for absenteeism. 5.6.3 Measures to Control Absenteeism Absenteeism is a serious problem. For the industry, it stops machines, disrupts processes, creates production bottlenecks, results in production losses etc. Frequent absenteeism adversely affects the worker. It reduces his earnings and adds to his indebtedness, makes it difficult for him to meet necessities of life and in many cases may also lose his employment. Thus, loss due to absenteeism is two-fold. First, there is a distinct loss to workers, because the irregularity in attendance reduces their income, when 'no work, no pay' is the rule. The loss to the employer is still greater as both discipline and efficiency suffer. Hence measures should be taken for control of absenteeism. According to Labour Investigation Committee, 1946 "proper conditions of work in the factory, adequate wages, protection from accidents and sickness, and facilities for obtaining leave for rest and recreation constitute the most effective means of reducing absenteeism".

Thus, the best policy would be to improve conditions of work and life for the workers and make them feel contented and happy. R.A Seligman is of the opinion that "Absenteeism is a serious problem for management because it involves heavy additional expenses. Reserves and understudies are kept in readiness to take the place of the absentees, failing which the overhead cost of idle equipment has to be faced. Industrial employees do not usually ask for leave of absence in advance or even give notice during their absence as to how long they would be away. The management is generally uncertain about the probable duration of an employee's absence and cannot take appropriate measures to fill the gap." Therefore, the most effective way of dealing with absenteeism is to provide holidays with pay and permit workers to attend their private affairs occasionally and thus regularise absenteeism. The Encyclopaedia of Social Science has suggested certain measures to reduce the rate of absenteeism. These measures are listed below: (a) The personnel management should encourage notification, especially in cases of sickness when the duration of absences is likely to be long. (b) In case of personal and family circumstances, for example, illness of children in the case of married women employees which make absence unavoidable, leave should be granted liberally. (c) To reduce unavoidable absence due to sickness and industrial accidents, programmes of industrial hygiene and safety should be strengthened. (d) Regularity in attendance can be encouraged to some extent by offering bonus and other pecuniary inducements. (e) Absenteeism is a natural human reaction to the routine of modern factory life. There is maladjustment between man's instincts and desires and the regular working habits that are imposed upon him. This routine can be relaxed or modified by granting leave with pay, shorting or redistributing scheduled hours, having employees living nearer to their places of work, and by adjusting the physical condition of the plant, especially noise and ventilation.

Promotions, Demotions, Transfers, Separation, Absenteeism and Turnover NOTES Self-Instructional Material 129 A few measures for checking absenteeism may be suggested. Provision of suitable housing facilities in industrial towns will definitely improve attendance. A sense of responsibility should be created among workers through proper education and training. Introduction of an incentive bonus scheme and linking it with attendance should be encouraged. Here, it should be noted that no single measure can be effective in controlling absenteeism; rather a skilful combination of various measures. 5.7 LABOUR TURNOVER Labour turnover, is the rate of change in the number of employees of a concern during a definite period. It is a measure of the extent to which old employees leave and new employees enter the service of the concern. Labour turnover is the cause and effect of instability of employment, apart from being a measure of the morale and efficiency or otherwise of workers. Labour turnover studies are helpful in indicating that something is wrong with the organization. According to Frederick J Gaudet, "Just as the high reading on a clinical thermometer is sign to the physician that something is seriously wrong with the human organism, so is a high index of labour turnover rate a warning to management that something is wrong with the health of the organization.

But just as the clinical thermometer merely indicates that something is wrong - not what is wrong - so does the turnover rate merely warn not diagnose.

A high turnover rate may mean poor personnel practices, poor

supervisory practices, or poor company policies. Nor should we forget that too low a rate of turnover, like a below normal reading on the thermometer, can also be a danger signal". Labour turnover besides indicating that something is wrong with the organization also involves costs in money as well as human value. According to Pigors and Myers, "Labour turnover involves costs not only in human values but also in money. These include: (a) Costs incurred in hiring and training each new employee. (b) Costs of overtime work required from regular workers in order to maintain the required levels of production until the new employee can do his share. (c) Loss of production in the interval between separation of the former employee and the time when his replacement is fully broken in. (d) Expense in equipment or facilities not being fully utilised during the training period. 5.7.1 Measurement of Labour Turnover There are various methods for measuring labour turnover. Turnover can be compared for each type of movement in and out of the organization. Once a particular method has been adopted, it should be used consistently in order to facilitate comparison of data between two periods. The main methods used are as follows: (a) Accession (b) Separation (c) Replacement (d) Flux (a) Accession Under this method, labour turnover for a given period is found out by dividing the total accession of a unit during a specified period by the average labour force of that unit during the same period. Labour Turnover = $[\text{No. of accession during a period} \div \text{Average No of workers during the period}] \times 100$. (b) Separation Under this method, labour turnover for any given period is determined by dividing the total number of separations by the average number of workers on the roll. 'Total separations' refers to all the terminations of employment of persons who have quit or have been taken

Human Resource Management NOTES 130 Self-Instructional Material off the rolls for reasons such as layoff, discharge, retirement, death, physical disabilities etc. Transfers of employees to other establishments of the same organization are also included. Labour Turnover = $[\text{No. of separations during a period} \div \text{Average No. of workers during the period}] \times 100$ (c) Replacement Also known as "Net Turnover Rate" or "Wastage Rate". Under this method, only the actual replacement of labour during a period irrespective of the number of workers leaving is taken into consideration. Labour Turnover = $[\text{No. of workers replaced in a period} \div \text{Average No. of workers in the period.}]$ (d) Flux Method The accessions and separations together are known as "flux". This method takes into consideration both the separations and replacement. Labour Turnover = $[\text{No. of Separations} + \text{No. of Replacements} \div \text{Average No. of workers during the period}] \times 100$ 5.7.2 Causes of Labour Turnover Labour turnover is the outcome of resignations and dismissals. Labour turnover also occurs as a result of illness, accident, death, retirement, marriage etc. Resignations: Resignations may be due to such causes as dissatisfaction with working conditions, insufficient wages, bad health, sickness, old age etc. According to the Labour Investigation Committee, the chief causes of labour turnover are resignations. Further, the village nexus is still very strong in many industries. The workers do not get long leave to go to the villages and hence they resign and go home at the time of harvesting or sowing of the crops. When workers return from their villages after having finished their agricultural operations, they do not find old jobs and have to seek employment elsewhere. Dismissals: Dismissals of employees is the second important cause of labour turnover. Dismissal may occur due to participation in strikes or union activities, misconduct, insubordination and inefficiency. Labour turnover among the temporary workers is due to the fact that as soon as a particular piece of work is completed for which workers had been employed, they are discharged and again when new work starts, new workers are recruited. The badli system also contributes to a high turnover because, with a view to providing work for badli workers, many workers are forced to leave. 5.7.3 Measures to Reduce Labour Turnover A high rate of labour turnover is bad for both workers and the organization. Hence, efforts should be made to reduce it. Unfortunately, the majority of employers ignore the effects of labour turnover and prefer to play off one labourer against another with a view to obtaining cheap labour, many of them prefer a constant change of labour force if it gives them an opportunity to reduce their wage bill. They do not realise that new workers are less efficient than old workers. Hence efforts should be made to reduce the rate of turnover. The following actions may be taken to reduce labour turnover: ? Increase pay levels to meet competition. ? Introduce procedures for relating rewards to performance. ? Provide better career opportunities.

Promotions, Demotions, Transfers, Separation, Absenteeism and Turnover NOTES Self-Instructional Material 131 ? Workers organizations should be encouraged to maintain contact with the workers and redress their grievances. ? Reorganize work and arrangement of offices or workshops to increase group cohesiveness. ? Improve working conditions, adopt an enlightened policy of management in respect of welfare, sickness insurance and pension which will contribute to make the labour force more stable. ? Improve recruitment and selection procedures to ensure that job requirements are specified accurately and the selected employees fit the specifications. ? Provide adequate training or adjustment periods when working conditions change. 5.8

CASE STUDY Arjuna Trading Company Arjuna Trading Company is an engineering concern and has 150 branches spread in ten states. The establishment has over 8,000 employees including 1,300 officers. Though with branches in different cities the company has a common seniority both for officers and workmen. The organization encourages sports and sportsmen and has number of teams participating in various local and state tournaments. The company also has individual officers and workmen participating in different tournaments in games such as Tennis, Badminton, Table Tennis, and Chess etc. One of the middle level officers of the company won the state title, then the national title and then an international title in lawn tennis. The company was proud of this employee and gave him every facility to develop himself. When the officer won a triple crown in All India Championship and also two international prestigious tournaments in one year, the local chief manager promoted him straight five rungs. Normally, for his colleagues it would take about 14 years to reach that level and that too after passing examinations and interviews. It so happened that one of the workmen had also obtained position in state basketball team and had potential of representing himself at the National level. The trade union operating in the establishment congratulated the management for promoting the officer and requested it to show a similar gesture to this workman who had reached this level in spite of his poor circumstances and unfavourable conditions. The union hoped that the management would promote the workmen also five ranks above as done for the officer. ? Evaluate the decision of the management. ? What would be your decision in so far as the request of the Union is concerned? 5.9 SUMMARY Promotion is the transfer of an employee to a new position which commands higher pay, privileges or status compared with the old position. The different types of promotions are: Limited Promotion, Dry Promotion, Multiple Chain Promotion, Up and Out Promotion. Promotions are: based on seniority, merit, merit cum seniority, selection, time bound or Temporary promotion. Whatever may be the type of promotion followed by the management, there should be a definite promotion policy which should be effective and protect the interest of the employees due for promotion.

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Demotion is a process by which the employee is downgraded and sent to a lower position from the position he is holding at present.

Demotions serve a useful purpose in the sense that they keep the employees alert and alive to their responsibilities and duties.

A Transfer is a change in job assignment. It does not involve a change in responsibility and status. A movement of an employee between equivalent positions at periodical intervals is called "Transfer".

Absenteeism means unauthorised absence of the worker from his job or the absence of worker when work is available. Absenteeism is a serious problem. For the industry, it stops machines, disrupts processes, creates production bottlenecks, results in production losses etc. Frequent absenteeism adversely affects the worker. Labour turnover is the rate of change in the number of employees of a concern during a definite period. It is a measure of the extent to which old employees leave and new employees enter the service of the concern. Various methods are used for measuring labour turnover.

A high rate of labour turnover is bad for both workers and the organization. Hence, efforts should be made to reduce it. 5.10

ANSWERS TO 'CHECK YOUR PROGRESS' 1.

A promotion is the transfer of an employee to a job which pays more money or one that carries some preferred status 2.

The different types of promotions are: ? Limited Promotion ? Dry Promotion ? Multiple Chain Promotion ? Up and Out Promotion 3. ? Promotion based on seniority ? Promotion based on merit ? Merit cum seniority promotion ? Promotion by selection ? Time bound promotion ? Temporary promotion 4.

Arguments for promotion by seniority are: ? The system is simple to understand. All employees are assured of promotion which will come automatically when it is due. ? Seniority is a factor which can be measured quantitatively; it is easily explained and understood and therefore, escapes charges of favouritism and discrimination. ? The management will have a known man. This reduces the risk associated with bringing an unknown person from outside. ? Seniority as a criterion for promotion makes its impact on reduction in employee turnover. ? Seniority is considered to contribute to the employees' ability on the assumption that the longer a person does a job, the more he learns about it. ? Promotion by seniority satisfies the personal aspirations of the employees. This results in better morale of the employees. 5.

Arguments for Promotion by merit ? Promotion by merit brings rewards for meritorious work. This encourages an employee to work hard and advance in the organisation. ? Promotion by merit enhances organisational efficiency and maximizes utilization of talent. ? Promotion by merit acts as a motivator. This leads to increased productivity.

Promotions, Demotions, Transfers, Separation, Absenteeism and Turnover NOTES Self-Instructional Material 133 6.

A concrete comprehensive and realistic promotion policy should be evolved covering the following points ? Promotion policy statement ?

Ratio of internal promotion Vs external recruitment ? Decide the basis for promotion ? Decide the routes for Promotion ? Communicate the Promotion Policy ? Lack of Promotional Avenues ? Determination of Seniority ? Relationship of disciplinary action to

promotion 7.

Demotion is a process by which the employee is downgraded and sent to a lower position from the position he is holding at present. 8. ??

Demotion may be used as a disciplinary weapon. ? Demotion may be resorted to when, employees because of ill health or personal reasons, cannot do their job properly. ? If a company curtails some of its activities, employees are often required to accept lower-level position until normally is restored. ? If an employee finds it difficult to meet job requirement standards, following his promotion. He may be reverted to his old position 9.

A movement of an employee between equivalent positions at periodical intervals is called as "Transfer". 10. There are nine types of transfers. They are: ? General transfers ? Production transfers ? Replacement transfers ? Shift transfers ? Remedial transfers ? Versatility transfers ? Punishment transfers or Penal transfers ? Request transfers or Personal transfers ? Mutual transfers 11. The main types of separation are the result of: ? Resignation ? Discharge ? Dismissal ? Retrenchment ? Lay-off ? Golden handshake and ? Retirement 12. Lay-off is resorted to by the employer for factors beyond his control. Such factors could be: ? Fluctuations in the market resulting in loss of sales. ? Shortage of raw materials or power. ? Accumulation of stock. ? Breakdown of machinery. ? Production delays.

Human Resource Management NOTES 134 Self-Instructional Material 13. Absenteeism means unauthorised absence of the worker from his job or the absence of worker when work is available. 14. There are various reasons for which a worker remains absent from work. ? Mal adjustment with Factory Conditions ? Social and Religious Functions ? Stress ? Alcoholism and drug abuse ? Unsatisfactory Housing Conditions ? Sickness ? Unhealthy Working Conditions ? Absence of Adequate Welfare Facilities ? Over-identification with family affairs 15. Labour turnover, is the rate of change in the number of employees of a concern during a definite period. 16. The main methods used are as follows: ? Accession Method ? Separation Method ? Replacement Method and ? Flex Method 17.

The following actions may be taken to reduce labour turnover: ? Increase pay levels to meet competition. ? Introducing procedures for relating rewards to performance. ? Provide better career opportunities. ? Workers organisations should be encouraged to maintain contact with the workers and redress their grievances. ? Reorganizing work and arrangement of offices or workshops to increase group cohesiveness. ?

Improvement of working conditions, adoption of an enlightened policy of management in respect of welfare, sickness insurance and pension all will contribute to make the labour force more stable. ? Improving recruitment and selection procedures to ensure that job requirements are specified accurately and the selected employees fit the specifications. ? Providing adequate training or adjustment periods when working conditions change 5.11

QUESTIONS AND EXERCISES Short-Answer Questions 1. What is a promotion policy? What are the conditions to be covered while preparing a comprehensive and realistic promotion policy? 2. What are the advantages of a promotion policy? 3. Define absenteeism. What are its adverse effects? 4. Why should management be concerned with labour turnover and absenteeism? Is it desirable to reduce both to zero? Is it possible? 5. What is labour turnover? How is it measured?

Promotions, Demotions, Transfers, Separation, Absenteeism and Turnover NOTES Self-Instructional Material 135 Long-Answer Questions 1. Define "Promotion" Explain the different bases for promotion. 2. What is job enlargement and job enrichment? Explain its advantages. 3. Define transfer. Explain the various types of transfers. 4. What is a transfer policy? Explain the conditions that should be followed in a systematic transfer policy. 5. Write short notes on the following: (a) Types of Transfers (b) Golden handshake (c) Discharge (d) Resignation (e) Lay-off 5.12 FURTHER READING 1.

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Quality of Work Life NOTES Self-Instructional Material 137 UNIT 6

QUALITY OF WORK LIFE Structure 6.0 Introduction 6.1

Unit Objectives 6.2 Quality of Work 6.2.1 Scope of Quality of Work; 6.2.2 Approaches to Improve Quality of Work; 6.2.3 Impact of Quality

of Work in Organisational Climate; 6.2.2 Requirements of Quality of Work 6.3 Quality Circles 6.3.1 Historical Background; 6.3.2 Objectives of Quality Circles; 6.3.3 Advantages of Quality Circles; 6.3.4 Limitations of Quality Circles; 6.2.5

Phases in the Life of a QC Programme; 6.3.6 Conditions Necessary for Making Quality Circles Effective 6.4

Morale 6.4.1 Definition of Morale; 6.4.2 Effects of Low Morale; 6.4.3 Measures to Build up High Employee Morale; 6.4.4 Factors Affecting Morale 6.5 Job Satisfaction 6.5.1 Determinants of Job Satisfaction; 6.5.2 Consequences of Job Satisfaction 6.6 Social Security 6.6.1 Social Security in India; 6.6.2 Drawbacks of Social Security Schemes in India; 6.6.3 Laws and Acts 6.7 Health and Safety 6.7.1 Concept of Industrial Health;6.7.2 Industrial Accident;6.7.3 Accident Prevention; 6.7.4 Occupational Diseases; 6.7.5 Provisions Under the Factories Act 1948 6.8 Labour Welfare 6.8.1 Need for Labour Welfare; 6.8.2 Principles of Labour Welfare; 6.8.3 Provisions of Factories Act Regarding Labour Welfare 6.9 Case Study 6.10 Summary 6.11 Answers to 'Check Your Progress' 6.12 Questions and Exercises 6.13 Further Reading 6.0

INTRODUCTION Importance of quality in anything we do can never be underrated. Quality of work environment shapes the personality of the employees of an organization and leads to their commitment to the organization. In many organizations, small teams of employees (Called QCs) from within the departments meet for a few hours each week to identify quality and productivity problems, offer solutions to management and monitor their implementation. High morale, job satisfaction, a sense of security, healthy and safe environment of the work place, concern for labour welfare go a long way in enhancing production, improve quality and overall growth of the employee and employer alike. 6.1 UNIT

OBJECTIVES

After going through this unit you will be able to: ?

Learn

Ways to Improve Quality of Work ? Appreciate the Impact of Quality Work an Organisational Climate ? Learn about Quality Circles, Phases of QC Programmes ? Understand the Effects of Low Morale, Factors responsible, and how to control it. ? Understand the Determinants and consequences of Job Satisfaction

Human Resource Management NOTES 138 Self-Instructional Material ? Understand the Social Security Scenario of India ? Understand the Provisions of the Factories Act Pertaining to Health and Safety ? Understand the Need and Know the Principles of Labour Welfare. 6.2

QUALITY OF WORK Quality of work means incorporating socio-psychological needs of employees, requirements of particular technology and structure or processes of an organisation. It also involves economic rewards and benefits for the employees. Quality of work ensures the satisfaction of workers towards their job, which in turn ensures higher productivity and greater job satisfaction of

the employees. Quality of work is the level at which the members of an organisation can satisfy their personal requirements through their experience in the organisation. Its

main objective is to focus on creating a good working environment as a result of which employees work together in a cooperative way and contribute their best in achieving the organisational goals. Quality of Work Life (QWL): There is no generally acceptable definition about the term 'Quality of Work Life". The term has different meaning to different persons. For example for a new recruit, it may mean opportunities for advancement. While for a worker in an assembly line it may just mean a fair day's pay. According to Richard and Loy, QWL

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is "the degree to which members of a work organisation are able to satisfy important personal needs through their experience in the

organization".

According to Nadler and Lawler – 'Quality of Work Life (QWL) is concerned about the impact of work on people as well as on organization effectiveness, and the idea of participation in organizational problem solving and decision making".

The basic purpose of improving QWL is to change the climate at work so that human-technological-organizational interface leads to better quality of work life. There are many factors that can contribute to QWL. They are: ? Adequate compensation to meet the needs of the socially determined standard of living. ? Healthy and safe working conditions. ? Respect for individual's personal rights and the principles of natural justice and equity. ? Balance between work and family life. ? Security and growth opportunity Effects of Quality of Work Life ? Jon involvement – Job involved people spend more time on hob and turn out better performance. ? QWL gives employee job satisfaction. High job satisfaction leads to high work performance, less employee turnover and less absenteeism. ? As employees engage themselves more and more in work activities, they acquire a great sense of competence and experience and higher level of job involvement. The HR Department can contribute to the quality of work life (QWL) of employees. QWL refers to fair remuneration, safe and healthy environment, opportunity for the growth etc. Better QWL leads to motivation and satisfaction of employees. Therefore, many programmes that contribute to QWL should be undertaken by management in consultation with and with the cooperation of the unions.

The general perception is that an improvement in QWL costs much to the organization. But it may not be so as the improvement over the QWL maybe offset by the increase in productivity.

Quality of Work Life NOTES Self-Instructional Material 139 6.2.1 Scope of Quality of Work Quality of work plays a vital role in the life of the workers who are involved in production. It plays an important role in (a) shaping the personality of the employee, (b) determining his personality, (c) commitment to fellow employees, and (d) commitment to the organisation and to the society. The requirements of the workers are: Fair and Reasonable Pay: Quality of work is based on the concept of equal pay. This means that the employees should be paid in a proper way and within the specified time. The compensation that is given to the employees has two main objectives. The first one is that it creates a favourable working environment and the organisation get adequate number of human resources for its production process. The second one is that it helps employees to support his family. Favourable and Safer Environments: Quality of work provides good working conditions that help employees to achieve organisational goals in the estimated time. For example, in India, the Factories Act 1948 specifies rules and regulations that ensures the protection of employees from health hazards. Benefits for Employees: Earlier, the employer had the benefit of bargaining with the employee. Now a days, the employees expect more benefits such as share in the company profit, medical insurance, housing and welfare facilities also. Job Security: The main requirement of employees is a stable job. The employers should offer them job security in order to get good results in return. The employees do not like to be the victims of personal policies of employers. Job Satisfaction: Employees work with full enthusiasm and come up with good results if their talent is properly utilised and appreciated. The management should therefore, improve and redesign jobs in such a manner that the employees are satisfied with their job. Provision of Autonomy as well as Control for Developing Human Resources: By providing sufficient autonomy and control to workers helps them to apply their skill on work. This ensures improvement in quality of work. Scope for Better Career Opportunities: Now a days employees are not only concerned with their pay scale but want to improve their technical and academic skills. The management should therefore provide facilities to improve the talents of the employees. For example, the management can provide trainings on latest technologies or can send the employees on site for training. 6.2.2 Approaches to Improve Quality of Work Following are the approaches that help in improving Quality of work. Flexibility in Work Schedules: The employees should be given freedom to work in the way they feel to a certain extent. The time restriction and strictness in the organisation can lead to poor quality of work and also over stress the employee. Freedom in Forming Workgroup: This includes freedom of employees to make decisions regarding production methods, distribution of work, selection of team members and so on. Opportunity for Growth: Growth opportunity is essential for those employees who are very career oriented. The provision for growth helps in motivating the employees, which in return results in good work. Participation of Employees: If the employees are given opportunity to participate in the decision-making process and management by objectives process, they get the feeling of belongingness to the organisation. Such provision satisfies the employees and motivates them to work hard. Implementing Suggestion Systems: The suggestion system helps in improving the system of the organisation, which in turn provides better facility for the management as well as the employees. The suggestion system can include cash rewards for those who provide useful suggestion that is beneficial for the whole organisation. 6.2.3 Impact of Quality of Work in Organisational Climate The quality of helps in achieving integration between the technological human, organisational and society demands. Since, Quality of work is concerned with work environment and the impact of work on the employees, therefore the participation of employees in problem solving and decision-making area is considered to be necessary. Participation of employees leads to human technological organisational interface, which creates improved Quality of Life in society and work place. Work redesign helps in cultural and attitudinal changes that manifest in the socio-cultural and political system. 6.2.4 Requirements of Quality of Work Following are the conditions that are required for the successful results of Quality of work: ? Management should be open to the employees in all decisions and activities of the organisation. The employees should be given freedom to express their views regarding the working condition or other official problems. ? Employees must be given opportunity to participate in the decision-making process. ? Supervisors must be trained to function their job effectively and to get the jobs done in an efficient manner. ? The barrier between the management and the employees must be broken and there should be provision for face to face talks. A trustful environment should be established in the organisation. ? Employees should be given feedback for their performance so as to boost them or to help them improve the quality of work. ? Employees should be promoted for their excellent work. ? There should be a continuous research on the activities of the organisation so as to ensure that there is no hinderence in the performance of the employees or the machineries. 6.3

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QUALITY CIRCLES A quality circle is a group of employees that meet regularly to

solve problems affecting its work area.

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The ideal size of the group is six to eight members. The size should not be too big as it prevents members' from actively interacting and meaningfully

contributing to each meeting. A quality circle generally recommends solutions for quality which may be implemented by management.

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The main features of a quality circle are as follows: 1. A quality circle is a voluntary group. 2.

Members meet at periodic intervals to discuss quality- related activities. 3. A quality circle has its own terms of reference and offers recommendations to management for implementation. 4. Members of a quality circle vary between six to eight members and generally they come from a particular work area. 5. The ultimate purpose of a quality circle is to improve organisational functioning. Objectives of Quality Circle: 1. Contributes to the improvement and development of the organization. 2. QC provides opportunity and forum to realise and satisfy people's needs at the workplace. Check Your Progress 13. Define absenteeism. 14. What are the causes of absenteeism?

Quality of Work Life NOTES Self-Instructional Material 141 3. QC's help to build a happy worthwhile place to work. 4. It promotes better understanding and thereby creates cordial industrial relations Pitfalls or Problems in Quality Circles: 1. The basic problem in QC is the absence of the right type of attitude both among managers as well as among workers. Managers may feel that QCs dilute their authority and importance. 2. Delay in implementation of suggestions given by QCs may affect the operation of QCs. 3. Non-members may sometimes pose problems to the operation and functioning of QCs. 4. In the Indian context, there may be problems in organizing QCs owing to the low level of education and lack of leadership abilities amongst workers. 5. There may be operational problems like members not being permitted to hold meetings during office hours, irregularity of meetings etc. 6.3.1 Historical Background Started

in Japan in the early 1960's, QCs have spread all over the world. Quality Circles became extremely popular in the 1980s, particularly in the aerospace, automobile, steel and consumer goods industries. The primary topics of discussion in most QCs are related to quality, but they do consider others such as cost, safety and efficiency. QC members identify a problem, study it and present their recommendations for change and improvement to a committee. 6.3.2 Objectives of Quality Circles The basic objectives of quality circles are as under: ? To contribute to the improvement and development of the organization; ? To develop respect for human relations and induce job satisfaction; ? To deploy human capabilities to the fullest extent and draw out their infinite potential. ? To satisfy the workers' psychological needs for participation, recognition etc., with a view to motivating them. ? To improve quality of product/services, productivity and reduce cost of production per unit of output. 6.3.3

Advantages of Quality Circles ? Generation of Creative Ideas ? Improvement in Productivity ? Better Teamwork ? Higher Motivation ? Development of Problem Solving Skills 6.3.4 Limitations of Quality Circles Other problems include fitting of quality circle

in existing cultural environment in the industry, rewarding, awarding and motivating the quality circle members and facilitators. These problems can be solved if top management takes proper care and interest. This participative scheme will contribute to the organization's effectiveness and to enhance job satisfaction, sound human relations in an organization

and quality of work life of employees.

Check Your Progress 4. What Morale? 5. What are the significant effects of low morale in an organization? 6. Explain the

measures for building high employee morale?

