



CLASS: BCOM-3RD SEM

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HUMAN RESOURCE MANAGEMENT

Notes as per IKGPTU Syllabus

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BCOM 303-18 HUMAN RESOURCE MANAGEMENT

UNIT I

Nature, scope, role and importance of HRM. New trends in HRM due to globalization deregulation and technological advancements, HRM practices in India, issues and challenges. **Human Resource Planning:** Meaning, factors affecting HRP, Human Resource Planning process.

UNIT II

Job analysis: steps in analyzing job and introduction to methods of collecting job analysis information, Job description, job specification. **Job design:** job simplification, job rotation, job enrichment and job enlargement. **Recruitment:** sources of recruitment, policies and procedure of recruitment. Selection process, testing and interviews, Placement and induction.

UNIT III

Training and Development: Identification of training needs, process of training and methods of training and development.

Career planning and development: career life cycle, process of career planning and development.

UNIT IV

Performance appraisal: Meaning, process of performance appraisal, methods and problems of performance appraisal.

Compensation Management- Wage & Salary Administration: Meaning & Concept of Wage & Salary Administration, Elements & Methods of Wage & Salary, Incentive Plans & Fringe Benefits.

Industrial Relations: Meaning & Concept of Industrial Relations.

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3	HUMAN RESOURCE PLANNING
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3.2	Process of Human Resource Management
3.3	Factors affecting HRP
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15	INDUSTRIAL RELATIONS
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HUMAN RESOURCE MANAGEMENT

UNIT-I

➤ **MEANING:**

Human Resource Management is a process of bringing people and organizations together so that the goals of each are met.

Human resource management deals with the best quality and required quantity of workforce

Thus we can say that Human resource management is the combination of three words

- 1. Human:** It refers to the skilled workers working in the organization
- 2. Resource:** It refers to something that one uses to achieve an objective of the organization eg: raw material, personnel, the availability of which is limited and scarce.
- 3. Management:** It means planning, organizing, staffing, directing and controlling of various business activities.

➤ **DEFINITION:**

- 1. M. J. Jucious:** “The field of HRM involves planning, organization, directing and controlling functions of procuring, developing, maintaining and utilizing a labor force.”
- 2. Dale Yoder:** “HRM is the provision of leadership and direction of people in their working or employment relationship.”
- 3. Mathis and Jackson:** “HRM is the effective use of Human resources and organization through the management of people related activities.”

➤ **EVOLUTION OF HRM**

(1) The Commodity Concept:

Before industrial revolution, the guild system was the beginning of personnel management. Guild was concerned with selecting, training, rewarding and maintaining the workers. Labour began to be considered a commodity to be bought and sold.

(2) The Factor of Production Concept:

Employees were considered a factor of production just like land, materials, machinery. Taylor's scientific management stressed proper selection and training of employees so as to maximise productivity.

(3) The Paternalistic(Trade Unions)Concept:

Employees organized together on the basis of their common interest and formed trade unions to improve. Also employers began to provide schemes to workers. Employers assured a fatherly and protective attitude towards their employees.

(4) The Humanitarian Concept:

It is based on the belief that employees had certain absolute rights as human beings and it is the duty of the employer to protect. It generated considerable interest in human problems of work place. This is also known as human relations concept.

(5) The Behavioral Human Resource Concept:

It aimed at analyzing and understanding human behavior in organization. Motivation, group dynamics, organizational climate, organizational conflict etc. became popular under this concept. Employees began to be considered as valuable assets of an organization. Efforts were made to integrate employee with the organization so that organizational goals and employees aspirations could be achieved simultaneously

(6) The Emerging Concept:

Now employers are considered as partners in industry. They are given share in company's stock membership. Slowly and steadily, HRM is emerging as a discipline

➤ NATURE OF HUMAN RESOURCE MANAGEMENT (HRM):**1. Integral Part of Management:**

Human resource management is inherent in managing. It is an integral part of the job of a manager. Every manager is concerned with the performance of personnel functions such as training, communication, appraisal and guidance. If a manager is weak in dealing with people, he cannot achieve the goals of the organisation. Thus, every manager must possess human relations skill to get maximum cooperation of the workers.