Human Resource Management NOTES 142 Self-Instructional Material 6.3.5 Phases in the Life of a QC Programme Figure 6.1 shows the phase in the life of a QC and the problems encountered at each stage. Phase Activity Destructive forces 1. Start-up Publicise, obtain funds and volunteers, train Low volunteer rate, inadequate funding, inability to learn group process and problem solving skill 2. Initial problem solving Identify and solve problems Disagreement on Problems 3. Presentation and approval of initial suggestions Present and have initial suggestions accepted. Resistance by staff groups and middle management, poor presentation and suggestions because of limited knowledge 4. Implementation of solutions Relevant groups act on suggestions Prohibitive, resistance by group that must implement 5. Expansion and continued problem solving Form new groups, old groups continue Raised aspirations, back of problems, expense of parallel organisation, savings not realized, and rewards wanted. Source: Aswathappa K, Organizational Behaviour (6th edition) Himalaya Publishing House, Mumbai (2005) Page 358. Figure 6.1 Phases in the Life of a QC Programme. 6.3.6 Conditions Necessary for Making Quality Circles Effective 1. Top management support. 2. Education and training of managers and workers. 3. Timely implementation of ideas generated by quality circles. 4. Sharing gains in productivity with workers. 5. Facilities for meetings and discussions. 6. Regular monitoring of working of quality circles. 6.4 MORALE Morale is the degree of enthusiasm and willingness with which individual workers of a group set out to perform the assigned work with zeal and sincerity, resulting in good team- work. Existence of frustrations, disappointments, discontent, grudges etc., means that workers have low morale. Morale is high when there is improved employee contribution, lower labour turnover and absenteeism. 6.4.1 Definition of Morale According to Flippo, morale is "a mental condition or attitude of individuals and groups which determines their willingness to co-operate. Good morale is evidenced by employee enthusiasm, voluntary conformance with regulations and orders, and a willingness to co-operate with others in the accomplishment of an organizations objectives". According to Davis, "organizational morale is basically a mental condition of groups and individuals which determines their attitude". Haimann observes that morale is "a state of mind and emotions affecting the attitude and willingness to work, which in turn, affect individual and organizational objectives". Guion defines morale as "the extent to which an individual's needs are satisfied and the extent to which the individual perceives that satisfaction as stemming from his total job situation". Kahn and Katz observe that "morale is a combination of attitudes towards the company, job and the immediate supervisor". Check Your Progress 7. What is Job Satisfaction? 8. Explain the determinants of Job Satisfaction? 9. What is labour welfare? 10. Explain the principles of la- bour welfare

Quality of Work Life NOTES Self-Instructional Material 143 6.4.2 Effects of Low Morale The most significant effects of low morale are: (a) High Rate of Absenteeism, (b) Tardiness, (c) High Labour Turnover, (d) Strikes and Sabotage, (e) Lack of Pride in Work, (f) Wastage and Spoilage. 6.4.3 Measures to Build up High Employee Morale (a)

Unity of Interests: Integration of worker's goals with organization objectives will create employee's confidence and build up high morale. (

b)

Leadership Confidence: Managers who are sincere, sympathetic and democratic in this attitudes towards employees will can easily establish confidence in their leadership. (c)

Sound Wage Structure: Complete wage plan incorporates guaranteed base wage incentive for productivity and other fringe benefits. (d) Favourable Work Environment: Good working conditions create job satisfaction. A satisfied labour force is an invaluable asset of an enterprise. (

e)

Higher-order Need Satisfaction: Workers should be given ample opportunities to satisfy their social and personal wants.

(f) Other Measures: Employee counselling, sound promotion policy grievance procedure, proper selection techniques, induction training, collective bargaining are some of the other measures to enhance employee morale. 6.4.4

Factors Affecting Morale Morale building in the organization is a continuous process and a responsibility of every manager. Management can take specific steps to improve the morale in their organization. The factors that influence or affect morale are: 1. The Organization: If the goals set by management are worthwhile and acceptable the workers will develop a positive feeling towards the job and the organization. Thus, the goals set by the organization greatly influence the attitude of the organization. 2. Job Enrichment: Job enrichment provides an opportunity to overcome monotony, fatigue, disinterestedness and creates an environment to satisfy needs leading to higher morale. 3. Leadership: The morale of employees would be high if their good work was recognized. 4. Work environment: When employees are provided with clean, safe, comfortable and pleasant work conditions their morale will be high. 5. Nature of Work: If the nature of work is interesting and challenging the morale will be high. 6. Attitude of Co-Workers: The attitude of co-workers can influence the morale. Conflict Handling: Excessive and sustained conflict generates potential for low morale. Morale building effort includes conflict resolution. The management can set a procedure for effective handling of conflict in the organization. 6.5 JOB SATISFACTION According to Hoppock, job satisfaction is "the combination of psychological, physiological and environmental circumstances that cause a person to truthfully say 'I am satisfied with my job'". Job satisfaction is different from morale. Satisfaction implies a positive emotional state whereas, morale implies a general attitude towards work and work environment. Job satisfaction is the end feeling which may influence subsequent behaviour. It is an employee's general attitude towards his job.

Human Resource Management NOTES 144 Self-Instructional Material 6.5.1 Determinants of Job Satisfaction The various factors influencing job satisfaction may be classified into two categories: (a) Environmental Factors Environmental factors relate to the work environment which include: (i) Job Content: Herzberg suggested that job content in terms of achievement, recognition, advancement, responsibility and the work itself tend to provide satisfaction but their absence does not cause dissatisfaction. (ii) Occupational Level: The higher the level of the job in organizational hierarchy the greater the satisfaction of the individual. Higher level jobs carry greater prestige, self- control and need satisfaction. (iii) Pay and Promotion: Higher pay and better opportunities for promotion lead to higher job satisfaction. (iv) Work Group: Job satisfaction is generally high when an individual is accepted by his peers and he/she has a high need for affiliation. (v) Supervision: If a supervisor takes personal interest in his/her subordinates and allows them to participate in the decision making process, employees will have better job satisfaction. (b) Personal Characteristics The elements of personal life that exercise influence on job satisfaction are given below: (i) Age: Research studies reveal a positive correlation between age and job satisfaction. Studies conducted by Guha T. N. reveal that workers in the advanced age group tend to be more satisfied probably because they have adjusted with their job conditions. (ii) Sex: The study conducted by Neal Q. Herrick revealed that women are less satisfied than men due to fewer job opportunities for them. But generally it is believed that women may be more satisfied due to their lower occupational aspirations. (iii) Education Level: It is generally believed that more educated employees tend to be less satisfied with their jobs probably due to their higher job aspirations. (iv) Marital: Married employees and employees having more dependents tend to be more dissatisfied due to their greater responsibility. (vi) Experience: Job satisfaction tends to increase with increasing years of experience. But it may decrease after about 20 years especially if employees do not realise their job expectations.

DETERMINANTS OF JOB SATISFACTION ENVIRONMENTAL FACTORS PERSONAL CHARACTERISTICS Job Content Pay and Promotion Work Group Supervision Age Sex Education Level Marital Status Experience Figure 6.2 Determinants of Job Satisfaction 6.5.2

Consequences of Job Satisfaction Job satisfaction is an integral component of organizational health and an important element in industrial relations. The level of job satisfaction seems to have some relation with various

Quality of Work Life NOTES Self-Instructional Material 145 aspects of work behaviour such as accidents, absenteeism, turnover and productivity. It is generally assumed that satisfied employees are more productive. The consequences of Job satisfaction is given below: 1. Since job satisfaction is a type of mental feeling, its favourableness or unfavourableness affects the worker psychologically which ultimately affects his physical health. 2. Job satisfaction is related to absenteeism. Lack of satisfaction from the job produces a lack of will to work and alienate a worker from work as far as possible. 3. Other things remaining the same, job satisfaction reduces employee turnover. Job satisfaction plays a significant role in an organization. Therefore managers should take concrete steps to improve the level of job satisfaction. 6.6

SOCIAL SECURITY The meaning of the term 'social security' varies from country to country. In socialist countries, the nation's goal is complete protection of every citizen. In capitalist countries, a measure of protection is afforded to a

needy citizen in consistent with resources of the state. According to the social security (minimum standards) convention (No. 102) adopted by the ILO in 1952, following are the nine components of

social security: ? Medical Care, ? Sickness Benefit, ? Unemployment Benefit, ? Old-age Benefit, ? Employment Injury Benefit, ? Family Benefit, ? Maternity Benefit. ? Invalidity Benefit ? Survivor's Benefit. 6.6.1 Social Security in India Social security

schemes may be of two types: (

a)

Social Assistance Under which the State finances the entire cost of the facilities and benefits provided. Here benefits are paid after testing the financial position of the beneficiary. (b) Social Insurance Under social insurance, the State organizes the facilities financed by contributions from both the workers and employers, with or without a subsidy from the State. Here, benefits are paid on the basis of the contribution record of the beneficiary without testing his means. At present both types of social security schemes are in vogue in India. 6.6.2 Drawbacks of Social Security Schemes in India (

a)
Our social security measures are fragmented in character. All social security provisions need to be integrated into one Act. (

b)
The burden of various social security benefits, at present, is borne predominantly by the employer. Very little contribution is made by the workers or the State. This is against the social security principle. (c) The social security benefits at present cover the industrial workers only. Workers in the unorganized sectors do not get these benefits.

Human Resource Management NOTES 146 Self-Instructional Material (d)

There is no effective implementation and enforcement of the Acts pertaining to social security schemes. 6.6.3

Laws and acts There are

various laws and acts have been passed since independence to govern the functioning of a company. These laws and acts provide social security to the employees of company.

For example, Employees' State Insurance Act was passed in 1948 and Employees' State Insurance Act in 1952.

Following are some of the important laws and acts: ? The Employees' State Insurance Act, 1948 ? The Employees' Provident Fund Act, 1952 ? The Workmen's Compensation Act, 1923 ? The Maternity Benefit Act, 1961 ? The Industrial Disputes Act, 1947 The Employees' State Insurance Act, 1948 The Employees' State Insurance Act was passed in 1948 to make available various social welfare facilities available to the employees of a company through one agency. The Employees' State Insurance Scheme (ESIS) is a compulsory and causative scheme for the well being of the employees. According to this Act, a company should provide medical benefits, such as medical attendance, treatment, drugs and injections to the insured employees having net salary less than 6,500 and their family members. This Act is applicable only to the companies that employ more than 20 employees in the company. The ESIS is a breakthrough in the history of social security in India. The main objective of this scheme is to launch social insurance for the employees of a company in order to provide them social security during situations, such as illness, long-term sickness or any other health hazard. According to this scheme, medical facilities are also provided to the retired insured individuals and permanently disabled workers and also to their spouses at a minimal payment of

Rs 10/-

per month. The ESIS Act is monitored by the Employees' State Insurance Corporation (ESIC), which is established by Central Government. ESIC has its own funds, known as ESI fund that provides cash benefits to insured persons, medical benefits, such as hospitals and dispensaries. Following are the benefits provided by this act: ? Sickness Benefits: Is given to the employees for maximum period of 91 days. The sickness benefit is the half of the daily average wages of the employee. For getting the sickness benefit the employee should be under the medical treatment at a hospital maintained by the company. Extended sickness benefit is also given to the insured employees who are suffering from the long-term diseases. In this case employee can get sickness benefit for maximum period of 309 days and the payment given to the employee is 63% of the wages. Sickness benefit is useful to an employee who is unable to work due to illness. Employee also gets medical treatment and financial support. ? Medical Benefit: Is the form of free medical treatment that an employee claims in case of illness, maternity and accident. Employee gets this benefit at ESI hospital or dispensary of the doctor to whom the worker is getting treatment. The family of the insured worker also avails this benefit. Workers suffering from critical diseases, such as T.B, Cancer, Leprosy and mental diseases are provided special facilities. ? Maternity Benefit: Is in the form of cash payment to the insured women for confinement, miscarriage or illness arising out of pregnancy. This benefit is calculated at half of average daily wages. If the insured woman dies during the period of confinement, the nominee gets the benefit for the whole period.

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Disablement Benefit: Is given in case of permanent disablement of an employee. The benefit is given when an employee is caught in an industrial accident within the factory. The annual benefits depend on the nature of disablement. For the temporary disablement full pay is given to the employee for the period of disablement. For the permanent disablement the employee is given cash benefit for the life at a percentage of full rate. ? **Dependents' Benefit:** Is given to the dependents of the employee of a dead insured employee. The benefit is given if an employee dies in an industrial accident. Family of the employee is entitled for cash benefit under this scheme. The widow will receive pension for her whole life. ? **Funeral Benefit:** Is given in the form of cash upto maximum of 1,000 to the insured individual for funeral. This benefit is given to the eldest person or the person who is actually incurring the expenditure at the time of funeral. **The Employees' Provident Fund Act, 1952** The Employees' Provident Fund Act was launched in 1952 that provides retirement benefits to the employees of a company. Retirement benefits include provident fund, family pension, and deposit-linked insurance. This Act is applicable for the companies in India that employ 20 or more than employees except in Jammu and Kashmir. This Act is not applicable on the companies that registered under the Co-operative Societies Act, 1912 or under any other law related to co-operative societies less than 50 individuals. This scheme is applicable to the employees getting the salary of Rs, 5000/- per month. According to this act, the employees need to contribute 8.33 percent of the

basic salary and dearness allowances comprising of cash value of food allowances and maintaining allowances given to the employees. Now, the government has increased the rate of employee contribution to 10 percent. The government has introduced various provident fund schemes but the contributory fund scheme became more popular than others. According to the contributory provident fund scheme, both employer and employee contribute equal portion of the basic salary of the employee for provident fund. The total contribution of the provident fund is then deposited with the Provident Fund Commissioner or any trust. The employees get the provident fund after their retirement. The employees also get 8 to 12 percent interest on the provident fund. Under this scheme individual pension and family pension are provided to the employees of the company. Government has introduced various schemes under this act. These are: ? **Employees' Pension Scheme, 1995:** Was introduced for the individual employees of a company in the year 1995. Under this scheme, the employees are provided 50 percent of the salary as their pension after retirement or suerannuation after completing 33 years service. ? **Death Relief Fund:** Was established by the government in January 1964 in order to provide financial help to the nominees or the successor member of the family whose salary does not exceeds Rs 1,000 per month. ? **Gratuity Scheme:** Was a scheme introduced under the Payment of Gratuity Act, 1972

is meant for factories, mines, oil fields, plantations, ports, railways, and other companies. This act is applicable for the employees that obtain salary less than or equal to 3,500 per month. ? **Employees' Deposit-Linked Insurance Scheme:** Was launched for the members of Employees' Provident Fund and the exempted Provident Funds on 1st august, 1976. According to this scheme, after the expiry of the member of the provident fund, the individual allowed to obtain the provident fund deposits would be given an extra payment equal to the average balance in the provident fund account of the deceased person during last three years. This scheme is applicable only when the average amount is greater than or equal to 1,000.

Human Resource Management NOTES 148 Self-Instructional Material ? Group Life Insurance: Is a plan that provides coverage for the risks on the lives of a number of individuals under one contract. However, the insurance on each life is independent from the insurance of individuals. This facility is given to the employees that work with an employer without evidence of insurability. Following are features of group life insurance: o Insurance is provided to the employees without any evidence of insurability. o The insurance contract is signed between the insurance company and the employer. There is no direct interaction of the employee with the insurance company. o It is yearly renewable insurance plan. o If any employee of the company suffers from and

injury or death, then the claim received by the employer from the insurance company is given to the nominee of the employee. o The premium of the insurance is either paid the employer or by the employer and the employee both. The Workmen's Compensation Act, 1923 The Workmen's Compensation Act was established by the government in the year 1923. According to this act, a company needs to provide a payment of compensation to its employees and their family on the occurrence of organisational accidents and some disease leading to the death or any kind of disablement of the individual. The main objective of this act is to apply a commitment on the employers to offer compensation to the employees against the accidents that occur during the course of employment. Following are the important features of The Workmen's Compensation Act: ? This Act provides social security to the employees of a company by providing them compensation against various risks. ? A company is liable to pay the compensation only if the accident or the injury to the employee has been caused during the course of employment. ? This Act also provided overtime pay and the value of concessions or benefits in the form of food, clothing, and accommodation. ? The amount of compensation that a company needs to pay to an employee depends upon the type of injury or disablement suffered by the employee. ? The minimum amount of compensation that must be paid to an employee on the occurrence of permanent disablement or death is

Rs 60,000 and Rs 50,000 respectively. However,

the maximum amount of compensation that must be paid to an employee on the occurrence of permanent disablement or death is

Rs 2.28 lakh and Rs 2.74

lakh respectively. This act is applicable for all the employees that work in railways, factories, mines and other companies.

It also applies to all the companies that are involved in an industry specified in Schedule II of the Act. The Maternity

Benefit Act, 1961 The Maternity Benefit Act was launched in 1961. This is a compensation given against the loss of salary to a woman who discontinues to work during the period of pregnancy. Following are the main objectives of this Act: ?

Enable the female employee of a company to withdraw her services during the 6 weeks before her expected

confinement date. ? Allow the female employee to discontinue her services after 6 weeks of confinement. ? Provide free medical treatment to a female employee during her pregnancy.

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Provide an expected female employee the facility of public funds along with cash benefit so that she can take good care of herself and her child. ? Disallow the dismissal of a female employee during her pregnancy period. ? Allow the female

ladies to feed her baby twice a day during the working hours. The Industrial Disputes Act, 1947 The Industrial Disputes

Act was passed in the year 1947. This Act is related to the termination and retrenchment of the employees by a company.

This act includes Sections 25-A to 25- S related to employee termination. Amongst these sections, section 25-C to 25-E are not applicable for the companies than employ less 50 individuals in the company. Sec 25-C states that when any

permanent employee who has worked for more than or equal to one year is being terminated by the company, the

company is liable to provide a compensation equal to the 50 percent of her/his basic salary. Sec 25-C also states that the company is not responsible to give any compensation to an employee if he or she refuses to accept an alternative job

equivalent to his/her previous job. A company is also not liable to give compensation if he or she does not reach the

workplace at the scheduled time during the normal working hours at least once a day. Sec 25-F states that a company

cannot terminate the services of an employee without giving a written notice of one month provided the employee has worked for at least one year with the company. The notice must contain the termination information, such reason for

termination and wages for the period of notice. Similarly, according to Sec 25-FF, Sec 25-FFA and Sec 25-FFF, a company is liable to give compensation in case of transfer of undertaking, 60 days notice to the employees before closing the

company and compensation to the employees if the employer is closing down the company, respectively. Section 25-g

and Section 25-H handles the processes of retrenchment and re-employment for retrenched employee. Section 25-M

states that a company cannot terminate a permanent employee without the permission of Government or such authority as may be specified by the Government in the official gazette. Section 25-N states that a company cannot terminate the

services of an employee without giving a written notice of three month provided that the employee has worked for at least one year with the company. The notice must contain the termination information, such reason for termination and

wages for the period of notice. Section 25-Q and Section 25-R deals with the notice of at 90 days by a company before closing a company, special provisions relating to restarting of a company closed down before operation of the Industrial

Disputes Act, 1976, penalty for termination, and retrenchment without any prior notification and penalty of closure. 6.7

HEALTH AND SAFETY 6.7.1 Concept of Industrial Health In an industrial plant, the health of the employees working there

plays a vital role in the production. If the workers are not in a good health, they will not be able to give good output and this will directly affect the production. Hence, we can say that health of employees and production are directly

proportional to each other. Physical Health: Bad health of employees increases absenteeism of employees and hence,

affects the production process. On the other hand, healthy employees help in increasing the production. Therefore, we can say that healthy employees are more productive, confident in their work and are always regular. The common health

hazards that affect the employees physically are shown in table 6.1.

Human Resource Management NOTES 150 Self-Instructional Material Table 6.1 Health Hazards Causes Lung Cancer
Coke oven emission, asbestos, active or passive cigarette smoke White Lung Cancer Asbestos Black Lung Cancer Coal
Dust Brown Lung Cancer Cotton Dust Leukemia Benzene, Radiation Cancer of other organs Asbestos, Radiation, Vinyl
Chloride, Coke oven emission Reproductive problems Radiation Deteriorating Eye-sight Chemical fumes, Office
equipments Hearing Impairment High noise levels Mental Health: These days the mental health of employees has
become a matter of concern for the employers. There are three main factors that are increasing the mental problems of
the employees. The first factor is the mental breakdown that occurs because of the result of pressures and tensions. The
second factor is the mental disturbance of different types, which results in reduced productivity and hence decreases the
company profit. The third and last factor is the mental illness, which arises due to personal disputes among the
employees and high employee turnover. Noise Control: The noise problems till the past few years were considered due
to old age or they were not taken so seriously. Health problems due to noise came into existence with the invention of
machineries for almost all the productions. These days noise from the machineries has increased problems like hearing
impairment among the employees. It is Permissible Exposure Total Time per day, in Hours Sound Pressure Level in (dBA)
8 90 6 92 4 95 3 97 2 100 1 1/2 102 1 105 3/4 107 1/2 110 1/4 115 Table 6.2

Quality of Work Life NOTES Self-Instructional Material 151 said that exposure of an individual to noise for a long period of
time results in deafness. Hearing impairment is not the only result of exposure to noise, other problems such as
hormonal imbalance, changes in blood circulation, dizziness, increase in respiratory rate, heartburn, sleep disturbance
and fatigue, also occur because of noise. The Factories Act 1948 and Workmen's Compensation Act 1923 also includes
noise problems as a disease that should be taken care of by the management. Table 6.2 shows the permissible levels of
noise in an industry. It seems that the workers are used to with the noise but their body slowly suffers from the noise
problems. Table 6.3 shows the noise level that the industry produces. Table 6.3 Industrial Noise Levels Industry Sound
Pressure Level (dBA) Detonator manufacturing and testing 94-140 Pharmaceutical 94-128 Foundry in motor
manufacturing plant 104-120 Heavy engineering 94-124 Synthetic fibre manufacturing unit 90-117.5 Electronics 87-122
Hydel power plant 92-106 Road transport workshop 90-124 Cotton textile mill 92-105 Fertilizer plant 104-118 Fertilizer
plant 104-11 Work Stress: Stress is defined as the reaction of disturbing factors around the environment of the plant and
the result of those reactions. The factors that cause stress can be physical, psychological and behavioural. These factors
are called the stressors. Stress can be positive or negative. Positive stress is the one from which an individual can gain
something. Such stress is also called the Eustress. For example, when you do any kind of exercise, you stress yourself but
the result of the exercise is a good health. Negative stress is the one from which an individual loses something. The level
of experiencing stress for each individual is not the same. These levels depend on how an individual reacts to stressors.
Some might react to stressors in a faster pace and get deeply stressed while others might react slowly. The reaction of an
individual to stressor depends on: the person's way to the situation, the past experience of the person, the presence of
the social support and the difference between the individual's way of taking the stress. Figure 6.3 shows the relationship
between the stressor and stress. Perception Past Experience Social Support Individual difference The Environment The
Individual Stressor Stress

Human Resource Management NOTES 152 Self-Instructional Material 6.7.2

Industrial Accident The life of an industrial worker is a hazardous one.

An industrial accident may be defined as 'an occurrence which interferes with the orderly progress of work in an
industrial establishment'. According to the Factories Act,

industrial

accident

is "an occurrence in an industrial establishment causing bodily injury to

a

person which makes him unfit to resume his duties in the next 48 hours".

Causes of Accidents:

Accidents are usually the result of a combination of factors.

According to safety experts there are three basic causes. These are: 1. Unsafe Conditions: Also known as 'technical causes'. They arise when there are improper or inadequate safety guards on machines, when mechanical or construction designs are defective and unsafe; or when there is an absence of proper maintenance and supervision of these devices. 2. Unsafe Acts: These acts may be the result of lack on the part of the employee or certain bodily defects or wrong attitudes on the part of the employee. 3. Other Causes: These refer to unsafe situational and climate conditions and variations – such as bad working conditions, rough and slippery floors, excessive glare etc. 6.7.3 Accident Prevention According to the National Safety Council USA, accident prevention depends on three E's. ? Engineering – the job should be engineered for safety. ? Employees – employees should be educated in safe procedure and ? Enforcing safety – safety rules should be properly enforced. Accident prevention can be achieved through two basic activities: 1. Reducing unsafe conditions, i.e., removing and reducing physical hazards. 2. Reducing unsafe acts. This can be implemented through proper selection and placement of employees, providing training to new employees in safety practices and through persuasion and propaganda. 6.7.4

Occupational Diseases Occupational diseases are the result of physical conditions and the presence of industrial poisonous and non-poisonous dust in the atmosphere.

Occupational diseases usually develop over an extended period of time. They are slow and generally cumulative in their effect. Occupational diseases are the result of constant exposure to the influence of toxic substances of micro-organisms, of air-borne contaminants and stress-producing elements. 6.7.5 Provisions Under the Factories Act 1948 The Factories Act 1948 provides for health safety and Welfare. We explain below the relevant sections pertaining to Health and Safety of workers

is explained below: (a)

Health The Act provides detailed instructions on cleanliness, disposal of wastage, ventilation, lighting, over-crowding etc.

The factors which influence the general health of the worker is the working environment which tends to produce ill health. Every

employee

should protect his employees against health hazards by (i) Devoting adequate attention to working (i) conditions. (ii)

Substituting a less toxic substance for the hazardous one. (iii) Providing protective clothing.

Quality of Work Life NOTES Self-Instructional Material 153 Section 11

to 20 of the Factories Act provide detailed instructions. These are:

Sec 11 Cleanliness:

Every factory shall be kept clean and free from effluvia and dirt. Accumulation of dirt shall be removed daily by some effective method. Sec 12

Disposal of Wastes: Effective arrangements shall be made in every factory for the treatment of wastes due to the manufacturing process carried on therein, so as to make them harmless and for their disposal.

Sec 13

Ventilation and Temperature: Effective and suitable provision shall be made in every factory for securing and maintaining in every workroom, adequate ventilation by the circulation of fresh air and

such a temperature as will secure to workers therein reasonable conditions of comfort

and prevent injury to health. Sec 14 Dust and Fume: Where dust or fume or impurity of such a nature as is likely to be injurious or offensive to the workers is given off as a result of the manufacturing process being carried on in a factory, effective measures shall be taken in the factory for prevention of inhalation or accumulation of dust and fumes in workrooms. Sec 15

Artificial Humidification: In respect of all factories in which the humidity of the air is artificially increased, the State Government may make rules prescribing standards of humidification.

Sec 16 Overcrowding: There shall not be overcrowding in any room of the factory so as to be injurious to the health of the workers employed therein. There shall be

at least 14.2 cubic meters of space for every worker. Sec 17 Lighting:

In every part of a factory where workers are working, there shall be provided and maintained sufficient and suitable lighting, natural or artificial or both. Sec 18 Drinking Water: In every factory,

effective arrangements shall be made to provide and maintain at suitable points conveniently situated for all workers employed therein

as sufficient supply of drinking water. Sec 19 Latrines and Urinals: In every factory, separate enclosed accommodation of latrine and urinals of prescribed types for male and female workers shall be provided for. Such accommodation shall be conveniently situated and accessible for workers at all times. Sec 20

Spittoons: In every factory, there shall be provided a sufficient number of spittoons in convenient places and they shall be maintained in a clean and hygienic condition. (

b) Safety Prevention of accidents is an objective which requires no expansion. This is one area in which there is complete identity of employer-employee interests. The employee does not want to be injured and the employer does not want to incur the cost of injuring him. The Act provides 20 different sections on obligatory safety measures. Sections 21 to 41 of the Factories Act provide detailed instructions. They are discussed below. Sec 21 Fencing of Machinery:

Every dangerous part of every machinery shall be securely fenced by safeguards of substantial construction which shall be constantly maintained and kept in position while the parts of machinery they are fencing are in motion or in use. Sec 22 Work on Near Machinery in Motion: Where in any factory it becomes necessary to examine any part of machinery while the machinery is in motion,

such examination shall be made only by a specially trained adult male worker wearing tight fitting clothing.

The clothing shall be supplied by the occupier. Sec 23

Employment of Young Persons on Dangerous Machines: No young person shall be required or allowed to work on any machine unless -

Human Resource Management NOTES 154 Self-Instructional Material (a)

He has been fully instructed as to the dangers and the precautions to be observed. (b) He has received sufficient training or is under adequate supervision by

an experienced person. Sec 24 Striking Gear and Devices for Cutting off Power:

When a device, which can inadvertently shift from 'off' to 'on' position is provided, arrangements shall be provided for locking the device in safe position.

This is to prevent accidental starting of the machinery. Sec 25 Self-action Machine: No traversing part of a self-acting machine shall

be allowed to run on its outward or inward traverse within a distance of 45 centimetres from any fixed structure which is not part of the machine.

Sec 26 Casing of New Machinery: All machinery driven by power and installed in any factory, shall be completely encased unless it is safety situated, to prevent danger. Sec 27

Prohibition of Employment of Women and Children Near Cotton: Openers.

Sec 28

Hoists and Lifts:

In every factory every hoist and lift shall be of good mechanical construction, sound material and adequate strength.

Sec. 29 Lifting Machines, Chains, Ropes and Lifting Tackles: In every factory, cranes and other lifting machines shall be of good construction, sound material, adequate strength, free from defects and properly maintained. Sec 30

Revolving Machinery: In every factory in which the process of grinding is carried on, there shall be permanently kept near each machine a notice indicating (

a) Maximum safe working speed (b) The diameter of the pulley. Sec 31

Pressure Plant: If in any factory any plant or any machinery is operated at above the

atmospheric pressure, effective measures shall

be taken to ensure that the safe working pressure is not exceeded.

Sec 32

Floors, Stairs and Means of Access: All floors, steps stairs passages and gangways shall be of sound construction and properly maintained. Sec 33 Pits Slumps, Openings in Floors etc: In every factory, pits, slumps, fixed vessels, tanks,

openings in the ground or in the floor shall be securely covered or securely fenced. Sec 34

Excessive Weights:

No person shall be employed in any factory to lift, carry or move any load so heavy as to be likely to cause him injury.

Sec 35 Protection of Eyes: Screen

or suitable goggles shall be provided for the protection of persons employed on or in immediate vicinity of any process

which involve any danger or injury to the workers' eyesight. Sec 36 Precautions Against Dangerous Fumes: No person shall be required or allowed to enter any chamber, tank, vat, pit, flue or other confined space in any factory in which any gas, fume vapour or dust is likely to be present to such an extent as to involve risk to persons being overcome thereby unless it is provided with a manhole of adequate size or other effective means of exit. Sec 37 Precautions Against Explosive or Inflammable Dust, Gas etc: When in any factory any manufacturing process produces dust, gas fume or vapour which is likely to explode on ignition, all practicable measures shall be taken to prevent any such explosion. Sec 38 Precautions in Case of Fire: In every factory, all practicable measures shall be taken to prevent outbreak of fire and its spread both internally and externally and to provide and maintain safe means of escape. Sec 39 Power to Require Specifications of Defective Parts or Tests of Stability: If it appears to the Inspector that any building, machinery or plant may be dangerous to human life or safety he may ask the manager to carry out tests to prove their safety.

Quality of Work Life NOTES Self-Instructional Material 155 Sec 40 Safety of Building and Machinery: If any building, machinery or plant is dangerous to human life or safety, the Inspector may prohibit to use until it has been properly repaired or altered. Sec 40 A—Maintenance of Building: Any building is in a state of disrepair, the inspector may ask the manager specifying the measures to be taken for such repairs. Sec 40 B—Safety Officers: Wherein 1000 or more workers are employed and the manufacturing process involves any risk of injury, hazard to health, safety officers may be appointed. 6.8

LABOUR WELFARE Labour welfare implies providing better work conditions (for example, proper lighting, cleanliness, low noise) reasonable amenities (for example, recreation, housing, education etc). The need for providing such services and facilities arise from the social responsibility of industries, a desire for upholding democratic values and a concern for employees.

The Oxford Dictionary defines labour welfare as "efforts to make life worth living for workmen". The

report of the committee on labour welfare set up by the Government of India in 1969 refers to welfare as a broad concept, a condition of well-being. It suggests

the measures which promote "the physical, psychological and general well-being of the working population".

The ILO defines labour welfare as "

such services, facilities and amenities as adequate canteens, rest

and recreation facilities, arrangements for travel to and from work, and for the accommodation of workers employed at a distance from their houses, and such other services, amenities and facilities as contribute to improve the conditions under which workers are employed".

Labour welfare

have their origin either in some statute formed by the state or in some local custom or in a collective agreement or in the employer's own initiative. Today, welfare has been generally accepted by the employers. Each employer depending on his priorities gives varying degrees of importance to labour welfare. The state only intervenes to "widen the area of applicability". It is now accepted that labour welfare is a social right. 6.8.1 Need for Labour Welfare (

a)

From the Point of View of Workers Welfare measures must eliminate risk and insecurity. The organization besides providing a fair day's wages must also provide facilities like medical aid, crèches, subsidized food and transport required by workers. (

b)

From Employer's Point of View Employers provide amenities to discharge their social responsibility, raise the employee's morale, use the

work force

more effectively and reduce turnover and absenteeism. Welfare helps build a positive image of the organization and makes it easier for them to attract and hire competent personnel. (

c)

From Union's Point of View Trade unions role in labour welfare stems from worker's need for welfare services. Unions feel that welfare services ought to be provided whether by the Government or the employers. However, much depends on the initiative of the unions, their bargaining strength and the priority given by them to the rights of the workers.

Human Resource Management NOTES 156 Self-Instructional Material 6.8.2

Principles of Labour Welfare The following principles should be borne in mind while setting up a labour welfare service:

1. First determine the employees' real needs. The welfare service should satisfy the real needs of the workers. 2. Due to differences in sex, age, income levels of employees, a mix of benefits is suggested so that the choice is left to each individual employee. 3. The cost of the service should be calculated and its financing established on a sound basis. 6.8.3

Provisions of Factories Act Regarding Labour Welfare Factories Act, 1948 under section 42 to 49, contains certain provision for the welfare of the labour working in the factories. Following are some of the provisions mentioned under this act: 1. Washing Facility (Section 42): Every factory should provide adequate facilities for washing. Separate and suitable facilities should be provided for both male and female workers. 2. Storing and Drying Clothes (Section 43): The State government, with respect to the factories has made rules to provide the facility to the workers for keeping their clothes not worn during working hours. This section also enables the factories to provide facility to the workers for drying wet clothes. 3. Sitting Arrangement (Section 44): Every factory should have proper sitting arrangements for the workers who have to work in the standing position. 4. First Aid Applications (Section 45): Every factory should maintain sufficient first aid facility to the workers. The first aid boxes should be equipped with prescribed contents, and there should be at least one box for every

hundred and fifty workers. Every company having more than five hundred

workers must have an ambulance room properly equipped with all the equipments and having nursing staff as well. 5.

Canteen (Section 46): Every factory having more than

two hundred and fifty

workers must provide a canteen facility to their employees. 6. Shelters, rest rooms and lunch rooms (Section 47): Every factory having more than

one hundred and fifty

workers must contain suitable facilities for shelters, rest rooms and lunch rooms. The lunch rooms must contain proper arrangements for drinking water and sitting plan for workers. 7. Creches (Section 48): Every factory employing more than 30 workers must contain rooms for the use of their children under the age of six years. Such rooms must be have proper lightening and ventilation facilities. It must have trained women to take care of the children. 8. Welfare Officers (Section 49): Every factory employing more than

five hundred

workers must have welfare officers. The state government decides the duties and qualification of these workers. 6.9

CASE STUDY Sri Ram Pharmacy K.U. Nayak is the Managing Director of Sri Ram Pharmacy, a medium-sized pharmaceutical firm in Mangalore. He holds a MS degree in Pharmacy. He has been managing the company since its inception in 1980. For more than two decades, the company has been doing reasonable well.

Quality of Work Life NOTES Self-Instructional Material 157 Recently, Mr. Nayak has noticed that the workers are not working to their full potential. They fill their days with unnecessary and unproductive activities and work only for the sake of wages. Since the last one year, the situation has become quite alarming as the organization has begun to crumble under the weight of uneconomical effort. The situation demand prompt remedial measures to check the detrimental trend. Mr. Nayak understands that the only way to progress and prosperity is to motivate workers to peak performance through various incentive plans. Mr. Nayak asked the HR Manager what the problem with the workers was. "We pay the highest in the industry. Our working conditions are excellent. Our fringe benefits are the best in the industry. Still the workers are not motivated. Find out what the workers really want. Unless productivity increases we are doomed". The HR Manager made a detailed investigation and concluded that the wages, fringe benefits and working conditions were not enough. Besides this there were other important factors. "I have found out from the workers that work and efficiency go unnoticed and unrewarded in the company. The promotions and benefit plans are tied to the length of service. Even unproductive workers enjoy all the benefits in the organization, which in fact, according to the workers, should go only to those who work hard. As a result more and more workers are joining the bandwagon of non-performers. This has become quite alarming as workers refuse to perform." Questions: 1. Explain the motivational problem in this case by relating it to Herzberg's theory. 2. Analyse the problem in depth and find a solution. 3. If you were the HR Manager how would you motivate the employees to work better?

6.10 SUMMARY QCs are small teams of employees who meet for a few hours each week to identify quality and productivity problems. QC members identify a problem, study it and present their recommendations for change and improvement to a committee of higher management. Morale is the

degree of enthusiasm and willingness with which individual workers of a group set out to perform the assigned work with zeal and sincerity, resulting in good team- work. Job satisfaction implies a positive emotional state. It is an employee's general attitude towards his job.

According to the social security (minimum standards) convention (No. 102) adopted by the ILO in 1952, following are the nine components of social security.

The Factories Act 1948 provides for health, safety and welfare. This unit explains the relevant sections pertaining to health and safety of workers.

Labour welfare implies providing better work conditions (e.g., proper lighting, cleanliness, low noise) and reasonable amenities (e.g., recreation, housing, education). 6.11 ANSWERS TO 'CHECK YOUR PROGRESS' 1. QC's are small teams of employees (usually 7 to 10) who meet for a few hours each week to identify quality and productivity problems, propose solutions to management and monitor the implementation and consequences of these solutions in their work areas. 2. The advantages of quality circles are: ? Generation of creative ideas ? Improvement in productivity ? Better teamwork ? Higher motivation ? Development of problem solving skills

Human Resource Management NOTES 158 Self-Instructional Material 3. ?? Lack of positive attitudes ? Lack of participation ? Lack of education ? Delays in implementation ? Operational problems. 4. Morale is the degree of enthusiasm and willingness with which individual workers of a group set out to perform the assigned work with zeal and sincerity, resulting in good team-work. 5. The most significant effects of low morale are (i) High rate of absenteeism (ii) Tardiness. (iii) High labour turnover. (iv) Strikes and sabotage. (v) Lack of pride in work and (vi) Wastage and spoilage. 6. The various measures for building high employee morale are ? Unity of Interests ? Leadership Confidence ? Sound Wage Structure ? Favourable work environment ? Higher-order need satisfaction ? Other Measures like Employee counselling, sound promotion policy grievance procedure, proper selection techniques 7. Job satisfaction is the combination of psychological, physiological and environmental circumstances that cause a person to truthfully say 'I am satisfied with my job'. Satisfaction implies a positive emotional state. 8. DETERMINANTS OF JOB SATISFACTION ENVIRONMENTAL FACTORS PERSONAL CHARACTERISTICS Job Content Pay and Promotion Work Group Supervision Age Sex Education Level Marital Status Experience 9. labour welfare as "efforts to make life worth living for workmen. 10.

The

following principles should be borne in mind while setting up a labour welfare service: (i) First determine the employees' real needs. The welfare service should satisfy the real needs of the workers. (ii) Due to differences in sex, age, income level

of employees, a mix of benefits is suggested so that the choice is left to each individual employee. (iii) The cost of the service should be calculated and its financing established on a sound basis.

Quality of

Work Life NOTES Self-Instructional Material 159 6.12 QUESTIONS AND EXERCISES Short-Answer Questions 1. List the factors that contribute to quality of work. 2. What are the objectives of quality circles? 3. What are the factors that influence or affect one's morale? 4. Write a short note on the consequences of job satisfaction? 5.

Write a short note on work stress. Long-Answer Questions 1. What are the approaches that help in improving the quality of work? Explain. 2. Describe morale. 3. Explain the determinants of job satisfaction. 4. Describe the Employees' State Insurance Act, 1948. 5. Discuss the Provisions Under the Factories Act 1948.

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Counselling for Effective HR Development NOTES Self-Instructional Material 161 UNIT 7 COUNSELLING FOR EFFECTIVE HR DEVELOPMENT Structure 7.0 Introduction 7.1

Unit Objectives 7.2 Basics of Counselling Needs 7.2.1 Definition of Counselling; 7.2.2 Characteristics of Counselling; 7.2.3 Need for Counselling; 7.2.4 Types of Counselling; 7.2.5 Drawbacks of Counselling 7.3 Causes of Counselling Needs 7.4 Functions of Counselling 7.5 Counselling Process 7.6 Case Study 7.7 Summary 7.8

Answers to 'Check Your Progress' 7.8 Questions and Exercises 7.10 Further Reading 7.0

INTRODUCTION Human resource management is

basically a process of dealing with people. A manager has to deal with various types of people—subordinates, superiors, strong temperaments, weak temperaments, problem makers, problem solvers, contented employees, disgruntled employees, and so on. Often, managers and particularly the HR manager have to deal with employees who are disgruntled or temperamental. The instrument with which they can develop and maintain a congenial interpersonal relationship with the employees, is counselling. Counselling is a discussion of an emotional problem with an employee so that he can cope with it in a much better way. Counselling tries to improve the mental health of the employee. In the present fast paced life, the employee's problems may be personal in nature or related to his job. It is in the management's interest the employees are not only physically fit but also mentally alert. Emotions should be channelised on constructive lines. Counselling helps an emotionally disturbed employee to become normal, develop self-confidence, and self control, so that he can work effectively. 7.1

UNIT

OBJECTIVES

After going through this unit you will be able to: ? Understand the

Characteristics of

Counselling ? Know the

Needs and Types of

Counselling ? Understand the

Functions of Counselling ? Describe the Steps in the Counselling Process ?

Understand the Drawbacks of Counselling

Human Resource Management NOTES 162 Self-Instructional Material 7.2 BASICS OF COUNSELLING 7.2.1 Definition of

Counselling According to Ghosh and Ghorpade, "Personnel counselling is defined as discussion of an emotional problem with an employee, with the general

objective of reducing it so that performance is maintained at adequate level

or even improved upon." According to B.J. Prasantham, "Counselling is a relationship between the counsellor and the counselee characterized by trust and openness, in a one to one, or a small group relationship, whereby the counselee is helped to work through his interpersonal and or intrapersonal problems and crises. He is also helped to mobilize his inner and outer resources and to find new options in facing life". According to Keith Davis, "Counselling is discussion of a problem that usually has emotional content with an employee in order to help the employee cope with it better.

Counselling seeks to improve employee mental health". From the above definitions we can conclude that counselling

usually involves some or all of the following: ? Two people are present. ? The process leads to action on the part of the

client ? The counsellor is a person who listens ? The client can be trusted to find his own solutions ? Personal growth of

the client usually occurs ? Resolution of problems is an expectation. Managing Dissatisfaction and Frustration Through

Counselling: An employee who has worked very hard expects to be rewarded for his work. If he does not get any reward,

not even appreciation, he feels frustrated. We can cite examples after examples of frustration and disappointment.

Everyday we face situations which frustrate us. (a) The Dynamics of Frustration What causes frustration? Let us take an

example of X who felt frustrated because he worked hard and his boss had promised him a promotion, but he did not get

the position when the announcements were made. How frustrated did he feel? Several factors contribute to frustration.

These are goal-related factors and are shown in the following formula given by Pareek. $F = E \times V \times O + I + P$ where, F =

Frustration E = Expectation to achieve the goal V = Valence (attractiveness of the goal) O = Opportunity to achieve the

goal in the near future (low) I = Investment of effort and other inputs in the achievement of the goal P = Publicity of the

expected achievement (knowledge of others) As may be seen from the formula, three variables have a multiplicative

function – the enhance frustration faster. If one of them is zero, the resulting frustration will be zero. In the example

given above, if X had no expectation to get promoted (his goal) he would have no or very little frustration even if he did

not get promoted. Similarly, if the goal, (getting promoted) was not seen as attractive or valuable, there would be little

frustration. The more attractive the goal the more the frustration caused by the obstacle in achieving the goal. In the

same way, if X saw the possibility of getting promotion very soon (say, in the next batch) the frustration caused by not

getting promoted would not

Counselling for Effective HR Development NOTES Self-Instructional Material 163 be much. The more frequent opportunities one has for achieving the goal, the less is the frustration caused by deprivation of the goal at one time. The other two elements (effort invested and publicity of expected reward) have additive function. They add to the frustration, not in the same proportion. The more effort one has invested in the process of achieving a goal, the higher is the frustration on deprivation of the goal. For example, X's frustration would be higher because he worked very hard for the promotion. Similarly, the more others know about the possible goal of a person, the higher the frustration if he does not reach the goal. For example, if more people knew that X was likely to get promoted, he would feel more frustrated compared with a situation in which no one knew that he was likely to be rewarded. (b) Circularity of Frustration When a person is frustrated or disappointed he may react in a particular way, and start off a cycle. He may trigger a cycle of frustration, or one of hope. The frustration cycle is as follows: adaptive deterioration – isolation – distorted – perception – defensive behaviour. The hope cycle is the opposite: realistic analysis – exploration – insight – problem solving. Disappointment may cause loss of flexibility and what may be called "adaptive deterioration". A person may be preoccupied with disappointment, leading to neglect of work and signs of general deterioration in the standard of performance. A disappointed employee may neglect his work, may cause delays, may make errors etc. The frustrated person may be annoyed with himself for such deterioration, but he may continue in such a state. Often others may not approve of such behaviour. The person then feels, and gets isolated, and tries to cope with the situation as well as he can. However, isolation often leads to fantasies, exaggerations, and distorted perceptions of the situation. A frustrated employee may see his boss in "collusion" with others in creating the disappointment. He/she is likely to see himself/herself as a victim, wrongly seeing many normal happenings as a part of the frustration-producing events. In response to such distorted perception, the frustrated person is likely to show behaviour which will help the person escape or defend against anxiety, and maintain and even enhance self esteem by absolving the self of any responsibility in the deteriorating frustration cycle. These behaviours use what are called "defence mechanisms" (mechanisms to defend against anxiety) and the behaviour can be called defensive behaviour. It does not solve the problem, but helps to reduce anxiety. The frustrated person may deny that he is disappointed, or he may see a design of several being people being jealous of his ability or popularity, and so on. The defensive behaviour often justifies and reinforces adaptive deterioration, thus completing the frustration cycle. Alternatively in the cycle of hope a disappointed individual, instead of being overwhelmed with disappointment, and losing interest in his work, analyses the situation with greater objectivity, understanding what has caused what, where things went wrong etc. This is likely to lead to exploration with others, collection of information, and discovery of facts. With more and comprehensive information, the person is likely to get a better insight into the whole situation, needing to deal with the situation. This is problem-solving behaviour. Problem-solving behaviour reinforces realistic analysis, completing the cycle of hope. Both the cycles of frustration and hope, are self-perpetuating. As the cycle advances, it gets stronger, and is likely to repeat itself. (c) Coping Behaviour In our everyday life we face disappointments and frustrations. An employee may be upset when he sees his child faring poorly in examination, or missing his bus and being late for late. We can recount hundreds of such everyday frustrating experiences. The main critical aspect is how he deals with such situations. This we call coping behaviour. A general manager, faced with the frustrating experience of fall in productivity, can behave in a variety of ways. He may be angry in general and with his staff (aggression); he may rush to solve the production problems, as he knows the job well (regression); he may explain away the problem to his senior (flight) or he may sit with his people, analyse the

Human Resource Management NOTES 164 Self-Instructional Material data, and take decisions to improve the situation (exploration). These four modes of coping are not simple. They take several forms. We will discuss them in detail. (d) Managing Frustration The supervisors are frequently required to deal with frustration of their employees. The following sequential steps are suggested for effective management of employee frustration. (i) Listen to the Feelings of the Staff: The first step is taken by the supervisor by understanding the feelings and point of view of the frustrated employee(s). This may be done by asking the employee(s) to state the problem, their feelings, and their perceptions. Instead of being defensive, if the employees express negative impressions, the manager may do well to patiently listen to them. One test of listening, and a desirable behaviour assuring the employees that the manager listened to them is to restate their points of view, feelings and perceptions at the end of the session before taking the next step. (ii) Share Own Feelings of Disappointment: If a supervisor is able to empathise with his employees, he may be able to reach them. In most situations producing frustration in employees, the manager is also experiencing disappointment. If an employee is not rewarded, the supervisors are also disappointed. It may help in building rapport with the employees if the manager shares his own disappointments with them. This should not be done as a gimmick, but if he has some feelings these need to be shared. (iii) Share Feelings of Guilt (if any): Sometimes the supervisors may partly contribute to the disappointment of the employees. He may build high expectations, and the employees may feel frustrated because the expectations are not met. Or he may promise something to an employee which he is not able to honour. Before any explanation is given, the manager may share his feeling of guilt in arousing expectations, etc. (iv) Help the Employees to Own Up their Feelings: By sharing his feelings and owning up feelings of guilt the supervisor may help the employees own up their own feelings of disappointment, anger etc. This may help in taking constructive steps. (v) Help the Employees to Accept and Confront Reality: The first step in constructive action is to acknowledge the reality and be ready to deal with it. Clearing the feelings will help the employee-supervisor team to move forward, and not get fixated at feelings. The new situation as it exists may be clearly stated, understood and accepted as a reality. (vi) Help the Employees Assess Damage by Frustration: Frustration was damaging physical effects (sleeplessness, tension, loss of appetite), social effects (effect on personal relationships, reduced social contacts, lack of enjoyment life together), and on work (neglect of work, errors, fall in quality, damage frustration. Even if the work in the organization suffers the main damage is done to the frustrated employee. The employees need to understand and realise this. (vii) Develop Alternatives to Solve the Problem: The final step is to involve the frustrated employees in generating alternatives in dealing with the problem and in taking constructive steps. While employees generate the alternatives, the supervisors may suggest some possibilities. Being dissatisfied the employees may not be able to think of some creative alternatives. The manager can raise such possibilities with them.

7.2.2 Characteristics of Counselling From the above definitions counselling implies a number of characteristics. They are: 1. Counselling is an exchange of ideas and feelings between two people, a counsellor and a counselee, so it is an act of communication. Thus, successful counselling depends on communication skills. Counselling for Effective HR Development NOTES Self-Instructional Material 165 2. Counselling facilitates the employees in coping with their emotional problems, which on the other hand helps in improving the organizational problems. Counselling also helps the organization to be more human and considerate with peoples problems. 3. Counselling is generally confidential and hence employees feel free to talk openly about their problems involving both jobs and personal problems. 4. Counselling may be performed by both professionals and non-professionals. 5. Counselling enhances job satisfaction and morale of the employees. 7.2.3 Need for Counselling In the present fast moving society the employee is confronted with numerous problems which may be personal in nature or related to his job. When these problems exist, employees benefit from understanding and help of the

type that counselling can provide. In such a situation counselling facilitates in reducing his stressful conditions and thereby returning to normal job performance and behaviour. Most problems that require counselling have some emotional content. Emotions are a normal part of life and it is then existence that makes people human. Sometimes, emotions can get out of control and cause workers to do things that are harmful to their own best interest and those of the organization. Counselling helps an emotionally disturbed employee to become normal, develop self-confidence, self-control, understanding so that he can work effectively.

7.2.4 Types of Counselling

There are three forms or types of counselling.

(a) Directive Directive counselling is the process of hearing a person's emotional problems, deciding what he should do, and then telling and motivating him to do it. Under directive counselling, the counsellor performs all the functions of counselling except reorientation. If the directive counsellor listens to the employee's problems carefully and make the counselee realize that his advice is worthwhile directive counselling can be successful.

(b) Non-Directive Non-directive or client-centered counselling is the process of skillfully listening to a person and encouraging him to explain his emotional problems, understand them and determine courses of action. It focuses on the counselee rather than the counsellor as judge and advisor and hence it is "client centred". Professional counsellors generally follow non-directive counselling. They facilitate the counselee in discovering and finding a suitable course of action by himself. The counsellor not only tries to solve the immediate problem of the counselee but also attempts to bring about an attitudinal change in him. Besides having certain advantages, non-directive counselling has several limitations, it is time consuming, it requires professional counsellors, it is costly and so on.

(c) Participative or Co-operative This form of counselling appears to be more practical and suitable to managerial attitudes and temperament in Indian organizational situations than the other two. It is in the middle of directive and non-directive counselling. Participative counselling is a close and mental relationship between the counsellor and the counselee that established a co-operative exchange of ideas, information, knowledge, values, feelings etc., to solve the problems of the counselee. It is not dominated by either party, on the other hand, it integrates many advantages of both directive and non-directive counselling and avoids most of their disadvantages. Usually this method uses four counselling functions of reassurance, communication, emotional release and clarified thinking.

Human Resource Management NOTES 166 Self-Instructional Material 7.2.5 Drawbacks of Counselling

1. Counselling may help an employee for better adjustment with his superior but it does not improve the working environment.
- 2.

Counselling attempts to change individual attitudes and behaviour, which does not last in the long run.

3. In most of the cases, the employees blame their superiors or supervisors which generally objected by them, thus effecting counselling.

4. Counselling usually follows an appeasement policy. Employees do not want to annoy the management by telling the reality.

7.3 CAUSES OF COUNSELLING NEEDS

Some of the conditions like frustration, job dissatisfaction, resistance to change, inter- group conflict, interpersonal relationship etc., are the major causes of counselling needs. In such a situation counselling facilitates in reducing the employee's stressful conditions and thereby returning to normal job performance and behaviour. Thus, counselling helps an emotionally disturbed employee to become normal, develop self-confidence, self control, understanding so that he can work effectively.

(a) Conflict Conflict arises when there is disagreement between two or more individuals or groups and each individual or group tries to gain acceptance of its views or objectives over the other. Conflict is undesirable and it should be avoided and resolved as soon as possible. The personal conflict is more emotional in nature and reflects feelings of anger, distrust, fear, resentment, clash in personality, antagonism, tension etc. Organizational conflict on the other hand involves disagreement on such factors as allocation of resources, organizational policies and procedures, nature of assignments and distribution of rewards. Inter-personal conflict is more serious of the two as it affects deeply the person's psychological being. We feel concerned we have a need to protect our self-image and self-esteem from damage by others. When they threaten it, we get emotionally upset. The management experts are of the view that an environment of goodwill and trust should be developed in order to avoid conflict. Proper organizational structures, authority relationship and good human relations can help in preventing conflict. Counselling facilitates in resolving the conflict by reducing emotional blockages.

(b) Stress: Stress is a condition of strain that has a direct bearing on emotions, thought processes and physical conditions of a person. When it is excessive, it can threaten one's ability to cope with the environment. People who are stressed may become nervous and develop chronic worry. They are easily provoked to anger and are unable to relax. Stress also leads to physical disorders because the internal body system changes to try to cope with stress. The causes of stress can be classified under two heads: (i) On-the-job Stress (ii) Off-the-job Stress.

(i) On-the-job Stress: The job itself may be the basic cause of stress. Employees may not be able to cope with the demands of the job or the requirements of the job may be unclear to them. On such occasions the employees may feel that they have work overload, pressures they cannot cope, tension, anxiety and insecurity. All these feelings cause stress.

(ii) Off-the-job Stress: Off the job stress also affects the functioning of the employee. Causes of stress off the job are numerous. Some of them are – financial problems, death in the family, marital problems, problems with children and so on. Stress is not necessarily undesirable. Eustress or mild stress, in fact, tends to stimulate performance in most persons. It is beneficial as it encourages going ahead against hindrances. Excessive amount of stress leads to distress. It is harmful in nature.

Counselling for Effective HR Development NOTES Self-Instructional Material 167 Ability to tolerate stress is not same in all the people. People differ in their tolerance to stress. Some people can tolerate much greater stress than others. Stress is thus, one of the most important aspects of the employees, which needs to be kept at a level low enough to tolerate without developing disorders. Frustration is another major cause of stress. When an employee is repeatedly interfered or hindered with that prevents him from achieving a desired goal, results in frustration. There are various kinds of reactions of frustration – aggression, apathy, withdrawal, regression, physical disorders, substitute objectives, negativism, fantasy etc.

7.4 FUNCTIONS OF COUNSELLING There are many functions of counselling. Some of them are given below.

(a) Advice The counsellor, after carefully listening to the problems of counselee, makes judgments about the counselee's problems and guides him towards desired courses of action. It has been observed that advising develops a very good relationship between the counsellor and the counselee as the latter starts depending on the former.

(b) Reassurance Reassurance provides courage, confidence and strength and develops a positive feeling that he is pursuing a suitable course of action and is on the right track. Reassurance is needed when an employee is assigned a challenging task.

(c) Clarified Thinking Clarified thinking is another function of counselling. It encourages the person to think in a rational and realistic manner. Clarified thinking encourages a person to accept responsibility and be more realistic in solving the emotional problems, which occur in between.

(d) Release of Emotional Tension An important function of counselling is release of emotional tension. This release is also termed as emotional catharsis. When people share their emotional problems with someone they free themselves from their tension and frustrations. This emotional release may not solve the problem but paves way of solution.

(e) Communication Counselling facilitates in improving upward and downward communication. In upward communication process the feelings and emotional problems of employees can be interpreted to management. It also helps in achieving downward communication as the counsellors interpret company activities and give work insights to employees.

(f) Reorientation It involves a change in the employee's basic self through change in basic goals and values. It facilitates people in recognizing and accepting their strengths, weaknesses and limitations.

7.5 COUNSELLING PROCESS Counselling is meant to help utilization of human resources in the organization. The counsellor- manager has to make his employees aware of their strong and weak points and to improve the strong points and overcome their weakness. In fact, every manager or supervisor is in a way counselling his employees, knowingly or unknowingly, every day.

Check Your Progress

1. What is Counselling?
2. What are the different types of counseling?
3. Explain the steps in the counselling process?
4. What are the drawbacks of counseling?

Human Resource Management NOTES 168 Self-Instructional Material The usual counselling process goes through the following three phases:

(a) Initiating Developing mutual understanding, openness and acceptance and is sometimes termed as rapport building.

(b) Exploration Which involves understanding with the help of the counselee, his situation, his feelings, his strengths and weakness, his problems and needs. The skill of the counsellor lies in making the counselee discover his own shortcomings and weaknesses and size up his problem in the light of mutuality of the organizational situation.

(c) Formulation of Action Plan For improved task performance in the organization the counselling must culminate in formulation of an action plan which the employee is led to evolve and commit to. It may take more than one session to arrive at the final plan but at the end of each session the action plan following that may be worked out.

7.6 CASE STUDY Mangala Tech. Mr. Ravinder Rao is a B.E. in Computer Science from Regional Engineering College, Surathkal and is working as a Project Manager in Mangala Tech., a leading software company in India. Mr. Rao was an all-rounder, who did exceedingly well in his studies as well as other extracurricular activities. Though he secured admission for MBA at Manipal Institute of Management, due to financial constraints he discontinued his studies and joined Mangala Tech. He proved to be good in his job and within a short period of five years rose to the position of Project Manager. Gradually, Mr. Rao began to feel dissatisfied with the work environment in general and his own work in particular. He wanted to get an MBA degree and as his desire remained unfulfilled, he felt restless. His friends suggested that he should meet his boss, Mr. K. K. Pai and discuss the matter with him. Mr. Rao requested Mr. Pai to sanction study leave for two years. Mr. Pai was not helpful and discouraged Mr. Rao by saying that for a talented person like Mr. Rao, an MBA degree would make no difference and moreover, the company had no such policies of granting study leave. After about a month Mr. Ravindra Rao put in his resignation.

Questions

1. Critically analyse the attitude and action of Mr. Ravinder Rao.
2. If you were Mr. K. K. Pai, what advice would you give Mr. Rao and why?

7.7 SUMMARY Counselling is a discussion of an emotional problem with an employee so that he can cope with the problem in a much better way. Counselling helps an emotionally disturbed employee to become normal, develop self-confidence, self control, understanding so that he can work effectively. The causes of counselling needs are: conflict, stress and frustration. There are many functions of counselling. Some of them are: Advice Reassurance Clarified Thinking etc. There are three forms or types of counselling: Directive Counselling, Non- Directive Counselling and Participative Counselling or co-operative counselling. The usual counselling process goes through the following three phases: Initiating, Exploration, Formulation of action plan. The drawbacks of counselling are that it does not improve the working environment. Counselling usually follows an appeasement policy.

Counselling for Effective HR Development NOTES Self-Instructional Material 169 7.8 ANSWERS TO 'CHECK YOUR PROGRESS' 1. Counselling is a discussion of a emotional problem with an employee so that he can cope with the problem in a much better way. 2. ? Directive Counselling ? Non-Directive Counselling ? Participative Counselling or co-operative counseling 3. The usual counseling process goes through the following three phases: ? Initiating ? Exploration ? Formulation of action plan 4. Counselling may help an employee for better adjustment with his superior but it does not improve the working environment. ? Counselling attempts to change individual attitudes and behaviour, which does not last in the long run. ? In most of the cases, the employees blame their superiors or supervisors which generally objected by them, thus effecting counseling. ? Counselling usually follow an appeasement policy. They do not want to annoy the management by telling the reality 7.9 QUESTIONS AND EXERCISES Short-Answer Questions 1. What do you mean by the term 'counselling'? 2. What are the characteristics of counselling? 3. What are the functions of counselling? 4. What are the drawbacks of counselling Long-Answer Questions 1. Explain the need for counselling. 2. Explain the types of counselling. 3. Describe the steps in the counselling process. 7.10 FURTHER READINGS 1. Argyris Chris, Personality and Organization, Harper Collins, New York (1957). 2. Argyris Chris, Interpersonal Competence and Organizational Effectiveness, Richard D. Irwin, Illinois (1962). 3. Halloran Jack, Applied Human Relations: An Organizational Approach, Prentice Hall of India (1978). 4. Hackman J. Richard and J. Lloyd Shuttle (Ed), Improving life at work: Behavioural Approach to Organization Change, Good Year, Santa Monica (1977). 5. Lawrence Klatt, Robert G. Murdick and Fred E. Schuster, Human Resource Management: A Behavioural System Approach, Richard D Irwin Inc, Illinois (1978). 6. Strauss, George and Sayles, Leonard R., Personnel: The Human Problems of Management, Prentice Hall of India, New Delhi (1977). 7. Wendel French and Bell Cecil, Organizational Development, Prentice Hall, Englewood (1973).

Human Resource Management NOTES 170 Self-Instructional Material

Human Relations NOTES Self-Instructional Material 171 UNIT 8 HUMAN RELATIONS Structure 8.0 Introduction 8.1 Unit Objectives 8.2 Meaning of Human Relations 8.2.1 Human Relations Defined; 8.2.2 Characteristics of Human Relations; 8.2.3 Scope of Human Relations 8.3 Meaning of Employee Grievance 8.3.1 Features of the Grievance; 8.3.2 Understanding Employee Grievance; 8.3.3 Nature and Causes of Grievances; 8.3.4 Need for a Grievance Handling Procedure; 8.3.5 Essentials of a Sound Grievance Handling; 8.3.6 Basic Elements in Grievance Redressal; 8.3.7 Steps in Grievance Handling; 8.3.8 Benefits of Systematising Handling; 8.3.9 Grievance Management in Indian Industry 8.4 Discipline – Concept and Definition 8.4.1 Causes of Indiscipline; 8.4.2 Aspects of Discipline; 8.4.3 Objectives of Discipline; 8.4.4 Essentials of a Good Disciplinary System; 8.4.5 Code of Discipline; 8.4.6 Kinds of Punishment/Penalties; 8.4.7 Procedure for Taking Disciplinary Action; 8.4.8 Role of the HR Manager in Maintaining Discipline; 8.4.9 Principles of Natural Justice and Domestic Enquiry; 8.4.10 Principles of Effective Discipline 8.5 Employee Empowerment 8.5.1 Empowerment Vs Disempowerment; 8.5.2 Conditions Necessary for the Success of Empowerment; 8.5.3 Stages in the Empowering Process 8.6 Definition of Collective Bargaining 8.6.1 Characteristics of Collective Bargaining; 8.6.2 Objectives of Collective Bargaining; 8.6.3 Advantages of Collective Bargaining; 8.6.4 Types of Bargaining; 8.6.5 Process of Collective Bargaining; 8.6.6 Steps to Ensure the Effectiveness of Collective Bargaining; 8.6.7 Bargainable Issues; 8.6.8 Collective Bargaining in India; 8.6.9 Factors Inhibiting Collective Bargaining in India; 8.6.10 Conditions Essential for Successful Collective Bargaining; 8.6.11 Steps to Ensure Successful Collective Bargaining 8.7 Case Studies: KSRTC Ltd.; Mangalore Plastics Ltd. 8.8 Summary 8.9 Answers to 'Check Your Progress' 8.10 Questions and Exercises 8.11 Further Reading 8.0

INTRODUCTION An organization, whether formal or informal, large or small, is composed of people – the human resources – who come from different walks of life and who are different from one another in their psychological make-up. Human beings differ from one another in their basic mental abilities, personality, motor abilities, interests, skills, attitudes, educational qualifications and training. The performance of human beings and their behaviour when engaged on a particular job is influenced by intangible psychological and social factors. To deal with them effectively is both difficult and challenging and different job from that of handling inanimate resources. Human beings have to be handled with care by the HR department and the HR professional should be experts in the art of what is usually called "Human Relations or Human Engineering". 8.1

UNIT

OBJECTIVES

After going through this unit you will be able to: ? Understand the meaning of

Human

Relations ? Appreciate the meaning of

Employee Grievance ? Understand the Features of Grievances

Human Resource Management NOTES 172 Self-Instructional Material ? Explain the Need for a Grievance Procedure ? Know the Essentials of a Sound Grievance Procedure ? Comprehend the Basic Elements of a Grievance Procedure ? Explain the Concept of Discipline ? Understand the Causes of Indiscipline ? Identify the Objectives of Discipline ? Discern the Essentials of a Good Disciplinary System ? Understand the Code of Discipline ? Explain the Kinds of Punishment and Penalties ? Understand the Procedures for Taking Disciplinary Action ? Explain Employee Empowerment ? Understand the Difference between Empowerment and Disempowerment ? Understand the Conditions Necessary for the Success of Empowerment ? Understand the Stages in Empowering Organizations ?

Define Collective Bargaining ? Understand the Characteristics and

Objectives of Collective Bargaining ? Understand the Advantages of Collective Bargaining ? Explain the Process of Collective Bargaining ? Understand the Steps to Ensure the Effectiveness of Collective Bargaining ?

Understand the Measures to Build up High Employee Morale ? Tell What is Job Satisfaction ? Understand What are the Determinants of Job Satisfaction ? Understand the Concept of Social Security ? Comprehend the Drawbacks of Social Security in India ? Understand the Provisions of the Factories Act Pertaining to Health and Safety. 8.2

MEANING OF HUMAN RELATIONS 8.2.1 Human Relations Defined The Encyclopaedia of Personnel Management defines "human relations in these terms: "The core of its philosophy is that managers respond: (a) to clearly demonstrate interest by management in the work that they are doing and their own opinions thereof; and (b) to the informal social structure prevailing at the workplace. The human relations school, therefore, aims to develop self-awareness in managers, and conscious analysis of group dynamics and behaviour at work." In the words of Scott, "Human Relations are a process of an effective motivation of individuals in a given situation in order to achieve a balance of objectives which will yield greater human satisfaction and help accomplish company goals". Davis observes: " Human relations is a area of management practice in the integrating of

people

into work situation in a way that motivates them to work together productively, co- operatively and with economic, psychological and social satisfaction." 8.2.2

Characteristics of Human Relations The main characteristics of human relations are: (a) Human relations are an integral process through which an individual's attitude and work are integrated with a view to effecting a willing co-operation on his part in the achievement of the interests of an organization as a whole. (b) Members of the organization contribute their mite to get individual and group satisfaction, i.e., the producers must receive satisfaction in the same way as the consumers. (c) The satisfaction desired by employee may be economic, social, and psychological.

Human Relations NOTES Self-Instructional Material 173 8.2.3 Scope of Human Relations The scope of human relations arises from the problems which have many different causes and perspectives. Halloran has stated these as under: (a) Every person brings a unique set of talents, ambitions, and work experience to a job. Matching so many unique set of personal qualities to a standardised technology can create problems. (b) The organizational aspects such as size, geographic location, and degree of automation define the scope of work. These organizational aspects define the structure of the organization and often create intense problems in human relations. (c) Innovations in technology require the restructuring of job roles and responsibilities. These changes cause strains between workers and management and create human relations difficulties. (d) Promotion of individuals to positions of greater responsibility creates a need for changed behaviour which in turn create HR problems. (e) Inexperienced workers may not be able to perform their roles or tasks in work groups in a competent manner. This creates HR disputes between them and their co- workers and supervisors. By way of illustration, Prof. Mee provides some examples of common human relations problems and how to handle them. This is given in the Table 8.1. 8.3 MEANING OF EMPLOYEE GRIEVANCE

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Every employee has certain expectations, which he thinks must be fulfilled by the organization he is working for. When the organization fails to do this, he develops feelings of discontent or dissatisfaction.

Broadly speaking grievance means

any real or imaginary feeling of dissatisfaction and injustice, which an employee has about his employment relationship. Effective grievance management is an important and integral part of the human resource management. If an individual's grievances are unattended and unresolved they will become collective disputes. A grievance is a sign of an employee's discontent with job and its nature.

The

concept

"grievance" has been defined in several ways by different authorities. Some of the definitions are given below:

According to Dale S

Bearch, "grievance is any dissatisfaction or feeling of injustice in connection with one's employment situation that is brought to the attention of management".

In the words of Michael J Jucious, "

a grievance is any discontent or dissatisfaction, whether expressed or not, whether valid or not, arising out of anything connected with the company that an employee thinks, believes or even feels, is unfair, unjust or inequitable".

According to

Flippo, grievance

is "

a type of discontent which must always be expressed. A grievance is usually more formal in character than a complaint. It can be valid or ridiculous, and must grow out of something connected with company operations or policy. It must involve an interpretation or application of the provisions of the labour contract".

According to Kieth Davis, grievance is "

any real or imagined feeling of personal injustice which an employee has concerning his employment relationship".

The International Labour Organisation (ILO) defines

a 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, job assignment and termination of service".

Grievances generally give rise to unhappiness, frustration, discontentment, indifference to work, poor morale; and they ultimately lead to

the inefficiency of workers and low Check Your Progress 1. Define Human Relations 2. What are the main characteristics of human relations?

Human Resource Management NOTES 174 Self-Instructional Material Problem Possible cause Possible action
Absenteeism Habit, lack of interest, trouble at home, dissatisfaction with job, transportation trouble. Investigate, remove cause, have a personal talk, create interest in work, help obtain transportation. Complaints about working conditions Jealousy, favouritism, actual poor conditions. Better instructions, check supervision, transfer to other work. Dirty work and work place Lack of interest, carelessness, toleration by management. Personal talk, explain safety hazards, check supervisor's tolerance, allow clean-up time. Disloyalty Discontent, favouritism, lack of recognition Investigate the cause, give a square deal, set up an objective merit-rating procedure. Complainer spreads discontent Work conditions poor wages, lack of recognition, poor leadership. Transfer, investigate wage inequality, check if work has been recognised. Excessive talking Lack of social outlet, idleness. Investigate and recommend social outlets, redefine tasks, make employee realise that talking disturbs others. Insubordination Lack of interest, jealousy, favouritism, personal issue. Investigate reason, transfer, if the cause is a personal issue, try to settle it or transfer employee, build up his interest in job. Misinterpreting management information Ignorance of facts, dissatisfaction. Better communication, give facts in understandable terms, builds up purpose of this job. Not using safety aids Indifference, desire to turn out more work, device improperly designed. Show safety movies, talk on personal danger, check safety-aid design, penalise. Plays on job Clownishness, desire to be important to group, lax discipline, not enough work. Show safety hazards, get group product action, check test assignment, allow break-time. Quality of work poor Lack of knowledge, laziness, desire to exceed piece rate. Show importance of job to final product, proper motion instruction, emphasis need for quality, penalise for poor work order, re-work. Rumour-spreader Jealous, curiosity, desire to seem important. Investigate, recognise work add responsibility if merited, personal talk. Quitting ahead of time. Habit, transportation difficulty, lack of washroom facilities, desire to get out, rate too high. Insist on quality work, provide adequate bathroom facilities for all, check quitting time, allow employee to go to library so as not to interrupt work if his task is done. Soldering Improper time standards, fear of rate cut, lax discipline, lack of interest. Check time standards, maintain time rates once set, be firm, show importance of good job. Theft Severity of discipline, natural dishonesty, low wage. Cut opportunities for theft, use lie detector tests, take disciplinary action, send to psychiatrist, check home and money needs. Wastefulness Laxity, lack of acknowledge, lack of interest. Place of Waste Committee, show importance of waste reduction, penalise. Table 8.1 Common Human Relations Problems Source: Mee John F., Personnel Handbook, Page 396 – 397.

productivity. An HR manager should therefore see to it that grievances are redressed at the earliest possible. 8.3.1 Features of the Grievance An analysis of the above-mentioned definition reveals the following features. They are (

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a) A grievance refers to any form of discontent or dissatisfaction with any aspect of the organization. (b) The dissatisfaction must arise out of employment and not from personal or family problems. (c) The

dissatisfaction may be expressed or implied.

Expressed grievances are comparatively easy to recognise and are manifested in several ways. For example, gossiping, active criticism, argumentation, poor workmanship etc. Unexpressed grievances are indicated by indifference to work, daydreaming, absenteeism, tardiness etc. (d) The discontent may be valid, legitimate and rational or untrue and irrational or completely ludicrous. The point is that when a grievance held by an employee comes to the notice of the management it cannot usually dismiss it as irrational or untrue. (e)

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A grievance is traceable to perceived non-fulfilment of one's expectations from the

organization. (

f) A grievance arises only when an employee feels that injustice has been done to him. (g) Grievances, if not redressed in time, tend to lower morale and productivity of employees. 8.3.2 Understanding Employee Grievance The best approach towards grievance is to anticipate them and take steps to tackle them before the grievance assumes dangerous proportions. An ordinary manager redresses grievances as and when they arise. An excellent manager anticipates and prevents them.

A manager can know about problems even before they turn into actual grievances through several means. They are: (

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a) Observations A manager/supervisor can usually track the behaviours of people working under him. If a particular employee is not getting along with others, spoiling materials due to carelessness or recklessness,

remains absent etc.,

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the signals are fairly obvious. Since the supervisor is close to the scene of action, he can always find out such unusual behaviours and report promptly. (b)

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Opinion Surveys Surveys may be conducted periodically to elicit the opinions of employees about organization and its policies.

Group meetings, periodical interviews with workers and

collective bargaining sessions are also helpful in knowing employee discontent before it becomes a grievance. (

c) Gripe Boxes

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gripe box may be kept at prominent locations in the factory for lodging anonymous complaints pertaining to any aspect relating to work. Since the complainant need not reveal his identity, he can express his feelings of injustice or discontent frankly and without any fear of victimisation.

Gripe boxes are different from suggestions with their names written on them. (d)

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Exit Interview Employees usually leave their current jobs due to dissatisfaction or better prospects outside.

Exit interviews, if conducted carefully, can provide important information about employee's grievances.

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If the manager tries sincerely through an exit interview, he might be able to find out the real reasons why

the employee is leaving the organization. To elicit valuable
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information, the manager must encourage the employee to give a correct picture so as to rectify the mistakes promptly.

It should be remembered that those employees who believe in keeping their relationship cordial, because they never know when their paths may cross again, will not like to burn their bridges behind them by speaking about their grievances.

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If the employee is not providing fearless answers, he may be given a questionnaire to fill up and post the same after getting all his dues cleared from the organization where he is currently employed. (

e) Open Door Policy

Some organizations extend

a general invitation to their employees to

informally drop in the manager's room any time and talk over their grievances.

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The manager can crosscheck the details of the complaint through various means at his disposal.

This policy is useful in keeping touch with employee feelings. At a first glance, this policy may appear very attractive but it has the following limitations: (i) It is workable only in very small organizations. (ii) The front line supervisor is bypassed. (iii) Top management is unfamiliar with the work situation. (iv) The doors may be physically open but psychological and social barriers may prevent employees from actually entering. 8.3.3

Nature and Causes of Grievances

Just about any factor involving wages, hours or conditions of employment can be the basis of grievance.

Calhoon observes "grievances exist in the minds of individuals, are produced and dissipated by situations, are fostered or healed by group pressures, are adjusted or

Box 8.1 Causes of Grievance (A) Grievance

resulting from working conditions: ? Improper matching of the worker with the job ? Changes in schedules or procedures ? Non-availability of proper tools, machines and equipment for doing the job ? Tight production standards ? Bad physical conditions of workplace ? Failure to maintain proper discipline (excessive discipline or lack of it, both are equally harmful) ? Poor relationship with the supervisor (B) Grievance

Resulting from Management policy: ? Wage payment and job rates ? Leave ? Overtime ? Seniority ?

Transfer ? Promotion, demotion and discharges ? Lack of career planning and employment development plan ? Hostility toward a labour union. (C) Grievance resulting from alleged violation of : ? The collective bargaining agreement ?

Central or State laws ? Past practices ? Company rules ? Management's responsibility (D) Grievance resulting from personal maladjustment : ? Over-ambition ? Excessive self-esteem ? Impractical attitude to life etc.

Source: P. C. Tripathi, Personnel Management and Industrial Relations, Sultan Chand and Sons,

New Delhi (1999) page 365

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made worse by supervisors, and are nourished or dissolved by the climate in the organization which is affected by all the above factors and by the management". Causes of grievances relate to interpretation of all personnel policies. National commission on Labour states, "

complaints affecting one or more individual workers in respect of their wage payments, overtime, leave, transfer, promotion, seniority, work assignment and discharge would constitute

grievances". The causes of grievances include the interpretation of areas like placement, transfer, promotion

etc. P. C. Tripathi has broadly classified the causes of grievance in categories as in Box 8.1. 8.3.4

Need for a Grievance Handling Procedure Without an analysis of their nature and pattern, the causes of employee dissatisfaction cannot be removed. The HR manager should help the top management and line managers, particularly foremen and supervisors in the formulation and implementation of the policies, programmes and procedures which would best enable them to handle employee grievance. These policies, programmes and procedures are generally known as the grievance redressal procedure. The grievance redressal procedure is a device by which grievances are settled, generally to

the satisfaction of the trade union or employees and the management.

The adoption of the grievance handling procedure is essential for variety of reasons. These are given in

the Box 8.2. Box 8.2 Why Adopt

of a Grievance Handling Procedure 1.

Most grievances seriously disturb the employees. This may affect their morale, productivity and their willingness to co-operate with the organisation. If an explosive situation develops, this can be promptly attended to if a grievance handling procedure is already in existence. 2. It is not possible that all the complaints of the employees would be settled by first-line supervisors, for these supervisors may not have had proper training for the purpose, and may lack authority. Moreover, there may be personality conflicts and other causes as well. 3. It serves as a check on the arbitrary action of the management because supervisors know that employees are likely to see to it that their protest does reach higher management. 4. It serves as an outlet for employee gripes, discontent and frustrations. It acts like a pressure valve on a steam boiler. The employees are entitled to legislative, executive and judicial protection and they get this protection from the grievance redressal procedure, which also acts as a means of upward communication. The top management becomes increasingly aware of employee problems, expectations and frustrations. It becomes sensitive to their needs, and cares for their well-being. This is why the management, while formulating plans that might affect the employees –

for example, plant expansion or modification, the installation of labour-saving devices,

and so on,

should take into consideration the impact that such plans might have on the employees. 5. The management has complete authority to operate the business as it sees fit – subject , of course to its legal and moral obligations and the contracts it has entered into with its workers or their representative trade union. But if the trade union or the employees do not like the way the management functions, they can submit their grievance in accordance with the procedure laid down for that purpose.

Source: C.B. Mamoria and S. V. Gankar, Personnel Management—Text and Cases. Himalaya Publishing House (2001) Page 745 - 746 According to

Armstrong T.O.,

a well-designed and a proper grievance handling procedure provides: 1. A channel or avenue by which any aggrieved employee may present his grievance; 2. A procedure which ensures that there will be a systematic handling of every grievance; 3. A method by which an aggrieved employee can relieve his feelings of dissatisfaction with

his job, working conditions or with the management. 4. A means of ensuring that there is some measure of promptness in the handling of the grievance.

Human Resource Management NOTES 178 Self-Instructional Material 8.3.5 Essentials of a

Sound Grievance Handling

The efficiency of a grievance handling depends upon the fulfilment of certain pre-requisites. These are as follows: (a)

Conformity with Prevailing Legislation The procedure should be in conformity with the existing law. It should be designed to supplement the statutory provisions.

In other words, the existing grievance machinery as provided by law must be

made use of. The procedure may be incorporated in the standing orders or collective bargaining agreement of the organization. (b) **Acceptability** The grievance procedure must be acceptable to all and should, therefore, be developed with mutual consultation among management workers and the union. (c)

Clarity There should be clarity regarding each and every aspect of the grievance procedure. An aggrieved employee must be informed about the person to whom a representation can be made, the form of submission (written or oral), the time limit for the redressal of grievance etc. (

d) **Promptness** The grievance procedure must aim at speedy redressal of grievances.

The promptness with which a grievance is processed adds further to the success of the grievance procedure. Since justice delayed is justice denied the procedure should aim at rapid disposal of the grievances.

Promptness can be ensured in the following ways: (i) As far as possible the grievance should be settled at the lowest level. (

ii) There should be only one appeal. (iii) Time limit should be prescribed and rigidly enforced at each level. (iv)

Different types of grievances may be referred to appropriate authorities. (

e) **Simplicity** The grievance procedure should be simple. The procedure should consist of as few steps as possible. If there are too many stages in the procedure, too many forms to be filled up, too much going around etc.,

the very purpose of the procedure is defeated. Instead of resorting to the formal procedure an employee may ignore it. Information about the procedure should be communicated to the employees.

Box 8.3 Basic Elements of a Grievance Redressal

1. The existence of a sound channel through which a grievance may pass for redressal if the previous stage or channel has been found to be inadequate, unsatisfactory or unacceptable. This stage may comprise three, four or five sub stages.
2. The procedure should be simple, definite and prompt, for any complexity or vagueness or delay may lead to an aggravation of the dissatisfaction of the aggrieved employee.
3. The steps in handling a grievance should be clearly defined. These should comprise: (a) Receiving and defining the nature of the grievance; (b) Getting at the relevant facts, about the grievance; (c) Analysing the facts, after taking into consideration the economic, social, psychological and legal issues involved in them; (d) Taking an appropriate decision to the aggravated employee; (e) Communicating the decision to the aggravated employee.
4. Whatever the decision, it should be followed up in order that the reaction to the decision may be known and in order to determine whether the issue has been closed or not.

Source: C.B. Mamoria and S.V. Gankar, Personnel Management—Text and Cases. Himalaya Publishing House, Mumbai (2001) page 749 – 750.

Human Relations NOTES Self-Instructional Material 179 (f)

Training The success of the procedure also depends upon imparting training to the supervisors and union representatives in handling grievances.

This will help to ensure effective working of the grievance procedure. (g)

Follow Up The working of the grievance procedure should be reviewed at periodical intervals by the HR department. The department should periodically review the procedure and introduce the essential structural changes making it more effective. 8.3.6

Basic Elements of Grievance Redressal

C.B. Mamoria and S. V. Gankar have some basic elements of a grievance redressal procedure. They are given in the Box 8.3. 8.3.7 Steps in Grievance

Handling Grievance handling is a formal process which is preliminary to an arbitration which enables the parties involved to attempt to resolve their differences in a peaceful, orderly and expeditious manner. The Code of Discipline adopted by the Indian Labour Conference in 1957 laid down that the management and unions should establish, upon a mutually agreed basis, grievance procedure which would ensure a speedy and full investigation leading to a settlement. At present, the Model Grievance Procedure in India provides for five

successive time bound steps, each leading to the next case. The aggrieved

employee prefers an appeal.

These steps are as follows:

Step I The aggrieved employee verbally explains his grievance to his immediate supervisor or in a conference or a discussion specifically arranged for the purpose. The employee seeks satisfaction from his supervisor. The supervisor must give his answer within forty-eight hours of the presentation of the complaint. The grievance can be settled if the supervisor has been properly trained for the purpose, and if he adheres strictly to a basic problem-solving method. Step II The second step begins when the grievance is not settled by the supervisor. If the employee does not receive an answer within the stipulated time or

if he is not satisfied with the answer, he shall either in person or with his departmental (or any representative) present has grievance to the head of the department designated for this purpose. The head of the department is generally the chief business manager, a superintendent or an Industrial Relations Officer who goes into the grievance and gives his decision on the matter.

He is required to furnish

his answer within three days

of the presentation of the grievance. Step III If the

employee is not satisfied with the

answer, he can approach the Grievance Committee which shall evaluate the case and make its recommendations to management within seven days of presentation of the case. The Grievance Committee is composed of some fellow- employees, the shop steward or a combination of union and management representatives.

The committee may suggest any one of the possible solutions- ? It may call upon the grievant to accept the employer's proposed settlement. ? It may advise him that the trade union will not press for anything more than has already been suggested. ? In some cases, it may recommend that the issue be submitted for arbitration. The employee would be communicated the recommendation within three days.

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Step IV If the committee fails to take decision within the stipulated period or the employee is not satisfied with the decision he can make an appeal for revision to management. Management is supposed to communicate its decision within seven days of the worker's revised petition. Step V If the employee is unsatisfied with the management's decision,

union and management may refer the grievance to voluntary arbitration within a week of the receipt of management's decision by the

aggrieved employee. The parties may agree beforehand that the arbitrator's award will be final and binding on both the parties.

Figure 8.1 shows the schematic of the five-step grievance handling procedure. ARBITRATION Personnel Manager Regional Union Representative Company Union Grievance Committee Department Head Chief Steward Supervisor Union Steward 2 days EMPLOYEE Management Representative Union Representative Time taken Step 5 Step 4 7 days 3 days Step 3 Step 2 3 days Step 1 no time limit 7 3 2 Figure 8.1 Schematic of the Grievance Handling Procedure The Indian Institute of Personnel Management, Kolkata, has briefly summarized the grievance handling procedure. These steps are given in Box 8.4. Box 8.4 Steps in the Grievance Handling Procedure 1.

In the first instance, the grievance should be settled at the lowest level, that is, the employee should raise his grievance with

his immediate superior. 2. It should be made clear to the employee that he may appeal if he does not get satisfaction from his immediate superior. He should know

who the next person in the echelon of management is to whom he should refer his grievance. 3. The grievance should be dealt with speedily. 4. If the grievance is against any instructions issued by the superior, the employee should clearly understand that, in the interest of discipline, the instructions must first be carried out before the grievance can be considered and decided upon. It is only when this has been done that the employer will register his protest and set the grievance handling procedure in motion. 5. It should be clearly understood by the employee that there will be no recourse to any official machinery till the grievance redressal procedure has been set in motion and that in the event the employee is still dissatisfied, there will be no direct action by either party which might prejudice the case or raise doubts while the grievance is being investigated .

Source: Indian Institute of Personnel Management, Personnel Management in India, (1973)

page 188-189

Human Relations NOTES Self-Instructional Material 181 8.3.8 Benefits of Systematising Grievance Handling Grievances are natural in any organization. These should be solved as early as possible; otherwise they can create serious problems for the organization.

The benefits of a good grievance handling system are as follows: (

a) It brings grievance into the open so that management can learn about them and try to settle them; (b) It helps management to solve a grievance before it becomes a dispute; (c) It provides the workers a formal opportunity for expressing their fears, anxieties and dissatisfaction; (d) It provides employees a formalized means of emotional release for their

dissatisfaction. It thus builds within him a sense of emotional security; (

e) It helps to maintain cordial relations in the industry by enabling both the parties to settle the grievances to their mutual satisfaction. (f) Management knows that it is arbitrary and biased action can be reviewed and challenged and therefore will become more careful when dealing with its subordinates. (g) It enables the management to know the attitudes and feeling of employees regarding rules and practices of the organization, this helps it to frame rules which are more acceptable to the workers. The word discipline connotes that the members of a group should reasonably conform to the rules and regulations (code of behaviour) which have been framed for it or by it so that everyone may benefit by them. If the organization wants to succeed, its employees as well as employers must follow discipline. Every organization has some rules and procedures laid out and if the members do not abide by the rules, the organization, its goals and achievements may suffer. 8.3.9 Grievance Management in Indian Industry In Indian industry, adequate attention has not been paid to the settlement of grievances. Legislative framework only indirectly deals with the redressal of individual grievances.

At present, there are three legislations dealing with grievances of employees working in Industries.

They are: (a) The Industrial Employment (standing orders) Act 1946 (b) The Factories Act 1948 (c) The Industrial Disputes Act 1947. (a)

The Industrial Employment (standing orders) Act 1946 Requires that every establishment employing 100 or more workers should frame standing orders. These should contain, among other things, a provision for redressal of grievances of workers against unfair treatment and

wrongful exactions by the employer or his agents. (b) Factories Act 1948

The Factories Act 1948 provides for the appointment of a welfare officer in every factory ordinarily employing 500 or more workers. These welfare officers also look after complaints and

grievance of workers. However, these provisions are not helpful due to the dual role which these officers are called upon to play. (c) The Industrial Disputes Act 1947 The Industrial Disputes Act, provides: (i) The employer in relation to every industrial establishment in which fifty or more workmen are employed shall provide for a grievance settlement authority. (

(
ii) When

an industrial dispute connected with an individual workman arises in an establishment referred to above, a workman or any trade union of workmen of which

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such workman is a member may refer such disputes to the grievance settlement authority for settlement. (iii) The Grievance Settlement Authority shall follow such procedure and complete its proceedings within such period as may be prescribed. (iv) No reference shall be made to Boards, Courts or Tribunals of any dispute referred to in this section unless such dispute has been referred to the Grievance Settlement Authority concerned and the decision of the authority is not acceptable to any of the parties to the dispute.

Under section 2 – A of the Industrial Disputes Act (which was added to the act by amendment made in 1965), the term ‘industrial dispute’ includes all differences between an industrial workman and his employer connected with, organizing out of his discharge, dismissal, retrenchment or termination notwithstanding that no other workman nor any union or workman is a party to dispute. The effect of this provision is that the industrial grievances of a worker of the kind noted above can in future pass through the settlement machinery which has been provided for under the act. 8.4 DISCIPLINE—CONCEPT AND DEFINITIONS According to Earl R Bramblatt,

Discipline in the

broadest sense means “orderliness, the opposite of confusion. It does mean a strict and technical observance of rigid rules and regulations.

It simply means working, co-operating and behaving in a normal and orderly way, as any responsible person would expect an employee to do”.

According to Richard D Calhoun,

discipline is defined

as “a

force that prompts individuals or

groups to observe the rules, regulations and procedures which are deemed

to be necessary for the

effective functioning of an

organization”.

From the above mentioned definitions of ‘discipline’ we can understand that the term means conformity and willingness to work for the objectives of the organization, has to come from within, though at times they may have to be imposed by an external agency. The purpose of this imposed disciplinary process is the development and furtherance of the type of performance from the individual worker that will be conducive to the achievement of organization goals. Discipline is not a glamorous term. It is viewed with fear and suspicion in organizations. The multiple explanations advanced by different experts in the field have only added to the prevailing confusion. 8.4.1

Causes of Indiscipline Indiscipline means disorderliness, insubordination and not following the rules and regulations of an organization. It is very difficult to prepare an exhaustive list of the reasons which lead employees to indiscipline. In fact, a number of social, economic, cultural and political reasons contribute to indiscipline in an organization. In an organization the parties responsible for indiscipline are workers and their unions and the management. Politicised trade union leadership in India encourages and instigates indiscipline. Intra-union rivalry and inter- union rivalry are also major causes of indiscipline. Similarly, management tactics like deliberate delay in discipline procedure, concealed penalties such as transfer to an inconvenient place at a short notice, maintenance of confidential reports

etc., are responsible for indiscipline. C.B. Mamoria and S. V. Gankar have stated the major causes of indiscipline. From the comprehensive list of the causes of indiscipline (Box 8.5), one can conclude that it is mostly non-cooperation that

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results in indiscipline. Various factors like social, economic, political and cultural also play a significant role in causing indiscipline. Henry Fayol observed that, “discipline is what the leaders make it”. Many times indiscipline is due to managerial faults, lapses, thoughtless words, deeds and poor management.

Check Your Progress 3. Define Grievance? 4. Explain the features of Grievance? 5. What is grievance redressal? 6. What are the essential features of a grievance redressal procedure? 7. Explain in detail the grievance procedure followed in India. 8. What are the benefits of a good grievance procedure?

Human Relations NOTES Self-Instructional Material 183 Box 8.5 Causes of Indiscipline (a) Non-placement of the right person on the right job which is suitable for his qualifications, experience and training; (b) Undesirable behaviour of senior officials, who may have set a pattern of behaviour which they expect their subordinates to follow; but their expectations are often belied, and an infringement of rules follows; (c) Faulty evaluations of persons and situations by executives leads to favouritism, which generates undisciplined behaviour; (d) Lack of upward communication, as a result of which the thoughts, feelings and reactions of employees cannot be conveyed to the top management. This may lead to aggressive or rebellious behaviour; (e) Leadership which is weak, flexible, incompetent and distrustful of subordinates is often an instrument which makes for the creation of indiscipline among the employees, particularly when a decision is taken in haste and withdrawn under pressure; (f) Defective supervision and an absence of good supervisors who know good techniques, who are in a position to appreciate critically the efforts of their subordinates, who can listen patiently to them, who are capable of giving definite and specific instructions, and who believe in correcting their men rather than in uprooting them; (g) Lack of properly drawn rules and regulations, or the existence of rules and regulations which are so impracticable that they cannot be observed; and the absence of service manuals and a code of behaviour; (h) The 'divide and rule' policy of the management, as a result of which friction and misunderstanding are created among the employees which destroy the team spirit; (i) Illiteracy and low intellectual level of workers as well as their social background; for example, there may be indebtedness, drinking habits, casteism and other social evils from which an employee may suffer; (j) Worker's reactions to the rigidity and multiplicity of rules and their improper interpretation; (k) Worker's personal problems, their fears, apprehensions, hopes and aspirations; and their lack of confidence in, and their inability to adjust with, their superiors and equals; (l) Intolerably bad working conditions; (m) Inborn tendencies to flout rules; (n) Absence of enlightened, sympathetic and scientific management; (o) Errors of judgement on the part of the supervisor or top management; (p) Discrimination based on caste, colour, creed, sex, language and place in matters of selection, promotion, transfer, placement and discrimination in imposing penalties and handing out rewards; (q) Undesirable management practices, policies and activities aiming at the control of workers; eg:- employment of spies, undue harassment of workers with a view to creating a fear complex among them, and the autocratic attitude of supervisors towards their subordinates; (r) Improper co-ordination, delegation of authority and fixing of responsibility; and (s) Physiological and sociological reasons, including misunderstanding, rivalry and distrust among workers and supervisors, an absence of fellow-feeling, a widespread sense of injustice or apathy on the part of the management.

Source: C.B. Mamoria and S.V. Gankar, Personnel Management—Text and Cases, Himalaya Publishing House, Mumbai, 2001 p. 768–769. 8.4.2 Aspects of Discipline There are two aspects of discipline. They are: (a) Positive Aspect (2) Negative Aspect. (a) Positive Aspect Employees comply with rules not out of fear of punishment but out of an inherent desire to co-operate and achieve goals. Where the organizational climate is marked by two-way communication, clear goals, effective leadership, and adequate compensation employees need not be disciplined in the traditional way. This type of approach is called positive

Human Resource Management NOTES 184 Self-Instructional Material approach or constructive discipline or self-discipline. According to Spriegel, "positive discipline enables an employee to have a greater freedom in that he enjoys a greater degree of self-expression in striving to achieve the group objective, which he identifies as his own". (b) Negative Aspect Employees sometimes do not believe in and support discipline. As such, they do not adhere to rules, regulations and desired standards of behaviour. As such, disciplinary programme forces and constraints the employees to obey orders and function in accordance with set rules and regulations through warnings, penalties and other forms of punishment. This approach to discipline is called negative approach or corrective approach or punitive approach.

Negative or punitive discipline is one in which management has to exert pressure or hold out threat by imposing penalties on wrongdoers. When this pressure becomes increasingly severe each time a man is disciplined, it is called "progressive' or "corrective" discipline. The fear of punishment puts the employee back on rails.

According to 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".

Negative

discipline connotes that personnel are forced to observe rules and regulations on account of fear or reprimand, fine, demotion, or transfer. But these are helpful in extracting just minimum standards of work from the employees since they work on account of fear.

In contrast, if the authority is exercised arbitrarily, or if rules of conduct are unreasonable or if employees do not have sense of adhering to the rules and regulations, discipline is threatened and if it is prolonged, it affects the organizational health. Any programme of discipline will be effective and successful only when it is used to supplement and strengthen self-discipline.

V.S.P. Rao summarises

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the differences between the two approaches as follows: Table 8.2 Differences Between Positive and Negative Discipline

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Point Negative Discipline Positive Discipline CONCEPT It is adherence to established norms and regulations, out of fear of

punishment.

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It is the creation of a conducive climate in an organisation so that employees willingly conform to the established rules. CONFLICT Employees do not perceive the corporate goals as their own.

There is no conflict between individual and organisational goals. Source:

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VSP Rao, Human Resource Management – Text and Cases, Excel Books,

New Delhi (2000)

page 433. 8.4.3

Objectives of Discipline The objectives of discipline are: (a) To gain willing acceptance of the rules, regulations, standards and procedures of the organization

from the employees. (b) To develop the feeling of co-operation among the workers. (c)

To create an atmosphere of respect for the human personality and human relations and to maintain good industrial relations in the organization. (d)

To increase the working efficiency and morale of the employees so that their productivity is stepped up and the cost of production

is

decreased. (e) To develop a sense of tolerance and respect for human dignity. (f) To give and seek direction and responsibility.

Human Relations NOTES Self-Instructional Material 185 8.4.4 Essentials of a Good Disciplinary System While punitive discipline or punishment may sometimes be ineffective in changing behaviour or may produce unwanted by-products, there is nevertheless considerable evidence that punishment can be an effective tool under certain conditions. The

principles of industrial discipline to ensure a good disciplinary system are given below: (a) Knowledge of Rules The employees (both supervisor and

employees (both supervisor and

the worker) must be informed clearly about what constitutes good behaviour and the

rewards that may emanate from it. For this purpose, the organization should develop a code of discipline in co-operation with the workers. This code should contain in writing the rules, regulations and procedures considered necessary to maintain discipline. These must be known to all concerned along with the punishment for their violations. Code of discipline should be published in employee handbook. (b) Prompt Action All violations and misconducts should be promptly enquired into. When the penalty is imposed immediately after the misconduct, the offender identifies the punishment with the act he has committed. Accordingly, the subordinate attempts to avoid the violation in future. The principle followed here is "beat the iron when it is hot". The greater the delay the more one forgets and the more one feels that punishment is not deserved. (c) Fair Action All acts of indiscipline should be punished consistently and uniformly. All persons should receive the same punishment for the same offence. If different rules were applied to different persons, management would be accused of favouritism. An action in order to be fair must possess the following characteristics: (i) All violations—big and small—should be duly punished; (ii) All individuals should receive equal punishment offer equal indiscipline; (iii) Inconsistent behaviour of management leads to uncertainty in the minds of subordinates. Discipline should be uniformly enforced at all times; (iv) The alleged violation should be fully inquired into; (v) The employee should always be given an opportunity to explain his action; (vi) The burden of proving the violation always lies on the management. (d) Well-Defined Procedure The procedure to be used for disciplinary action should be clearly laid down. Definite and precise provisions for appeal and review of all disciplinary actions should be provided for. It should include the following steps: (a) The supervisor must assure himself that some violation of the rules has taken place. (b) The supervisor should state precisely and objectively the nature of the alleged violation. (c) The supervisor should then proceed to gather full facts about the case and maintain proper records. (d) The appropriateness of a disciplinary action should be decided in terms of its effectiveness in correcting the employee. (e) The accused employee should have the right to appeal to higher authorities. (e) Constructive Approach The disciplinary system should be as far as possible preventive rather than punitive. Focus should be on preventing violations rather than on administering penalties. Disciplinary action should be carried out by the immediate line supervisor. The employee should be told not only the reason for the action against him but also how he can avoid such penalties in future. Human Resource Management NOTES 186 Self-Instructional Material Self-discipline is the best form of discipline and management should encourage this discipline among employees. After taking the disciplinary action the supervisor must assume a normal attitude towards the worker. (f) Review and Revision A supervisor must play the role of a judge enforcing the law with impartiality. He should not engage in personal ridicule, insult or even criticism. All rules

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and regulations should be appraised at regular intervals to ensure that they are

appropriate to the changing

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times. If a particular rule is violated time and again, it should be thoroughly studied to discover and remove the causes of such violations.

Hot-Stove Rule:

Disciplinary action against a delinquent employee is painful and generates resentment on his part. Hence, a question arises as to how to impose discipline without generating resentment?

According to Douglas McGregor, this is possible through what he called the "Red Hot Stove Rule" According to McGregor, "hot stove rule" implies that if the rules and penalties are clear and well understood a violation produces some natural consequences. Just as the penalty for touching the stove is immediate i.e., the burning of fingers occurs at once, so in a sound disciplinary system; the penalty for the violation should be immediate, almost automatic. Disciplinary action delay can do positive harm to the organization and affect the morale of other workers who are law abiding. The "red hot stove" rule is based on an analogy between touching a red hot stove and violating rules of discipline. When a person touches a hot stove, (a) Immediate The burn is immediate.

If disciplinary action is to be taken, it must be taken immediately so that the individual will understand the reason for it. (b) Warning He has a warning as he knew that he would get burnt if he touches it. In fact as you move closer to the hot stove you are warned by its heat that you will be burned if you touch it. (c) Consistent Everyone who touches a red hot stove would be burned. (d) Impersonal A person is burned because he touched the stove and not because of who he is. (e) Commensurate The effect is commensurate with the gravity of misconducts. A person who repeatedly touches the hot stove is burned every time he touches it. 8.4.5 Code of Discipline This code was formulated after a great deal of discussion and

on the recommendations of the Indian Labour conference (15 th session) held in New Delhi in July 1957. The conference discussed the question of

discipline in Indian industries and laid down certain principles governing it. These were: 1.

There should be no lock-outs or strike without due notice; 2. No unilateral action should be taken in connection with any industrial matter; 3. There should be no recourse to go-slow tactics; 4. No deliberate damage should be caused to plant or property; 5. The existing machinery for the settlement of disputes should be utilised; 6.

Acts of violence, coercion, intimidation or incitement should not be indulged in; 7.

Awards and agreement, which is likely to destroy cordial industrial relations, should be avoided. Any agreement, which is likely to destroy cordial industrial relations, should be avoided.

Human Relations NOTES Self-Instructional Material 187 8.4.6 Kinds of Punishment/ Penalties For various types of misconduct there are various types of Punishment / Penalties. These punishments / penalties can be divided into major penalties and minor penalties. Table 8.3 shows the kind of penalties. Table 8.3 Kinds of Punishment/Penalties Minor Penalties Major Penalties 1. Oral Warning 1. Withholding Increments 2. Written Reprimand 2. Demotion/Stopping Promotion 3. Loss of Privileges 3. Discharge 4. Fines 4. Dismissal 5. Suspension Minor Penalties Is a mild form of disciplinary action. This punishment is generally given for some minor offences. The type of penalties are set below in the ascending order of their severity. (a) Oral Reprimand: This is the mildest form of disciplinary action. The issue of reprimand does not involve loss of status or wages. As people (subordinates) invariably value the social approval of their actions by their superiors and fellow beings a reprimand is generally effective in correcting subordinates. Oral reprimand should be used sparingly; otherwise it will not produce any effect on the subordinate. (b) Written Reprimand: When oral reprimand proves to be ineffective

and the worker continues with the misconduct, it becomes necessary to issue a written

reprimand and to bring into record the misconduct. A written reprimand may state that certain privileges would be withheld or withdrawn if the subordinate continues with his present conduct. (c) Loss of Privileges: For such offences as tardiness or leaving work without permission, the employee may be put to loss of various privileges such as good job assignments, right to select machine or other equipment and freedom of movement about the workplace or company.

(d) Fines: Means a deduction from the remuneration of the employee by way of punishment. (e) Punitive Suspension:

Punitive suspension is inflicted on the workman as a punishment for some misconduct. Under punitive suspension an employee is prohibited from performing the duties assigned to him

and his wages are withheld for so long as the prohibition subsists. Major Punishments It is a severe form of disciplinary action initiated against the workmen. It is given for some major offences. The various forms of major punishments are given below. (a) Withholding of Increments: Withholding of annual increment of an employee in a graded scale is a major punishment. The cumulative effect of losing an increment is considerable. It is equal to $\text{The amount of increment} \times 12 \times \text{the number of years of service still remaining}$. (b) Demotion: Demotion implies condemnation of the employee as being unfit for the position occupied by him. It should not be used as a penalty if the employee is properly qualified for the present assignment. Demotion should be used

only in a case where an employee does not meet present job requirement. (

c) Discharge: The term 'discharge' is used to denote removal of an employee from service by way of punishment. But no stigma is attached to the expression "discharge". Hence, it is not a disqualification for future employment. (d) Dismissal: Also referred to as industrial capital punishment, dismissal is the ultimate penalty which is rarely resorted to nowadays. Though discharge and dismissal both have the same result, i.e., termination of service of the employee, dismissal is a more severe punishment. There is a stigma attached to the expression "dismissal" which makes it a disqualification for future employment.

Human Resource Management NOTES 188 Self-Instructional Material 8.4.7 Procedure for Taking Disciplinary Action The following should be the steps for taking disciplinary action: (a) Preliminary Investigation The first step should be to hold preliminary investigation in order to find out whether a prima facie case of misconduct exists. Only if a prima facie case of misconduct exists, the management should proceed further. Otherwise, the case should be dropped. (b) Issue of a Charge Sheet If a prima facie case of misconduct exists, the management should proceed to issue a charge-sheet to the worker. The following guidelines may be followed in framing the charges: ? Each charge must be very clear and precise. ? There should be a separate charge for each allegation. ? Charges must not relate to any matter which has already been decided upon. ? Proposed punishment should be avoided in the charge sheet. (c) Suspension Pending Enquiry (if needed) If the nature of misconduct is grave and if it is in the interest of discipline and security in the establishment, the management may suspend a worker even before the charge-sheet is issued. In case the worker is suspended he should be paid subsistence allowance at the following rates ?

For the first 90 days of suspension, half his wages ? For the remaining period of suspension,

three-fourths of his wages (d) Notice of Enquiry On receipt of reply to the chargesheet, either of the following two situations may arise: (i) The worker may admit the charge. In such a case, the employer may award punishment without further enquiry. (ii) The worker may deny the charge. In this case, the employer must hold the enquiry. (e) Conduct the Enquiry The enquiry officer is a judge, so it is necessary that he must be impartial and qualified to act in that capacity. A fair opportunity should be given to the chargesheeted employee to examine the management witnesses. (f) Recording of Findings by the Enquiry Officer At the conclusion of the enquiry proceedings the enquiry officer should decide as to whether the charges made are valid or not alongwith reasons for his findings. (g) Awarding Punishment The punishment awarded to the accused employee should be communicated to him quickly. The letter should contain the following ? Reference to (i) the chargesheet, (ii)

the enquiry, (iii) findings of the enquiry ? Decision ? Date from which the punishment is to be effective. 8.4.8

Role of the HR Manager in Maintaining Discipline Insofar

as maintenance of effective employee discipline is concerned, the HR manager has a crucial role to play. He has a number of responsibilities in this regard. (

a)

Advising and assisting top line management in determining and developing an appropriate disciplinary procedure.

Human Relations NOTES Self-Instructional Material 189 (b)

Assisting in communication of the disciplinary procedure to all employees of the organization. (

c)

Making sure that the disciplinary policy conforms to the legal provisions. (d) Making sure that the disciplinary action is fair and conforms with appropriate principles of personnel management. (e) Training the supervisors and executives in dealing with disciplinary cases and problems. (

f) Involving the trade unions and the employees in determining and implementing disciplinary procedures. (g) Developing of self-discipline and self control on the part of the employees and winning over the confidence of employees in disciplinary policies and procedures. Analysing the role of the HR manager in regard to employee discipline, the Indian Institute of Personnel Management indicates, 'In advising management whether to proceed with a disciplinary case, the personnel officer must give careful thought to the likely repercussions on discipline and general relationship in the organization. Even when there is a prima facie case against an employee, it is to be considered whether an enquiry, with all publicity and excitement that it causes, is advisable, or whether some other line of action might prove more effective in improving discipline for the future, such as consultation with the trade union or works committee in the hope that social pressure may be brought on the delinquent to apologise and not repeat the offence'. 8.4.9

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Principles of Natural Justice and Domestic Enquiry Before taking disciplinary action against a worker, management must hold a domestic enquiry, following the principles of natural justice. The principles of natural justice state that no man should be held guilty without getting an opportunity to explain his point of view. It states that the worker be given a fair chance: ? To present evidence of his own choice; ? To cross examine the management's evidence; ? To explain his point of view without pressure or fear.

The charges made by the employer against the employee are explained to the worker. If the worker agrees with the charges made against him, the enquiry is dropped. The employer may then proceed with the disciplinary action as per rules. If he pleads innocent, the proceedings continue in the presence of the accused. The enquiry must be conducted by an impartial person who is fully conversant with the intricacies and procedures of domestic enquiries. During the course of enquiry, examination and cross examination should be free and proper and all documents are open to be seen by the parties. If the worker does not turn up at the appointed date and time, the proceedings are held ex-parte. The findings of the enquiry are then conveyed to management in writing. Before taking any punitive action, management should keep in view the gravity of misconduct. The punishment awarded should not be out of proportion to the misconduct of the employee. 8.4.10 Principles of Effective Discipline Whenever employees go against the pre-determined rules and regulations and commit serious mistakes or create serious problems to the organization and its interests, the employee's misconduct should not be condoned since it amounts to the encouragement of misconduct which ultimately leads to serious repercussions on the morale of the organization and its discipline. At the same time, the HR manager should also endeavour to develop self-discipline on the part of the employee. The HR manager has to follow certain principles for effective discipline. They are: (a) He must be interested in the welfare of each employee. (b) He must view discipline as a corrective measure.

Human Resource Management NOTES 190 Self-Instructional Material (c) He must NOT take disciplinary action unless it is a must. (d) He must NOT administer discipline on a routine basis. (e) He must give a fair chance to the worker to defend himself. (f) He must maintain consistency in disciplinary action. (ie., he must not show favouritism) (g) He must admit his mistakes willingly. (h) After taking disciplinary action, the HR manager must resume normal behaviour and attitude towards the employee. 8.5 EMPLOYEE EMPOWERMENT Employee empowerment is a technique of involving employees in their work through the process of inclusion. Empowerment encourages employees to become innovators and managers of giving them more control and autonomous decision making capabilities. "Empowerment" is a term which is currently in vogue. It is one of the most popular buzzwords in management today. Almost every approach to quality, meeting the competition, getting more out of employees, productivity enhancement and corporate turnarounds deals with employee empowerment. The characteristics of an empowered organization are given below: (a) An assumption of competence – the belief that people can be trusted and therefore minimal needs for checks, controls and directives. (b) Learning from others about how the company operates. (c) Empowerment requires a situation of high trust and high competence. (d) Togetherness – this means working inflexible teams regardless of members' status or position in the hierarchy and operating with shared goals and values. 8.5.1 Empowerment Vs Disempowerment Most of the employees in most of the organizations are victims of disempowerment. What are the differences between "empowered" organizations and traditional ones? One answer is that empowered organizations value autonomy as an end in itself – an end that contributes to personal fulfilment, advances democratic ideas, and responds to rapid changes in the Associated with empowerment Associated with disempowerment ? Accepts responsibility ? Being active ? Boldness ? Creative ? Energetic ? Enjoys life ? Happy ? Healthy ? Imaginative ? Independent ? Individualistic ? Innovative ? Interesting ? Motivated ? Prepared to take risks ? Observant ? Satisfied with job ? Sensitive to subtleties ? Uses full potential as a human being ? Uses intelligence to the full ? Avoids taking responsibility ? Being passive ? Timidity ? Conventional ? Lethargic ? Gets little joy out of life ? Depressed and miserable ? Many health problems ? Dull and unimaginative ? Dependent ? Conforming ? Sticks to routines ? Dull and boring ? Unmotivated ? Reluctant to take risks ? Unobservant ? Frustrated in job ? Non sensitive to subtleties ? Uses only fraction of potential ? Does not use intelligence to the full Table 8.4 Empowerment Vs Disempowerment

Human Relations NOTES Self-Instructional Material 191 business environment. Mike Van Oudtshoorn of Saket Lynd and Laurie Thomas of Brunel University distinguished the characteristics associated with empowerment. These characteristics are given Table 8.4. 8.5.2 Conditions Necessary for the Success of

Empowerment (a) Employees must be encouraged to take control of their work. (b) The environment must be receptive for employees with innovative ideas and encourage people to explore and take reasonable risks at reasonable costs. (c) Employees must have access to a wide range of information. (d) Empowered employees should be held accountable for their behaviour towards others. (e) Culture of the organization should be open and receptive to change. 8.5.3 Stages in the Empowering Process John Nicholls suggested three stage models that help to build a sustainable empowerment programme in organizations: (a) Stage I Get the basics right by fully using current capability: The idea would be to empower people to the fullest extent of their current capability, within the scope of their current job/task. Therefore, in this stage, an organization should be looking at empowerment through delegation in the current job/task. In other words, managers should be enablers. (b) Stage II Stretch people beyond their current capability to fulfil their full potential: This occurs when enablers act as coaches to stretch people by delegation and empowerment slightly beyond their current limits. The coaching process must include: ? Devoting time to show people how to perform their tasks in a better way. ? Delegate a real task that will use the capability that is being developed. ? During implementation, avoid temptation to over control. ? When the task is successfully completed, offer congratulations, praise and recognition. (c) Stage III Strengthen empowerment by creating commitment throughout the organization. In this stage the foundation should be laid for a change of attitude and behaviour in the organization as a whole. It is at this stage that managers begin to realize that by letting go of authoritarian power they gain the power to energize people achieving results beyond expectations. At the heart of empowerment is trustworthiness which is a function of character and competence. Character is what we are; competence is what we can do. And both are necessary to create trustworthiness. Both character and competence are necessary to inspire trust. Given the responsibility workers deliver extremely well. 8.6 DEFINITION OF COLLECTIVE BARGAINING The phrase "collective bargaining" was coined by Sydney and Beatrice Webb. According to them collective bargaining is a method by which trade unions protect and improve the conditions of their member's working lives.

Collective bargaining is a process in which the representatives of the employer and of the employees meet and attempt to negotiate a contract governing the employer-employee union relationship. Some important definitions of collective bargaining are given below:

Human Resource Management NOTES 192 Self-Instructional Material According to Walton and McKersie, "a collective bargaining process generally consists of four types of activities – distributive bargaining, integrative bargaining, attitudinal structuring and intra-organizational bargaining".

In the words of

Jucious, "collective bargaining refers to

a process by which employers on the one hand and representatives of employees on the other, attempt to arrive at agreements covering the conditions under which employees will contribute and be compensated for their services".

The ILO has defined

collective bargaining as "Negotiations about working conditions and terms of employment between an employer and a group of employees or one or more employee's organizations with a view to reaching an agreement wherein the terms serve as a code of defining the rights and obligations of each party in their employment, relations with one another; fix a large number of detailed conditions of employment; and, during its validity, none of the matters it deals with can in normal circumstances be given as a ground for a dispute concerning an individual worker". From the above definitions, we can state that collective bargaining is the process

in which conditions of employment are determined by agreement between representatives of the union, on the one hand and those of

the employer on the other.

Collective bargaining involves discussion and negotiation between two groups as to the terms and conditions of employment. It is called "collective" because both the employer and the employee act as a group rather than as individuals. It is known as "

bargaining" because the method of reaching an agreement involves proposals and counter proposals, offers and counter offers. Collective bargaining is

usually resorted to in respect of "interest issues" where some new rights are to be created or existing rights are to be expanded or modified. When a dispute arises over the enforcement of an existing right – a "right issue" arises. Collective bargaining is a rational process in which appeals to facts and to logic reconcile conflicting interests in the light of common interests of both parties. It is a bipartite and dynamic process.

8.6.1 Characteristic of Collective Bargaining Some of the important characteristics of collective bargaining are: (a)

It is a Group Action as Opposed to Individual Action

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It is collective in two ways. One is that all the workers collectively bargain for their common interests and benefits

and

on the management side are its delegates at the bargaining table.

They (workers representatives

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and management delegates) jointly arrive at an amicable solution through negotiations. (b)

It is Flexible and Mobile and not Fixed or Static

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It is a group action where representatives of workers and management expend energies in order to arrive at a consensus. It has sufficient flexibility, since no party can afford to be inflexible and rigid in such situations.

According to

Bakke and Kerr "Essentially, a successful collective bargaining is an exercise in graceful retreat – retreat without seeming to retreat. The parties normally ask for more or offer less than they ultimately accept or give".

Collective bargaining

is therefore not a one way street but a give and take process.

The "take-it-or-leave-it" proposition is not viewed as being within the rules of the game. (c)

It is a Bipartite Process It is a mutual give-and-take rather than

a take-it-or-leave-it method of arriving at the settlement of a dispute. Both parties are involved in it.

The employers and the employees negotiate the issues directly, face to face across the table.

It can flourish only in an atmosphere which is free from animosity and reprisal. There is no third party intervention. (d) It

is a Continuous Process Collective bargaining is a continuous process. It does not commence with negotiations and end with an agreement. The agreement is only a beginning of collective bargaining. It is a continuous process which includes implementation of the agreement and also further negotiations.

Human Relations NOTES Self-Instructional Material 193 (e) It is Dynamic and Not Static

Collective bargaining is a dynamic process because the way agreements are arrived at, the way they are implemented, the mental make-up of parties involved keep changing. (f)

Power Relationship Workers want to gain the maximum from management, and management wants to extract the maximum from workers by offering as little as possible.

This involves ascertaining the maximum concession of the opposing negotiator without disclosing one's own ultimate concession. In this sense, all negotiations are exploratory until the agreement is consummated. 8.6.2

Objectives of Collective Bargaining The main objectives of collective bargaining are: (a) To maintain cordial relations between employer and employees by settling disputes/ conflicts; (b) To protect the interest of workers through collective action and by preventing unilateral action on the part of the employer; (c) To resolve the differences between employers and employees through voluntary negotiations; (d) To avoid the need for Government intervention in matters relating to employment. (e) To ensure the participation of trade unions in industry; (f) To promote industrial democracy. 8.6.3

Advantages of Collective Bargaining Collective bargaining offers the following advantages: (a)

Collective bargaining is a pragmatic and democratic method of regulating the terms and conditions of employment. It provides a method for the regulation of conditions of employment by those directly concerned.

The parties directly concerned with employment (employers and workers) who best know the problems participate in collective bargaining. It is a voluntary process without any third party intervention. (b) Collective bargaining often leads to mutual understanding. The employers gain a greater insight into the problems and aspirations of the workers, while the latter become more aware of the economic and technical factors involved in industrial management. (c)

(c) Collective bargaining provides a flexible means of adjusting wages and conditions of employment to changes in economic, social, technological and political environment. Both the parties can meet whenever necessary and can adapt the terms and conditions of their agreement to the changing environment. (d) Collective bargaining provides a code defining the rights and obligations of each party in their employment relations with one another. Basic standards are fixed and every worker knows that he cannot be required to work under conditions less favourable than those stipulated in the agreement. A sort of 'industrial jurisprudence' is created. (e) Collective bargaining facilitates better implementation of decisions due to the direct involvement of both the parties. Parties know that the decisions are their own and nobody has imposed them. 8.6.4 Types of Bargaining The different types of bargaining are given below: (a) Conjunctive

Bargaining

In this type of bargaining, the employers and employees try to maximise their respective gains. Issues like wages, bonus etc. are negotiated under conjunctive bargaining. The principle “

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my gain is your loss and your gain is my loss”

is practiced in conjunctive bargaining.

Human Resource Management NOTES 194 Self-Instructional Material The parties want to yield as little as possible while getting as maximum as possible from the other party. Conjunctive bargaining is also called distributive bargaining. (b) Co-operative Bargaining In co-operative bargaining,

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both parties realise the importance of surviving in difficult times (like recession) and are willing to negotiate the terms of employment in a flexible way. Labour may accept

wage cuts and management may agree to modernise and make additional investment. Co-operative bargaining is resorted to

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with a view to survive the recessionary trends. (c) Productivity Bargaining In this method worker’s wages and benefits are linked to productivity.

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If they are able to exceed the standard productivity norms they will get substantial benefits.

Standard productivity is finalised through negotiations. Productivity bargaining agreements are important for raising productivity and for survival and growth of the organization. (d) Composite Bargaining In

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composite bargaining method, labour bargains for wages as usual but goes a step further

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demanding equity in matters relating to work norms, employment levels, manning standards

etc.

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Through composite bargaining unions are able to prevent the dilution of their powers and ensure justice to workers by putting certain limits on the freedom of employers.

For the employer this is lesser evil when compared to strikes and lockouts. 8.6.5 Process of Collective Bargaining The whole process of collective bargaining takes place mainly in two stages: (a) The Negotiation Stage (b) The Stage of Contract Administration. (a) The Negotiation Stage The following steps briefly explain the negotiation stage: (i) Identification of the Problem. (ii) Preparing for negotiations. (iii) Negotiations of Agreement.

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Identification of the Problem: The nature of the problem influences the whole process.

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selection of representatives, their size, period of negotiations and period of agreement that is reached ultimately. Hence, it is important for both the parties to be clear about the problem before entering into the negotiations.

Preparing for Negotiations:

The preparation starts with selection of representatives. While selecting representatives for negotiations, the following points should be borne in mind: (i) He should be able to carry out negotiations with patience, and composure. (

ii) He should present his views effectively. (iii) His authority and power should be clearly spelt out. (

iv) He should be educated about the problem. After selection of the negotiator, the other preparations will include fixing up time for negotiations, period of negotiations etc. (b) The stage of Contract Administration

During negotiations the representatives should be attentive so as to find out what the other party is arguing for.

By understanding their problems and weighing them, sometimes solution may be reached, which is more acceptable to both the parties.

It is very important that representatives reach the negotiating table with

a positive attitude. Unfortunately, some representatives tend to focus on how effectively they can say "no" to the proposals put forth by the other party. This is a major obstacle in the bargaining process.

Human Relations NOTES Self-Instructional Material 195 When a solution is reached, it is put on the paper taking the concerned legislation into consideration. Both the parties concerned sign the agreement which becomes a binding contract for both the parties.

If no amicable solution could be reached, both the parties resort to arbitration. 8.6.6 Steps to Ensure the Effectiveness of Collective Bargaining The following steps may be taken to make collective bargaining more effective. (a) Trade unions should be made stronger and responsible so that they are able to honour the collective agreements. (b) The government should declare its policy of encouraging

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the parties to settle their disputes through bipartite consultation and negotiation consistent with public safety and social interest. (

c)

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Compulsory adjudication of disputes should be used only as a last resort. (

d) It is essential to build internal leadership and to free unions from political control. In this regard workers should be educated so to build up internal union leadership and to improve knowledge of workers. (e) Both parties should develop a positive attitude towards each other. They should try to understand the viewpoints of the other side. (f) Collective bargaining should be restricted to matters concerning interests. Disputes concerning rights would be better settled through grievance machinery. Recommendations of the National Commission of Labour for successful functioning of collective bargaining: (a)

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Government intervention in industrial relations, particularly in the settlement of industrial disputes, should be reduced gradually to the minimum possible. Compulsory adjudication of disputes should be used only as a last resort. (b) Trade unions should be strengthened both organizationally and financially by amending the Trade Union Act of 1926 to make registration of unions compulsory, enhance the union membership fee,

and

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reduce the presence of outsiders in the union executive and among the office bearers and increase the minimum number of members in respect of the union applying for registration. (c) Legal provision may be made either by a separate legislation or by amending an existing enactment for: ? Compulsory recognition of trade unions and certification of unions as bargaining agents. ? Prohibition and penalisation of unfair labour practices; ? Bargaining in good faith by both employers and unions; and ? Conferring legal validity and legitimacy on collective

agreement; (d)

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Intensification of workers education for building up internal union leadership and making workers more knowledgeable and conscious about their rights and obligations. This may help to de-politicise unions and also reduce union rivalry. (

e)

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The idea of one union for one plant or one industry should be popularised and made a reality. (f) The government should declare its policy to allow and encourage the parties to settle their conflicts and disputes through bipartite consultation and negotiation consistent with public safety and interest of the society in

general. 8.6.7 Bargainable Issues

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Any issue that has relevance to management and workers becomes the subject matter of bargaining.

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bargaining. Traditionally wages and working conditions have been the primary focus areas

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of collective bargaining. However, in recent times, the process of

collective

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bargaining has extended to almost any area that comes under the employer-employee relations. A

list covering some of the issues that come under collective bargaining is given below: ? Wages and working conditions. ? Rules and regulations pertaining to work. ? Incentive payments. ? Job security. ? Changes in technology and its impact on employees. ? Transfer and promotions. ? Grievances and Grievance handling procedures. ? Discipline and Disciplinary procedure. ? Techniques and practices pertaining to work. ? Employee benefits. ? Recognition of employee's unions. ? Union activities and responsibilities. ? Management rights. Thus,

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over the years, the nature and content of collective bargaining has changed dramatically. 8.6.8

Collective Bargaining in India Collective bargaining is the ultimate in negotiations and is possible only when worker's and employer's organizations are equally strong, mature and conscious of their rights and duties. Collective bargaining grew with the

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growth of Trade Unionism. It had its roots in Great Britain and developed in response to conditions created by the Industrial Revolution. In early part of 18 th century when trade unions came into existence, the idea of collective bargaining gained strength. Initially the negotiations were carried out at plant level. By early 1900, industry and national level agreements were quite common. But

there was no considerable growth until the Second World War. Even then the growth not the result of Management and union's influence but due to Government's efforts.

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After a century of rapid growth, collective bargaining has more or less, become the gospel of industrial relations. It is being increasingly viewed as a social invention that has institutionalised industrial conflict. In

India,

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the resolution of conflict through collective bargaining agreements did not gain popularity. The legal steps taken by the government after the Second World War revived interest in the subject once again. The legislative measures included the setting up of a machinery for negotiations, conciliation and arbitration.

Only after Independence, was there considerable growth in collective bargaining. Trade unions gained importance. From management's side, there emerged a new class of managers, who saw labour with sympathy and understanding. A majority of disputes were resolved through this mechanism. But collective bargaining process took place mainly at plant level and organization level unlike western countries where the agreements are reached at industry level. In India, collective bargaining has not made much headway particularly at industry and national levels, due to the following reasons: (a) Lack of strong and central trade unions and employers' organizations who can represent countrywide interests. (b) Excessive dependence on compulsory adjudication for the settlement of industrial disputes. (c) Multiplicity of unions and inter-union rivalry. (d) Conditions of work differ widely in different parts of the country. (e) Weak trade union movement because of poor leadership and political dominance.

Human Relations NOTES Self-Instructional Material 197 (f) Legislation and regulatory bodies have reduced the area for collective bargaining. (g) Government provides little support to collective bargaining. (h) Attitude of employers and workers to depend on third party intervention. 8.6.9 Factors Inhibiting Collective Bargaining in India Though it is argued that collective bargaining has grown in India due to the statutory provisions and voluntary measures, its success is limited.

96%

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Collective bargaining has not made headway in India when compared to other industrialised nations. The reasons

are: (a) Weak Unions Collective bargaining process mainly depends on the strength of unions. Indian unions are marked with multiplicity, inter and intra-union rivalry, weak financial position and non- recognition. Weak trade unions cannot initiate strong arguments during negotiations. (b) Problems from Government The Government has not been making any strong effects for the development of collective bargaining.

100%

MATCHING BLOCK 177/188

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The regulatory framework covering the industrial relations scene is quite tight, leaving very little room for bargaining to flourish on a voluntary basis. (

c) Legal Problems Now adjudication is easily accessible.

100%

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No attempt has been made by the Government to rationalise or simplify the multifarious laws covering labour management relations. (

d) Attitude of Management

97%

MATCHING BLOCK 179/188

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Employers have failed to read the writing on the wall. They do not appreciate the fact that unions have come to stay with almost equal bargaining strength. Such negative attitudes have come in the way of negotiating with unions voluntarily. (

e) Employers Uncertainty about Who is the Recognised Bargaining Agent Employers are often not very sure about who is the recognised bargaining agent. When there are multiple unions, bargaining with one union may prove to be a tough battle. (f) Statutory Fixation of Conditions of Work Areas of collective bargaining have not grown in view of the encouragement given to wage boards, pay commissions, statutory fixation of other conditions of work and social security measures. (g) Political Interference Almost all unions are associated with some political party or the other. The political parties interfere in the smooth functioning of the union. 8.6.10 Conditions Essential for Successful Collective Bargaining For collective bargaining to be fully effective there are certain essential prerequisites. These are given below: (a) A favourable Political Climate The Government and public must be convinced that collective bargaining is the best method of regulating employment conditions. The Government should remove all legislative restrictions which hamper collective bargaining. It can also confer a right to bargain collectively, lay down the form and content of collective agreement, register these agreements and assist in their enforcement. If collective bargaining is to be fully effective, a favourable political climate must exist. (b) Freedom of Association Freedom of association is essential for collective bargaining. When such freedom is denied collective bargaining is impracticable, and when it is restricted, collective bargaining is also restricted. Freedom of association can be facilitated by removal of legislative restrictions on combinations where they exist, leaving workers and employers free from associations
Human Resource Management NOTES 198 Self-Instructional Material as they please. Collective bargaining is not possible if employees are not free to form trade unions as they are required to bargain with the employer on equal basis. (c) Stability of Trade Unions Workers may have freedom of association but, unless they make use of that right and form and maintain stable unions, collective bargaining will be ineffective. If a union is weak, employees can say that it does not represent the workers and will refuse to

recognise it or negotiate with it. Before entering into agreements with a trade union, employers will want a reasonable assurance that it will be able to honour its understandings and this implies both that the union can exercise authority over its members and that its membership is sufficiently stable. (d) Recognition of Trade Unions Employees should be required by law to give recognition to representative trade unions. It is in the interest of an employer to give recognition to representative trade unions. Once a trade union is strong enough, employers may decide that it is in their interest to recognise it and negotiate with it; otherwise, they may be faced with strikes and the ensuing financial losses may be far greater than the cost of any concessions on wages and conditions they may have to make in negotiations with the union. The granting of recognition will improve industrial relations and this may react favourably on productions. (e) Willingness to "Give and Take" one or both sides merely make demands when they meet there can be no negotiation or agreement. Each side normally puts forward claims which are intended to provide a basis for bargaining and as the negotiations proceed one side will agree to reduce its demand on one item in return for some concession by the other side. Willingness to "give and take" during negotiations does not necessarily mean that concessions from the other. One side may make greatly exaggerated demands which it will have to tone down considerably if agreement is to be reached. Also depending on

the

relative strengths of the two parties, economic conditions at the time and skill in negotiation, one side may win more concessions than the other. (f) Mutual Recognition and Respect The management has the right to manage and the union has the right to organize itself and fight for justice. This must be fully recognised and accepted by both sides. Unless there is this basic unanimity of views collective bargaining is a mere trial strength. 8.6.11 Steps to Ensure Successful Collective Bargaining The recommendations of the National Commission of Labour for successful functioning of collective bargaining are: (a)

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Government intervention in industrial relations, particularly in the settlement of industrial disputes, should be reduced gradually to the minimum possible extent. Compulsory adjudication of disputes should be used only as a last resort. (b) Trade unions should be strengthened both organizationally and financially by amending the Trade Union Act of 1926 to make registration of unions compulsory, enhance the union membership fee, reduce the presence of outsiders in the union executive and among the office bearers and increase the minimum number of members in respect of the union applying for registration. (c) Legal provision may be made either by a separate legislation or by amending an existing enactment for: ? Compulsory recognition of trade unions and certification of unions as bargaining agents. ? Prohibition and penalisation of unfair labour practices. ? Bargaining in good faith by both employers and unions. ? Conferring legal validity and legitimacy on collective

agreement.

Human Relations NOTES Self-Instructional Material 199 (d)

89%

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Intensification of workers education for building up internal union leadership and making workers more knowledgeable and conscious about their rights and obligations. This will help to de-politicise unions and also reduce union rivalry. (

e)

94%

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The idea of one union for one plant or one industry should be popularised and made a reality. (f) The government should declare its policy to allow and encourage the parties to settle their conflicts and disputes through bipartite consultations and negotiations consistent with public safety and interest of the society in

general. 8.7 CASE STUDIES Case I: KSRTC Ltd It is the private bus operators who largely run the road transport in the South Kanara district, with the only exception being the Mangalore-Puttur route which is operated by the Karnataka State Road Transport Corporation (KSRTC). As the private bus operators are providing exceptionally good service to the commuters, there is a demand that Mangalore- Puttur route should also be opened up to the private bus operators. In order to improve the service, the Mangalore depot of KSRTC introduced an incentive scheme for the bus crew so as to provide better transport facilities to the maximum number of passengers as also to prevent the public from raising the demand of allowing private bus operators. The incentive scheme fixed certain amount of the level of revenue to each route as base revenue. If the revenue earned by the particular trip was equal to the base revenue, the conductor and driver of the bus would be eligible to receive the incentive amount of 1% of the base revenue. If the revenue exceeded the base amount the conductor and driver could get 2% of increment revenue as incentive bonus. However if the revenue earned were less than the base revenue the conductor and driver would not be eligible for the incentive. In a bid to take advantage of this scheme, the bus conductors of Mangalore – Puttur route started overloading the buses, and doubling the seating capacity. This scheme has been functioning successfully, benefiting the passengers, the bus crew and particularly the KSRTC (only Mangalore depot is currently making profits for the corporation) as the cost of operation of the bus did not increase in proportion to the increase in revenue. Mr. Sathish has been working as a conductor in the Mangalore depot of KSRTC since 1980. He was on duty on 4 th September 2002 on the Mangalore – Puttur route. He had overloaded the bus by almost double (enquiry revealed that there were 89 passengers for a seating capacity of 50). Mr. Tingu, a passenger of that bus did not purchase a ticket despite repeated enquiries of the conductor, because of the overloaded condition of the bus and his illness. The conductor was unable to count the passengers because of the overload. When the ticket checking officers stopped the bus at B.C. Road to verify the tickets; they found that Mr. Tingu had not purchased a ticket. They blamed the conductor Mr. Sathish for not issuing the ticket. Mr. Tingu appealed to the checking staff stating that he had not purchased the ticket despite repeated enquiries by the bus conductor because he was ill and the bus was heavily overloaded. The copassengers also confirmed that the conductor had made repeated enquiries asking passengers to buy tickets. In spite of this the ticket checking staff suspended the conductor. The suspension of the conductor created an uproar among all the bus crew of the Mangalore Depot. The drivers and conductors held a meeting in Mangalore on 5 th September 2002, and resolved to limit the intake of passengers to the seating capacity. This decision was implemented with immediate effect. Consequently, the passengers of the Mangalore – Puttur route experienced many difficulties while travelling. The average revenue per day of Mangalore Depot which was Rs. 2,50,000 prior to September 4 th 2002, fell to Rs. 1,50,000

Human Resource Management NOTES 200 Self-Instructional Material per day from September 5 th 2002 to 30 th September 2002. In an emergency meeting, the Director of the corporation in their emergency board meeting re-examined the whole case and withdrew the suspension order served on Mr. Sathish on 30 th September 2002. Questions: 1. Was the conductor guilty of negligence of duty? 2. Should a genuine mistake call for the drastic punishment of suspension? 3. Should the disciplinary rules be applied for the sake of mere discipline or should they contribute to the goals and objectives of the corporation? Case II: Mangalore Plastics Ltd (MPL) Mangalore Plastics Ltd is a small sized industrial unit located in Bikampady Industrial Area in Mangalore. The unit has been in existence since 25 years. The management of MPL started negotiations with All Mangalore Plastic Workers Union (AMPWU) for renewal of the wage agreement. In union-management relations collective bargaining is essentially a power relationship. It is through the implied and actual use of power that parties are compelled to resolve their conflicts and MPL was no exception. Mr. Sandeep Shenoy the new managing director, was surprised at the list of demands by AMPWU's secretary, Mr. Goga Shetty, a non-employee and an ex-MLA, who would stand firm on the issue of wage negotiations. Throughout the discussions with Mr. Shenoy, Mr. Shetty exhibited his strength as an efficient organizer of workers. The three main demands put on behalf of AMPWU by Mr Shetty and the management's views on them were: (a) A four-year agreement with 30% wage-hike during the first year followed by 20% each during the subsequent period. As in the past, Mr Shenoy had offered 10% wage-hike each year which he thought was the average rise in the cost of living index; (b) Free house site for employees who have served the organization for more than 20 years; (c) Reintroduction of loyalty scheme which included cash benefits of Rs 50,000 for those workers who had completed 10 years of service; Rs 75,000 for those who had completed 15 years of service and Rs 10,000 for those who had completed 20 years of service. Three years ago, MPL had started making large-sized water containers which had a huge demand because of the water shortage in Mangalore. The production of water containers resulted in doubling the staff strength. The company now had 100 workers. Recently, many more manufacturers have come into the market offering better products at less price and this has led to declining profits and apprehensions about the success of the new product venture. To add to the problems of Mr Shenoy, AMPWU championed the cause of the workers even when the fortune of the enterprise was not bright. During a private meeting between Mr Shenoy and Mr Shetty, it was suggested by Mr Shetty that he was personally against a strike, but the workers were really exercised over the three demands. The situation caused considerable anxiety to Mr Shenoy because the existing wage agreement was valid for 2 months only. However Mr Shenoy and Mr Shetty had the first when Mr Shetty appeared to appreciate the problems of management as an individual Questions: 1. What should Mr Shenoy do to prepare for the next session with the AMPWU 2. Is it advisable to meet a Union leader in private and discuss about the wage revisions?

Human Relations NOTES Self-Instructional Material 201 3. What strategy would you suggest to Mr Shenoy? Should he organize a strike or try to avert it, why? 8.8 SUMMARY Human relations are a process of effective motivation of individuals in a given situation in order to achieve a balance of objectives, which will yield greater human satisfaction and help accomplish company goals. The scope of human relations springs from the problems, which have many different causes and perspectives.

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Every employee has certain expectations, which he thinks must be fulfilled by the he is working for. When the fails to do this, he develops a feeling of discontent or dissatisfaction.

Grievance is

a sign of employee discontent with job and its nature.

Effective grievance management is an important and integral part of HRM. The best approach for grievance handling is to anticipate them and take steps to tackle them before they assume dangerous proportions. Grievances are natural in any. These should be solved as early as possible.

Discipline in the broadest sense means orderliness—the opposite of confusion.

There are two aspects of discipline—positive and negative. Employee empowerment is a technique of involving employees in their work through the process of inclusion.

Collective bargaining

is a process in which the representatives of the employer and of the employees meet and attempt to negotiate a contract governing the employer-employee union relationship. 8.9

ANSWERS TO '

CHECK YOUR PROGRESS' 1. Human relations is a area of management practice in the integrating of people

into work situation in a way that motivates them to work together productively, co- operatively and with economic, psychological and social satisfaction. 2.

The main characteristics of human relations

are: (i) Human relations are an integral process through which an individual's attitude and work are integrated with a view to effecting a willing co-operation on his part in the achievement of the interests of an organization as a whole. (ii) Members of the organization contribute their mite to get individual and group satisfaction i.e., the producers must receive satisfaction in the same way as the consumers. The satisfaction desired by employee may be economic, social, and psychological. 1.

Grievance is

any dissatisfaction or feeling of injustice in connection with one's employment situation that is brought to the attention of management. 2.

The features of grievance are ?

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A grievance refers to any form of discontent or dissatisfaction with any aspect of the organisation. ? The dissatisfaction must arise out of employment and not from personal or

family problems. ? The

dissatisfaction may be expressed or implied.

Expressed grievances are comparatively easy to recognise and are manifested in several ways eg: - gossiping, active criticism, argumentation, poor workmanship etc., unexpressed grievances are indicated by indifference to work, daydreaming, absenteeism, tardiness etc. ? The discontent may be valid, legitimate and rational or untrue and irrational or completely ludicrous. The point is that when a grievance held by an employee comes to the notice of the management it cannot usually dismiss it as irrational or untrue. ?

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A grievance is traceable to perceived non-fulfilment of one's expectations from the organisation.

Human Resource Management NOTES 202 Self-Instructional Material ? A grievance arises only when an employee feels that injustice has been done to him. ? Grievances if not redressed in time tend to lower morale and productivity of employees 3.

The grievance redressal procedure is a device by which grievances are settled, generally to the satisfaction of the trade union or employees and the management. 4.

The efficiency of a grievance procedure

depends upon the fulfilment of certain pre-requisites. These are as follows ? Conformity with Prevailing Legislation ? Acceptability ? Clarity ? Promptness ? Simplicity ? Training ? Follow up 5.

At present, the Model Grievance Procedure in India provides for five

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successive time bound steps, each leading to the next case the aggrieved

employee prefers an appeal.

These steps are as follows

Step I: The aggrieved employee verbally explains his grievance to his immediate supervisor or in a conference or a discussion specifically arranged for the purpose.

Step II:

If the employee does not receive an answer within the stipulated time or his

is not satisfied with the answer, he shall either in person or with his departmental (or any representative) present has

grievance to the head of the department designated for this purpose.

Step III: If the employee is not satisfied with the answer, he can approach Grievance Committee which shall evaluate the case and make its recommendations to management within seven days of presentation of the case.

Step IV If the committee fails to take decision within the stipulated period the employee is not satisfied with the decision he can make an appeal for revision to management.

Step V: If the employee is unsatisfied with the management's decision,

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union and management may refer the grievance to voluntary arbitration within a week of the receipt of management's decision by the

aggrieved employee. 6. The

benefits of a good grievance procedure are as follows: ? It brings grievance into the open so that management can learn about them and try to settle them. ? It helps management to solve a grievance before it becomes a dispute. ? It provides the workers a formal opportunity for expressing their fears, anxiety and dissatisfaction. ? It provides employees a formalized means of emotional release for their dissatisfactions.

It thus builds within him a sense of emotional security. ?

It helps to maintain cordial relations in the industry by enabling both the parties to settle the grievances to their mutual satisfaction. ? Management know that their arbitrary and biased action can be reviewed and challenged and therefore become more careful when dealing with their subordinates. ? It enables the management to know the attitudes and feeling of employees regarding rules and practices of the organisation, this helps them to frame rules which are more acceptable to the workers.

Human Relations NOTES Self-Instructional Material 203 8.10 QUESTIONS AND EXERCISES Short-Answer Questions 1.

Define 'grievance' and give its characteristics. 2. Define grievance. Why does grievance arise? 3. What are the approaches to discipline? 4. What are the important causes of indiscipline? 5. What is empowerment? 6. What is the importance of collective bargaining? Long-Answer Questions 1.

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An effective grievance handling procedure is preventive rather than curative.

Explain. 2. Outline the various forms of indiscipline and examine the factors leading to it. 3. Explain the procedure for taking disciplinary action. 4. Differentiate Empowerment and Disempowerment. 5. Explain the stages in building empowered organizations. 6. Explain the process of collective bargaining. 7. "Collective bargaining assumes collective wisdom of both management and labour", Discuss. 8.11 FURTHER READING 1.

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Submitted text As student entered the text in the submitted document.

Matching text As the text appears in the source.

1/188	SUBMITTED TEXT	76 WORDS	91% MATCHING TEXT	76 WORDS
<p>The book has been written in the self-instructional mode or the SIM format wherein each unit begins with an Introduction to the topic, followed by an outline of the Unit Objectives. The detailed content is then presented in a simple and organized manner, interspersed with 'Check your Progress' questions to test the student's understanding of the topics covered. A Summary along with a set of Questions and Exercises is provided at the end of each unit for effective recapitulation. Self-Instructional Material 1 Introduction</p> <p>SA PG_M.B.A_English_317 25_Human Resource Management.pdf (D101799594)</p>				

2/188	SUBMITTED TEXT	30 WORDS	89% MATCHING TEXT	30 WORDS
<p>Flippo, HRM is "the planning, organizing, directing and controlling of the procurement, development, compensation, integration, maintenance and reproduction of human resources to the end that individual, organizational and societal objectives are accomplished".</p> <p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

3/188	SUBMITTED TEXT	30 WORDS	55% MATCHING TEXT	30 WORDS
<p>Scope of HRM The scope of Personnel Management is indeed vast. All Major activities in the working life of an employee – from the time of his entry into an organization</p> <p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

4/188	SUBMITTED TEXT	24 WORDS	40% MATCHING TEXT	24 WORDS
<p>Department in a Large Organization 1.6.2 Staff Role of HR Department It is said that HRM is a line manager's responsibility but a staff function.</p> <p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

5/188	SUBMITTED TEXT	20 WORDS	60% MATCHING TEXT	20 WORDS
<p>Management development is a systematic process of growth and development by which managers develop their abilities to manage. It is</p> <p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				
6/188	SUBMITTED TEXT	10 WORDS	100% MATCHING TEXT	10 WORDS
<p>to predict which job applicant will be successful if hired. "</p> <p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				
7/188	SUBMITTED TEXT	15 WORDS	89% MATCHING TEXT	15 WORDS
<p>One of the most important external factors that affect HRM is the legal environment.</p> <p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				
8/188	SUBMITTED TEXT	23 WORDS	100% MATCHING TEXT	23 WORDS
<p>enacted by the government at the centre and the states. The Important Legislations Enacted in India Affecting HRM are: Factories Act, Trade Unions Act,</p> <p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				
9/188	SUBMITTED TEXT	10 WORDS	100% MATCHING TEXT	10 WORDS
<p>Act, The Payment of Wages Act, The Minimum Wages Act,</p> <p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				
10/188	SUBMITTED TEXT	16 WORDS	100% MATCHING TEXT	16 WORDS
<p>provide information regarding the utilisation of human resources in an objective way. However, in most cases,</p> <p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				
11/188	SUBMITTED TEXT	15 WORDS	86% MATCHING TEXT	15 WORDS
<p>required to identify the areas where improvements are needed and to set things in order.</p> <p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

12/188	SUBMITTED TEXT	66 WORDS	88% MATCHING TEXT	66 WORDS
<p>of personnel audit is to know how the various units are functioning and how they have been able to meet the policies and guidelines which were agreed upon; and to assist the rest of the organization by identifying the gap between objectives and results for the end-product of an evaluation should be to formulate plans for corrections or adjustments". The objectives of HR audit are: 1. to review the whole system</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

13/188	SUBMITTED TEXT	19 WORDS	75% MATCHING TEXT	19 WORDS
<p>to review the HR system in comparison with other organizations and modify them to meet the challenges of</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

14/188	SUBMITTED TEXT	19 WORDS	90% MATCHING TEXT	19 WORDS
<p>Need for HR Audit Though there is no legal obligation to audit HR policies and practices, some of the modern</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

15/188	SUBMITTED TEXT	11 WORDS	100% MATCHING TEXT	11 WORDS
<p>management philosophy and thereby personnel policies and practices throughout the world,</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

16/188	SUBMITTED TEXT	14 WORDS	96% MATCHING TEXT	14 WORDS
<p>HR Audit Though there is no legal obligation to audit personnel policies and practices,</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

17/188	SUBMITTED TEXT	63 WORDS	49% MATCHING TEXT	63 WORDS
<p>Benefits of HR Audit Keith Davis summarises the benefits of HR audit in the following ways: ? It identifies the contributions of the HR department. ? It improves the professional image of HR department. ? It encourages greater responsibility and professionalism amongst members of HR department. ? It classifies the HR department's duties and responsibilities. ? It stimulates uniformity of personnel policies and practice. ? It identifies critical personnel problems. ?</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

18/188	SUBMITTED TEXT	35 WORDS	75% MATCHING TEXT	35 WORDS
<p>The major areas of HR audit include: 1. Programming, forecasting and scheduling to meet organization and personnel needs 2. Areas of recruitment, selection, careers, promotions, training and development 3. Areas of leadership, welfare, grievances, performance appraisal, employee mobility,</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

19/188	SUBMITTED TEXT	63 WORDS	79% MATCHING TEXT	63 WORDS
<p>HR audit process. 1. Identify indices, indicators, statistical ratios and gross numbers in some cases 2. Examine the variations in time-frame in comparison with a similar previous corresponding period 3. Compare the variations of different department departments during different periods 4. Examine the variations of different periods and compare them with similar units and industries in the same region. 5. Draw trend lines, frequency distributions and calculating statistical correlations. 6.</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

20/188	SUBMITTED TEXT	21 WORDS	92% MATCHING TEXT	21 WORDS
<p>and submit a detailed report to the top management and to the managers at appropriate levels for information and necessary action. 1.8.8</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

21/188	SUBMITTED TEXT	17 WORDS	83% MATCHING TEXT	17 WORDS
<p>audit. The audit has to examine the various HR reports, personnel policies and practices. The</p> <p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				
22/188	SUBMITTED TEXT	14 WORDS	100% MATCHING TEXT	14 WORDS
<p>a clear and in-depth analysis of the data and information, furnished area-wise or department wise.</p> <p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				
23/188	SUBMITTED TEXT	18 WORDS	97% MATCHING TEXT	18 WORDS
<p>Appendix, this includes supporting data and information which is not necessary in the main part of the report. 7. Bibliography,</p> <p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				
24/188	SUBMITTED TEXT	10 WORDS	100% MATCHING TEXT	10 WORDS
<p>important books and journals which are necessary for future reading</p> <p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				
25/188	SUBMITTED TEXT	18 WORDS	100% MATCHING TEXT	18 WORDS
<p>can be trained, motivated and developed in advance and this helps in meeting future needs for high-quality employees. 3.</p> <p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				
26/188	SUBMITTED TEXT	24 WORDS	89% MATCHING TEXT	24 WORDS
<p>The organization can have a reservoir of talent at any point. People with requisite skills are readily available to carry out the assigned tasks. 6.</p> <p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

27/188 **SUBMITTED TEXT** 26 WORDS **90% MATCHING TEXT** 26 WORDS

Planning facilitates the preparation of an appropriate manpower budget for each department. This in turn, helps in controlling manpower costs by avoiding shortages/ excesses in manpower supply. 7.

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28/188 **SUBMITTED TEXT** 13 WORDS **100% MATCHING TEXT** 13 WORDS

Projecting manpower needs over a period of time is a risky one. It

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29/188 **SUBMITTED TEXT** 18 WORDS **100% MATCHING TEXT** 18 WORDS

not possible to track the current and future trends correctly and convert the same into meaningful action guidelines.

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30/188 **SUBMITTED TEXT** 24 WORDS **59% MATCHING TEXT** 24 WORDS

Factors such as absenteeism, labour turnover, seasonal trends in demand, competitive pressures, technological changes etc., may reduce the rest of manpower plans as fashionable, decorative pieces. (

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31/188 **SUBMITTED TEXT** 40 WORDS **88% MATCHING TEXT** 40 WORDS

Support Planning is generally undertaken to improve overall efficiency. In the name of cost cutting, it also helps management weed out unwanted labour at various levels. The few efficient ones that survive such frequent onslaughts complain about increased workload. Support from management is

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32/188	SUBMITTED TEXT	22 WORDS	100% MATCHING TEXT	22 WORDS
<p>information system. The time and effort involved – with no tangible, immediate gains – often force them to look the 'other way'.</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

33/188	SUBMITTED TEXT	28 WORDS	64% MATCHING TEXT	28 WORDS
<p>in the long run, may suffer due to an excessive focus on the quantitative aspects. Aspects such as employee motivation, morale, career prospects, training avenues etc may be</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

34/188	SUBMITTED TEXT	31 WORDS	87% MATCHING TEXT	31 WORDS
<p>a) Objectives The HR plan must fit in with the overall objectives of the organization. Important aspects such as working conditions, human relationships etc., must be kept in mind while developing the plan.</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

35/188	SUBMITTED TEXT	21 WORDS	93% MATCHING TEXT	21 WORDS
<p>b) Top Management Support The plan must meet the changing needs of the organization and should enjoy consistent support from top management.</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

36/188	SUBMITTED TEXT	57 WORDS	95% MATCHING TEXT	57 WORDS
<p>The organization must have an up-to-date employee skills inventory showing previous jobs held, tenure on current job, educational and training qualifications, specific knowledge and skills, prior work performance, past and current compensation, mobility factors. Markov Analysis (an approach to forecast the internal supply of manpower tracking past patterns of personnel movements) may be pressed into service while preparing the manpower inventory.</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

37/188	SUBMITTED TEXT	19 WORDS	93% MATCHING TEXT	19 WORDS
<p>information systems containing data on: individuals, demographics, career progression, appraisals, skills, interests, training, target positions, performance ratings, geographic preferences, promotability ratings etc. (</p> <p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				
38/188	SUBMITTED TEXT	25 WORDS	82% MATCHING TEXT	25 WORDS
<p>planning division must be created, especially in large organizations to coordinate manpower planning exercise at various levels. The various plans for procurement, promotion and retention of</p> <p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				
39/188	SUBMITTED TEXT	12 WORDS	100% MATCHING TEXT	12 WORDS
<p>taken as a matter of routine and treated casually or omitted entirely. (</p> <p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				
40/188	SUBMITTED TEXT	13 WORDS	88% MATCHING TEXT	13 WORDS
<p>a suitable Job. It involves assigning a specific rank and responsibility to an</p> <p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				
41/188	SUBMITTED TEXT	13 WORDS	100% MATCHING TEXT	13 WORDS
<p>Most organisations put new recruits on probation for a given period of time (</p> <p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				
42/188	SUBMITTED TEXT	22 WORDS	90% MATCHING TEXT	22 WORDS
<p>Placement is an important HR activity. If neglected, it may create employee adjustment problems leading to absenteeism, turnover, accidents, poor performance etc.</p> <p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				
43/188	SUBMITTED TEXT	15 WORDS	96% MATCHING TEXT	15 WORDS
<p>Induction Programme: The HR department may initiate the following steps while organising the induction programme: 1.</p> <p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

44/188 **SUBMITTED TEXT** 12 WORDS **95% MATCHING TEXT** 12 WORDS

details about various groups and the extent of unionism within the company.

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45/188 **SUBMITTED TEXT** 20 WORDS **52% MATCHING TEXT** 20 WORDS

Names and titles of key executives ? Employees' title and department ? Layout of physical facilities ? Probationary period ? Products/ Services offered ?

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46/188 **SUBMITTED TEXT** 46 WORDS **40% MATCHING TEXT** 46 WORDS

Employee Benefits ? Pay scales, pay days ? Vacations, holidays ? Rest pauses ? Training avenues ? Counseling ? Insurance, medical, recreation, retirement benefits 3. Introductions ? To supervisors ? To co-workers ? To trainers ? To employee counselors 4. Job Duties ? Job location ? Job tasks ? Job safety needs ? Overview of jobs ? Job objectives ? Relationship with other jobs

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47/188 **SUBMITTED TEXT** 22 WORDS **97% MATCHING TEXT** 22 WORDS

Vestibule Training: In this method, actual work conditions are simulated in a class room. Material, files and equipment that are used in

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48/188 **SUBMITTED TEXT** 16 WORDS **64% MATCHING TEXT** 16 WORDS

This type of training is commonly used for training employees for electrical and semi-skilled jobs.

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49/188	SUBMITTED TEXT	12 WORDS	87%	MATCHING TEXT	12 WORDS
<p>The trainees have to work together and offer solutions to the problem.</p> <p>SA UBS - HRM V2 in H.pdf (D143422642)</p>					
50/188	SUBMITTED TEXT	28 WORDS	89%	MATCHING TEXT	28 WORDS
<p>employs simulated business problems for trainees to solve. The trainee is expected to study the information given in the case and make decisions based on the situation. Typically, the</p> <p>SA UBS - HRM V2 in H.pdf (D143422642)</p>					
51/188	SUBMITTED TEXT	14 WORDS	86%	MATCHING TEXT	14 WORDS
<p>case method is used in the classroom with an instructor who serves as a facilitator.</p> <p>SA UBS - HRM V2 in H.pdf (D143422642)</p>					
52/188	SUBMITTED TEXT	18 WORDS	88%	MATCHING TEXT	18 WORDS
<p>In this method, the trainer delivers a lecture and involves the trainees in a discussion so that doubts,</p> <p>SA UBS - HRM V2 in H.pdf (D143422642)</p>					
53/188	SUBMITTED TEXT	21 WORDS	87%	MATCHING TEXT	21 WORDS
<p>The conference method is a group-centred approach where there is a clarification of ideas, communication of procedures and standards to the trainees.</p> <p>SA UBS - HRM V2 in H.pdf (D143422642)</p>					
54/188	SUBMITTED TEXT	20 WORDS	92%	MATCHING TEXT	20 WORDS
<p>assisted by a professional behavioural scientist who acts as a catalyst and trainee for the group. There is no specified agenda</p> <p>SA UBS - HRM V2 in H.pdf (D143422642)</p>					

55/188	SUBMITTED TEXT	21 WORDS	93% MATCHING TEXT	21 WORDS
<p>In this method, the participants are given a number of business papers such as memoranda, reports and telephone messages that would typically</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				
56/188	SUBMITTED TEXT	11 WORDS	100% MATCHING TEXT	11 WORDS
<p>is required to act on the information contained in these papers.</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				
57/188	SUBMITTED TEXT	26 WORDS	65% MATCHING TEXT	26 WORDS
<p>A career is a sequence of positions or jobs held by a person during the course of his working life. It consists of a series of</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				
58/188	SUBMITTED TEXT	11 WORDS	84% MATCHING TEXT	11 WORDS
<p>work activities that provide continuity, order and meaning in a person's life".</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				
59/188	SUBMITTED TEXT	15 WORDS	96% MATCHING TEXT	15 WORDS
<p>career". "Career Planning is the process by which one selects career goals and the path</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				
60/188	SUBMITTED TEXT	11 WORDS	92% MATCHING TEXT	11 WORDS
<p>A person's career is shaped by many factors e.g., education, experience,</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				
61/188	SUBMITTED TEXT	15 WORDS	62% MATCHING TEXT	15 WORDS
<p>process by which one decides his/her career goals and the path to reach these goals.</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

62/188	SUBMITTED TEXT	13 WORDS	90% MATCHING TEXT	13 WORDS
<p>The career planning process generally involves the following steps: (a) Identifying Individual Needs and Aspirations</p> <p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				
63/188	SUBMITTED TEXT	13 WORDS	76% MATCHING TEXT	13 WORDS
<p>b) Analysing Career Opportunities Once career aspirations and goals of employees are known,</p> <p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				
64/188	SUBMITTED TEXT	32 WORDS	95% MATCHING TEXT	32 WORDS
<p>After an employee has been selected for a job, has been trained to do it and has worked on it for a period of time, his performance should be evaluated. Performance appraisal or</p> <p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				
65/188	SUBMITTED TEXT	12 WORDS	95% MATCHING TEXT	12 WORDS
<p>performance appraisal is method of evaluating the behaviour of employees in the</p> <p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				
66/188	SUBMITTED TEXT	51 WORDS	95% MATCHING TEXT	51 WORDS
<p>normally including both the quantitative and qualitative aspects of job performance. It is a systematic and objective way of evaluating both work-related behaviour and potential of employees. It is a process that involves determining and communicating to an employee how he is performing the job and ideally establishing a plan of improvement. Performance appraisal</p> <p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				
67/188	SUBMITTED TEXT	17 WORDS	100% MATCHING TEXT	17 WORDS
<p>Performance appraisal could be taken either for evaluating the performance of employees or for developing them. The</p> <p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

68/188	SUBMITTED TEXT	20 WORDS	85% MATCHING TEXT	20 WORDS
<p>the employee. It tells him what he can do to improve his present performance and go up the "organizational ladder".</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

69/188	SUBMITTED TEXT	21 WORDS	100% MATCHING TEXT	21 WORDS
<p>approach to compensation is at the heart of the idea that raises should be given for merit rather than for seniority.</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

70/188	SUBMITTED TEXT	39 WORDS	MATCHING TEXT	39 WORDS
			100%	
<p>Personal Development Performance appraisal can help reveal the causes of good and poor employee performance. Through discussions with individual employees, a line manager can find out why they perform as they do and what steps can be initiated to improve their performance. (</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

71/188	SUBMITTED TEXT	14 WORDS	100% MATCHING TEXT	14 WORDS
<p>Promotion Decisions It can serve as a useful basis for job change or promotion.</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

72/188	SUBMITTED TEXT	19 WORDS	100% MATCHING TEXT	19 WORDS
<p>inform employees about their progress and tell them what skills they need to develop to become eligible for pay</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

73/188	SUBMITTED TEXT	19 WORDS	100% MATCHING TEXT	19 WORDS
<p>If relevant work aspects are measured properly, it helps in minimising feelings of frustration of those who are not promoted. (</p> <p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				
74/188	SUBMITTED TEXT	11 WORDS	100% MATCHING TEXT	11 WORDS
<p>as a guide for formulating a suitable training and development programme</p> <p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				
75/188	SUBMITTED TEXT	13 WORDS	100% MATCHING TEXT	13 WORDS
<p>Performance appraisal is planned, developed and implemented through a series of steps. (a)</p> <p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				
76/188	SUBMITTED TEXT	14 WORDS	96% MATCHING TEXT	14 WORDS
<p>Performance Appraisal systems require performance standards, which serve as benchmarks against which performance is measured.</p> <p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				
77/188	SUBMITTED TEXT	13 WORDS	88% MATCHING TEXT	13 WORDS
<p>To be useful, standards should relate to the desired result of each job.</p> <p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				
78/188	SUBMITTED TEXT	19 WORDS	100% MATCHING TEXT	19 WORDS
<p>Performance standards must be clear to both the appraiser and the appraisee. The performance standards or goals must be developed</p> <p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

79/188	SUBMITTED TEXT	14 WORDS	76% MATCHING TEXT	14 WORDS
<p>Goals must be written down. They must be measurable within certain time and cost considerations. (</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

80/188	SUBMITTED TEXT	21 WORDS	100% MATCHING TEXT	21 WORDS
<p>Performance appraisal involves at least two parties; the appraiser who does the appraisal and the appraisee whose performance is being evaluated.</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

81/188	SUBMITTED TEXT	50 WORDS	91% MATCHING TEXT	50 WORDS
<p>As pointed out by DeCenzo and Robbins, "too many jobs have vague performance standards and the problem is compounded when these standards are set in isolation and do not involve the employee". (d) Measuring Actual Performance After the performance standards are set and accepted, the next step is to measure actual performance. This requires</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

82/188	SUBMITTED TEXT	11 WORDS	100% MATCHING TEXT	11 WORDS
<p>Performance measures, to be helpful must be easy to use,</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

83/188	SUBMITTED TEXT	9 WORDS	100% MATCHING TEXT	9 WORDS
<p>reliable and report on the critical behaviours that determine performance.</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

84/188	SUBMITTED TEXT	11 WORDS	100% MATCHING TEXT	11 WORDS
<p>Performance measures may be objective or subjective. (i) Objective Performance Measures:</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

85/188

SUBMITTED TEXT

40 WORDS

95% MATCHING TEXT

40 WORDS

objective performance measures are indications of job performance that can be verified by others and are usually quantitative. Objective criteria include: ? Quality of production. ? Degree of training needed. ? Accidents in a given period. ? Absenteeism. ? Length of service etc. (ii) Subjective Performance Measures:

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86/188

SUBMITTED TEXT

58 WORDS

94% MATCHING TEXT

58 WORDS

opinions of those doing the evaluation and are not verifiable by others. Subjective criteria include: ? Ratings by supervisors. ? Knowledge about overall goals. ? Contribution to socio-cultural values of the environment. It should be noted here that objective criteria could be laid down while evaluating lower level jobs, which are specific and defined clearly. This is not the case with middle level

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87/188

SUBMITTED TEXT

12 WORDS

100% MATCHING TEXT

12 WORDS

Subjective performance measures are ratings that are based on the personal standards

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88/188

SUBMITTED TEXT

14 WORDS

96% MATCHING TEXT

14 WORDS

Actual performance may be better than expected and sometimes it may go off track.

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89/188	SUBMITTED TEXT	53 WORDS	100% MATCHING TEXT	53 WORDS
<p>The assessment of another person's contribution and ability is not an easy task. It has serious emotional overtones as it affects the self-esteem of the appraisee. Any appraisal based on subjective criteria is likely to be questioned by the appraisee and leave him quite dejected and unhappy when the appraisal turns out to be negative.</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

90/188	SUBMITTED TEXT	20 WORDS	93% MATCHING TEXT	20 WORDS
<p>Appraisal system should provide consistent, reliable and valid information and data, which can be used to defend the organization—even in legal challenges. (</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

91/188	SUBMITTED TEXT	19 WORDS	92% MATCHING TEXT	19 WORDS
<p>Appraisal forms, procedures, adminiztration of techniques, ratings etc., should be standardized as appraisal decisions affect all employees of the group.</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

92/188	SUBMITTED TEXT	18 WORDS	100% MATCHING TEXT	18 WORDS
<p>d) Practical Viability The techniques should be practically viable to administer, possible to implement and economical to undertake continuously.</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

93/188	SUBMITTED TEXT	28 WORDS	81% MATCHING TEXT	28 WORDS
<p>Employee Access to Results Employees should receive adequate feedback on their performance. If performance appraisals were meant for improving employee performance, then withholding appraisal result would not serve any purpose.</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

94/188	SUBMITTED TEXT	14 WORDS	100% MATCHING TEXT	14 WORDS
<p>Paired Comparison Method Ranking becomes more reliable and easier under the paired comparison method.</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

95/188	SUBMITTED TEXT	16 WORDS	88% MATCHING TEXT	16 WORDS
<p>then A's performance is compared with that of B's and decision is taken as to whose</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

96/188	SUBMITTED TEXT	81 WORDS	100% MATCHING TEXT	81 WORDS
<p>The primary purpose of the forced choice method is to correct the tendency of a rater to give consistently high or low ratings to all the employees. This method makes use of several sets of pair phrases, two of which may be positive and two negative and the rater is asked to indicate which of the four phrases is the most and least descriptive of a particular worker. Actually, the statement items are grounded in such a way that the rater cannot easily judge which</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

97/188	SUBMITTED TEXT	22 WORDS	97% MATCHING TEXT	22 WORDS
<p>A checklist represents, in its simplest form, a set of objectives or descriptive statements about the employee and his behaviour. The rater</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

98/188	SUBMITTED TEXT	27 WORDS	58% MATCHING TEXT	27 WORDS
<p>The following are some of the sample questions in the checklist. ? Is the employee regular on the job? Yes/No ? Is the employee respected by his subordinates? Yes/No ?</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

99/188**SUBMITTED TEXT**

52 WORDS

95% MATCHING TEXT

52 WORDS

While preparing the essay on the employee, the rater considers the following factors: (i) Job knowledge and potential of the employee. (ii) Employee's undertaking of the company's programmes, policies, objectives, etc. (iii) The employee's relations with co-workers and superiors. (iv) The employee's general planning, organizing and controlling ability. (v) The attitudes and perceptions of the employee in general.

SA UBS - HRM V2 in H.pdf (D143422642)**100/188****SUBMITTED TEXT**

50 WORDS

96% MATCHING TEXT

50 WORDS

These critical incidents or events represent the outstanding or poor behaviour of employees on the job. The rater maintains logs on each employee, whereby he periodically records critical incidents of workers behaviour. At the end of the rating period, these recorded critical incidents are used in the evaluation of the workers' performance.

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31 WORDS

100% MATCHING TEXT

31 WORDS

Since an expert is handling the appraisal process, in consultation with the supervisor, the ratings are more reliable. However, the use of HR experts makes this approach costly and impractical for many

SA UBS - HRM V2 in H.pdf (D143422642)**102/188****SUBMITTED TEXT**

32 WORDS

87% MATCHING TEXT

32 WORDS

used in most government organizations. It is a descriptive report prepared, generally at the end of every year, by the employee's immediate superior. The report highlights the strengths and weaknesses of the subordinate. The

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103/188	SUBMITTED TEXT	22 WORDS	100% MATCHING TEXT	22 WORDS
<p>In recent years, due to pressure from courts and trade unions, the details of a negative confidential report are given to the appraisee. (</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

104/188	SUBMITTED TEXT	26 WORDS	100% MATCHING TEXT	26 WORDS
<p>The primary purpose of the forced choice method is to correct the tendency of a rater to give consistently high or low ratings to all the employees.</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

105/188	SUBMITTED TEXT	26 WORDS	100% MATCHING TEXT	26 WORDS
<p>The results of the forced choice method may not be useful for training employees because the rater himself does not know how he is evaluating the worker.</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

106/188	SUBMITTED TEXT	27 WORDS	94% MATCHING TEXT	27 WORDS
<p>a) Reliability and Validity Appraisal system should provide consistent reliable and valid information and data, which can be used to defend the organization – even in legal challenges.</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

107/188	SUBMITTED TEXT	26 WORDS	92% MATCHING TEXT	26 WORDS
<p>If two appraisers are equally qualified and competent to appraise an employee with the help of same appraisal techniques, their ratings should agree with each other.</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

108/188	SUBMITTED TEXT	11 WORDS	100% MATCHING TEXT	11 WORDS
<p>Appraisal forms, procedures, administration of techniques, ratings etc., should be standardised.</p> <p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				
109/188	SUBMITTED TEXT	26 WORDS	100% MATCHING TEXT	26 WORDS
<p>A good appraisal system provides the needed feedback on a continuing basis. The appraisal interviews should permit both parties to learn about the gaps and prepare themselves for future. (</p> <p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				
110/188	SUBMITTED TEXT	26 WORDS	65% MATCHING TEXT	26 WORDS
<p>A career is a sequence of positions or jobs held by a person during the course of his working life. It consists of a series of</p> <p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				
111/188	SUBMITTED TEXT	16 WORDS	71% MATCHING TEXT	16 WORDS
<p>the importance of performance appraisal in an industrial organization. How would you make it more effective? 3.</p> <p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				
112/188	SUBMITTED TEXT	16 WORDS	100% MATCHING TEXT	16 WORDS
<p>Performance appraisal is not merely for appraisal but is for accomplishment and improvement of performance. Discuss. 3.9</p> <p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				
113/188	SUBMITTED TEXT	16 WORDS	85% MATCHING TEXT	16 WORDS
<p>food should be calculated on the basis of net intake of calories as recommended by Dr. Aykroyd. (</p> <p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

114/188	SUBMITTED TEXT	15 WORDS	93% MATCHING TEXT	15 WORDS
<p>Fuel, lighting, and other miscellaneous items should constitute 20 per cent of the total minimum wage.</p> <p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				
115/188	SUBMITTED TEXT	21 WORDS	86% MATCHING TEXT	21 WORDS
<p>The level of national income and its distribution; (iv) The place of industry in the economy of the country and (v) The</p> <p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				
116/188	SUBMITTED TEXT	11 WORDS	100% MATCHING TEXT	11 WORDS
<p>there should be a consistent and equitable application of the penalty.</p> <p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				
117/188	SUBMITTED TEXT	10 WORDS	100% MATCHING TEXT	10 WORDS
<p>TRANSFER A transfer is a change in job assignment. It</p> <p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				
118/188	SUBMITTED TEXT	11 WORDS	100% MATCHING TEXT	11 WORDS
<p>must present himself on each working day at the appointed time.</p> <p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				
119/188	SUBMITTED TEXT	21 WORDS	93% MATCHING TEXT	21 WORDS
<p>is "the degree to which members of a work organisation are able to satisfy important personal needs through their experience in the</p> <p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				
120/188	SUBMITTED TEXT	14 WORDS	75% MATCHING TEXT	14 WORDS
<p>QUALITY CIRCLES A quality circle is a group of employees that meet regularly to</p> <p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

121/188	SUBMITTED TEXT	27 WORDS	77% MATCHING TEXT	27 WORDS
<p>The ideal size of the group is six to eight members. The size should not be too big as it prevents members' from actively interacting and meaningfully</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

122/188	SUBMITTED TEXT	18 WORDS	79% MATCHING TEXT	18 WORDS
<p>The main features of a quality circle are as follows: 1. A quality circle is a voluntary group. 2.</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

123/188	SUBMITTED TEXT	31 WORDS	81% MATCHING TEXT	31 WORDS
<p>Every employee has certain expectations, which he thinks must be fulfilled by the organization he is working for. When the organization fails to do this, he develops feelings of discontent or dissatisfaction.</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

124/188	SUBMITTED TEXT	31 WORDS	89% MATCHING TEXT	31 WORDS
<p>a) A grievance refers to any form of discontent or dissatisfaction with any aspect of the organization. (b) The dissatisfaction must arise out of employment and not from personal or family problems. (c) The</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

125/188	SUBMITTED TEXT	12 WORDS	89% MATCHING TEXT	12 WORDS
<p>A grievance is traceable to perceived non-fulfilment of one's expectations from the</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

126/188	SUBMITTED TEXT	29 WORDS	95% MATCHING TEXT	29 WORDS
<p>a) Observations A manager/supervisor can usually track the behaviours of people working under him. If a particular employee is not getting along with others, spoiling materials due to carelessness or recklessness,</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

127/188	SUBMITTED TEXT	25 WORDS	100% MATCHING TEXT	25 WORDS
<p>the signals are fairly obvious. Since the supervisor is close to the scene of action, he can always find out such unusual behaviours and report promptly. (b)</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

128/188	SUBMITTED TEXT	17 WORDS	88% MATCHING TEXT	17 WORDS
<p>Opinion Surveys Surveys may be conducted periodically to elicit the opinions of employees about organization and its policies.</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

129/188	SUBMITTED TEXT	44 WORDS	96% MATCHING TEXT	44 WORDS
<p>gripe box may be kept at prominent locations in the factory for lodging anonymous complaints pertaining to any aspect relating to work. Since the complainant need not reveal his identity, he can express his feelings of injustice or discontent frankly and without any fear of victimisation.</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

130/188	SUBMITTED TEXT	14 WORDS	100% MATCHING TEXT	14 WORDS
<p>Exit Interview Employees usually leave their current jobs due to dissatisfaction or better prospects outside.</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

131/188	SUBMITTED TEXT	20 WORDS	100% MATCHING TEXT	20 WORDS
<p>If the manager tries sincerely through an exit interview, he might be able to find out the real reasons why</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

132/188	SUBMITTED TEXT	19 WORDS	100% MATCHING TEXT	19 WORDS
<p>information, the manager must encourage the employee to give a correct picture so as to rectify the mistakes promptly.</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

133/188	SUBMITTED TEXT	32 WORDS	95% MATCHING TEXT	32 WORDS
<p>If the employee is not providing fearless answers, he may be given a questionnaire to fill up and post the same after getting all his dues cleared from the organization where he is currently employed. (</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

134/188	SUBMITTED TEXT	15 WORDS	86% MATCHING TEXT	15 WORDS
<p>The manager can crosscheck the details of the complaint through various means at his disposal.</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

135/188	SUBMITTED TEXT	12 WORDS	87% MATCHING TEXT	12 WORDS
<p>successive time bound steps, each leading to the next case. The aggrieved</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

136/188	SUBMITTED TEXT	20 WORDS	90% MATCHING TEXT	20 WORDS
<p>union and management may refer the grievance to voluntary arbitration within a week of the receipt of management's decision by the</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

137/188

SUBMITTED TEXT

42 WORDS

96% MATCHING TEXT

42 WORDS

results in indiscipline. Various factors like social, economic, political and cultural also play a significant role in causing indiscipline. Henry Fayol observed that, "discipline is what the leaders make it". Many times indiscipline is due to managerial faults, lapses, thoughtless words, deeds and poor management.

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138/188

SUBMITTED TEXT

15 WORDS

76% MATCHING TEXT

15 WORDS

the differences between the two approaches as follows:
Table 8.2 Differences Between Positive and Negative Discipline

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139/188

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16 WORDS

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16 WORDS

Point Negative Discipline Positive Discipline CONCEPT It is adherence to established norms and regulations, out of fear of

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140/188

SUBMITTED TEXT

25 WORDS

79% MATCHING TEXT

25 WORDS

It is the creation of a conducive climate in an organisation so that employees willingly conform to the established rules. CONFLICT Employees do not perceive the corporate goals as their own.

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141/188

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12 WORDS

100% MATCHING TEXT

12 WORDS

VSP Rao, Human Resource Management – Text and Cases, Excel Books,

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142/188

SUBMITTED TEXT

13 WORDS

88% MATCHING TEXT

13 WORDS

and regulations should be appraised at regular intervals to ensure that they are

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143/188

SUBMITTED TEXT

22 WORDS

83% MATCHING TEXT

22 WORDS

times. If a particular rule is violated time and again, it should be thoroughly studied to discover and remove the causes of such violations.

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144/188

SUBMITTED TEXT

78 WORDS

93% MATCHING TEXT

78 WORDS

Principles of Natural Justice and Domestic Enquiry Before taking disciplinary action against a worker, management must hold a domestic enquiry, following the principles of natural justice. The principles of natural justice state that no man should be held guilty without getting an opportunity to explain his point of view. It states that the worker be given a fair chance: ? To present evidence of his own choice; ? To cross examine the management's evidence; ? To explain his point of view without pressure or fear.

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145/188

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20 WORDS

100% MATCHING TEXT

20 WORDS

It is collective in two ways. One is that all the workers collectively bargain for their common interests and benefits

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SUBMITTED TEXT

11 WORDS

87% MATCHING TEXT

11 WORDS

and management delegates) jointly arrive at an amicable solution through negotiations. (b)

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147/188	SUBMITTED TEXT	36 WORDS	100% MATCHING TEXT	36 WORDS
<p>It is a group action where representatives of workers and management expend energies in order to arrive at a consensus. It has sufficient flexibility, since no party can afford to be inflexible and rigid in such situations.</p>				
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148/188	SUBMITTED TEXT	14 WORDS	100% MATCHING TEXT	14 WORDS
<p>is therefore not a one way street but a give and take process.</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

149/188	SUBMITTED TEXT	15 WORDS	100% MATCHING TEXT	15 WORDS
<p>The employers and the employees negotiate the issues directly, face to face across the table.</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

150/188	SUBMITTED TEXT	42 WORDS	93% MATCHING TEXT	42 WORDS
<p>is a Continuous Process Collective bargaining is a continuous process. It does not commence with negotiations and end with an agreement. The agreement is only a beginning of collective bargaining. It is a continuous process which includes implementation of the agreement and also further negotiations.</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

151/188	SUBMITTED TEXT	25 WORDS	94% MATCHING TEXT	25 WORDS
<p>Collective bargaining is a dynamic process because the way agreements are arrived at, the way they are implemented, the mental make-up of parties involved keep changing. (</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

152/188	SUBMITTED TEXT	24 WORDS	100% MATCHING TEXT	24 WORDS
<p>Power Relationship Workers want to gain the maximum from management, and management wants to extract the maximum from workers by offering as little as possible.</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				
153/188	SUBMITTED TEXT	12 WORDS	100% MATCHING TEXT	12 WORDS
<p>my gain is your loss and your gain is my loss"</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				
154/188	SUBMITTED TEXT	27 WORDS	87% MATCHING TEXT	27 WORDS
<p>both parties realise the importance of surviving in difficult times (like recession) and are willing to negotiate the terms of employment in a flexible way. Labour may accept</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				
155/188	SUBMITTED TEXT	20 WORDS	78% MATCHING TEXT	20 WORDS
<p>with a view to survive the recessionary trends. (c) Productivity Bargaining In this method worker's wages and benefits are linked to productivity.</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				
156/188	SUBMITTED TEXT	15 WORDS	90% MATCHING TEXT	15 WORDS
<p>If they are able to exceed the standard productivity norms they will get substantial benefits.</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				
157/188	SUBMITTED TEXT	14 WORDS	92% MATCHING TEXT	14 WORDS
<p>composite bargaining method, labour bargains for wages as usual but goes a step further</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

158/188	SUBMITTED TEXT	12 WORDS	100% MATCHING TEXT	12 WORDS
<p>demanding equity in matters relating to work norms, employment levels, manning standards</p> <p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				
159/188	SUBMITTED TEXT	26 WORDS	100% MATCHING TEXT	26 WORDS
<p>Through composite bargaining unions are able to prevent the dilution of their powers and ensure justice to workers by putting certain limits on the freedom of employers.</p> <p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				
160/188	SUBMITTED TEXT	13 WORDS	88% MATCHING TEXT	13 WORDS
<p>Identification of the Problem: The nature of the problem influences the whole process.</p> <p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				
161/188	SUBMITTED TEXT	33 WORDS	94% MATCHING TEXT	33 WORDS
<p>selection of representatives, their size, period of negotiations and period of agreement that is reached ultimately. Hence, it is important for both the parties to be clear about the problem before entering into the negotiations.</p> <p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				
162/188	SUBMITTED TEXT	16 WORDS	86% MATCHING TEXT	16 WORDS
<p>the parties to settle their disputes through bipartite consultation and negotiation consistent with public safety and social interest. (</p> <p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				
163/188	SUBMITTED TEXT	12 WORDS	100% MATCHING TEXT	12 WORDS
<p>Compulsory adjudication of disputes should be used only as a last resort. (</p> <p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

164/188

SUBMITTED TEXT

57 WORDS

94% MATCHING TEXT

57 WORDS

Government intervention in industrial relations, particularly in the settlement of industrial disputes, should be reduced gradually to the minimum possible. Compulsory adjudication of disputes should be used only as a last resort. (b) Trade unions should be strengthened both organizationally and financially by amending the Trade Union Act of 1926 to make registration of unions compulsory, enhance the union membership fee,

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165/188

SUBMITTED TEXT

79 WORDS

94% MATCHING TEXT

79 WORDS

reduce the presence of outsiders in the union executive and among the office bearers and increase the minimum number of members in respect of the union applying for registration. (c) Legal provision may be made either by a separate legislation or by amending an existing enactment for: ? Compulsory recognition of trade unions and certification of unions as bargaining agents. ? Prohibition and penalisation of unfair labour practices; ? Bargaining in good faith by both employers and unions; and ? Conferring legal validity and legitimacy on collective

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166/188

SUBMITTED TEXT

31 WORDS

93% MATCHING TEXT

31 WORDS

Intensification of workers education for building up internal union leadership and making workers more knowledgeable and conscious about their rights and obligations. This may help to de-politicise unions and also reduce union rivalry. (

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167/188	SUBMITTED TEXT	49 WORDS	97% MATCHING TEXT	49 WORDS
<p>The idea of one union for one plant or one industry should be popularised and made a reality. (f) The government should declare its policy to allow and encourage the parties to settle their conflicts and disputes through bipartite consultation and negotiation consistent with public safety and interest of the society in</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

168/188	SUBMITTED TEXT	15 WORDS	100% MATCHING TEXT	15 WORDS
<p>Any issue that has relevance to management and workers becomes the subject matter of bargaining.</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

169/188	SUBMITTED TEXT	13 WORDS	95% MATCHING TEXT	13 WORDS
<p>bargaining. Traditionally wages and working conditions have been the primary focus areas</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

170/188	SUBMITTED TEXT	11 WORDS	100% MATCHING TEXT	11 WORDS
<p>of collective bargaining. However, in recent times, the process of</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

171/188	SUBMITTED TEXT	14 WORDS	96% MATCHING TEXT	14 WORDS
<p>bargaining has extended to almost any area that comes under the employer-employee relations. A</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

172/188	SUBMITTED TEXT	13 WORDS	96% MATCHING TEXT	13 WORDS
<p>over the years, the nature and content of collective bargaining has changed dramatically. 8.6.8</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

173/188	SUBMITTED TEXT	61 WORDS	93% MATCHING TEXT	61 WORDS
<p>growth of Trade Unionism. It had its roots in Great Britain and developed in response to conditions created by the Industrial Revolution. In early part of 18 th century when trade unions came into existence, the idea of collective bargaining gained strength. Initially the negotiations were carried out at plant level. By early 1900, industry and national level agreements were quite common. But</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

174/188	SUBMITTED TEXT	30 WORDS	100% MATCHING TEXT	30 WORDS
<p>After a century of rapid growth, collective bargaining has more or less, become the gospel of industrial relations. It is being increasingly viewed as a social invention that has institutionalised industrial conflict. In</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

175/188	SUBMITTED TEXT	44 WORDS	91% MATCHING TEXT	44 WORDS
<p>the resolution of conflict through collective bargaining agreements did not gain popularity. The legal steps taken by the government after the Second World War revived interest in the subject once again. The legislative measures included the setting up of a machinery for negotiations, conciliation and arbitration.</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

176/188	SUBMITTED TEXT	16 WORDS	96% MATCHING TEXT	16 WORDS
<p>Collective bargaining has not made headway in India when compared to other industrialised nations. The reasons</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

177/188	SUBMITTED TEXT	22 WORDS	100% MATCHING TEXT	22 WORDS
<p>The regulatory framework covering the industrial relations scene is quite tight, leaving very little room for bargaining to flourish on a voluntary basis. (</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

178/188

SUBMITTED TEXT

18 WORDS

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18 WORDS

No attempt has been made by the Government to rationalise or simplify the multifarious laws covering labour management relations. (

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179/188

SUBMITTED TEXT

38 WORDS

97% MATCHING TEXT

38 WORDS

Employers have failed to read the writing on the wall. They do not appreciate the fact that unions have come to stay with almost equal bargaining strength. Such negative attitudes have come in the way of negotiating with unions voluntarily. (

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180/188

SUBMITTED TEXT

135 WORDS

95% MATCHING TEXT

135 WORDS

Government intervention in industrial relations, particularly in the settlement of industrial disputes, should be reduced gradually to the minimum possible extent. Compulsory adjudication of disputes should be used only as a last resort. (b) Trade unions should be strengthened both organizationally and financially by amending the Trade Union Act of 1926 to make registration of unions compulsory, enhance the union membership fee, reduce the presence of outsiders in the union executive and among the office bearers and increase the minimum number of members in respect of the union applying for registration. (c) Legal provision may be made either by a separate legislation or by amending an existing enactment for: ? Compulsory recognition of trade unions and certification of unions as bargaining agents. ? Prohibition and penalisation of unfair labour practices. ? Bargaining in good faith by both employers and unions. ? Conferring legal validity and legitimacy on collective

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181/188	SUBMITTED TEXT	31 WORDS	89% MATCHING TEXT	31 WORDS
<p>Intensification of workers education for building up internal union leadership and making workers more knowledgeable and conscious about their rights and obligations. This will help to de-politicise unions and also reduce union rivalry. (</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

182/188	SUBMITTED TEXT	49 WORDS	94% MATCHING TEXT	49 WORDS
<p>The idea of one union for one plant or one industry should be popularised and made a reality. (f) The government should declare its policy to allow and encourage the parties to settle their conflicts and disputes through bipartite consultations and negotiations consistent with public safety and interest of the society in</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

183/188	SUBMITTED TEXT	30 WORDS	93% MATCHING TEXT	30 WORDS
<p>Every employee has certain expectations, which he thinks must be fulfilled by the he is working for. When the fails to do this, he develops a feeling of discontent or dissatisfaction.</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

184/188	SUBMITTED TEXT	28 WORDS	91% MATCHING TEXT	28 WORDS
<p>A grievance refers to any form of discontent or dissatisfaction with any aspect of the organisation. ? The dissatisfaction must arise out of employment and not from personal or</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

185/188	SUBMITTED TEXT	13 WORDS	90% MATCHING TEXT	13 WORDS
<p>A grievance is traceable to perceived non-fulfilment of one's expectations from the organisation.</p>				
<p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				

186/188	SUBMITTED TEXT	12 WORDS	87% MATCHING TEXT	12 WORDS
<p>successive time bound steps, each leading to the next case the aggrieved</p> <p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				
187/188	SUBMITTED TEXT	20 WORDS	90% MATCHING TEXT	20 WORDS
<p>union and management may refer the grievance to voluntary arbitration within a week of the receipt of management's decision by the</p> <p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				
188/188	SUBMITTED TEXT	11 WORDS	100% MATCHING TEXT	11 WORDS
<p>An effective grievance handling procedure is preventive rather than curative.</p> <p>SA UBS - HRM V2 in H.pdf (D143422642)</p>				