2. Pervasive Function:

Development of HRM covers all levels and all categories of people, and management and operational staff. No discrimination is made between any levels or categories. All those who are managers have to perform HRM. It is pervasive also because it is required in every department of the organization. All kinds of organizations, profit or non-profit making, have to follow HRM

3. People oriented: –

It is concerned with all kind of personnel from top to bottom of the organization.

4. Personnel functions: – It involves various functions concerned with managing people from manpower planning, recruitment, selection, placement, training, appraisal to compensation of employees.

5. Continuous Process:

Human resource management is a continuous process in the sense that it is in operation from the day an entity comes into existence till the day it winds up. It basically takes into account

managing human capital of the firm which is not one day or one week deal rather, it is an on-going process.

6. Comprehensive Function:

Managing human resources can never be an exclusive process as it involves all people at work. No individual irrespective of his designation, salary, nature of work is excluded from the periphery of human resource management.

7. Human relations philosophy:

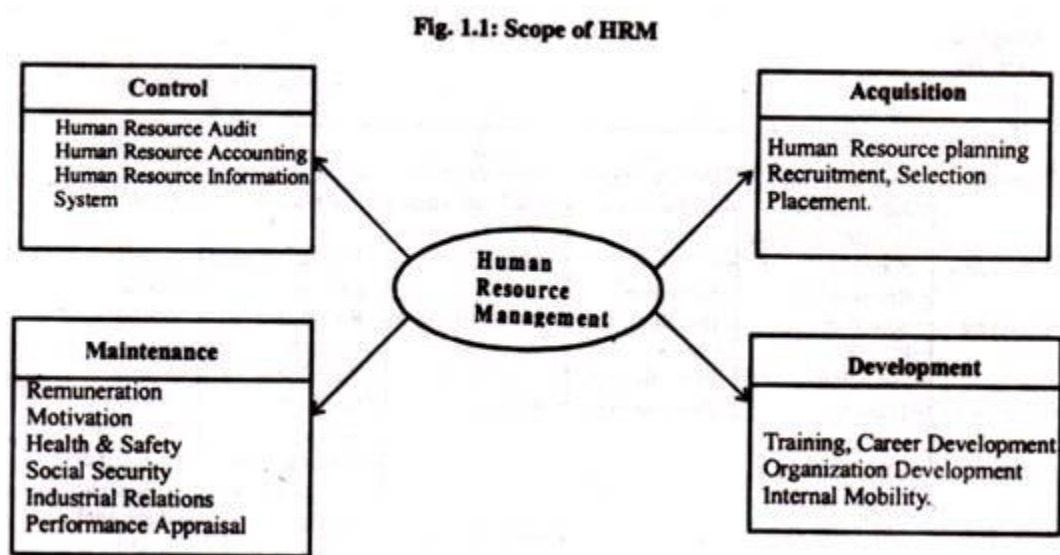
HRM is a philosophy and the basic assumption is that employees are human beings and not a factor of production like land, labour or capital. HRM recognises individuality and individual differences. Every manager to be successful must possess social skills to manage people with differing needs.

➤ OBJECTIVES OF HUMAN RESOURCE MANAGEMENT:

1. To procure right type of persons at right time and at right job.
2. To ensure effective utilization of human resources.
3. To ensure development of human resources.
4. To provide them right kind of training to increase their productivity.
5. To ensure their welfare needs.
6. To satisfy them by providing monetary and non monetary benefits.
7. To maintain high morale among the employees.
8. To ensure proper safety measures

➤ SCOPE:

The scope of HRM is, indeed, very vast and wide. It includes all activities starting from manpower planning till employee leaves the organisation. Accordingly, the scope of HRM consists of acquisition, development, maintenance/retention, and control of human resources in the organisation (see figure 1.1). The same forms the subject matter of HRM. As the subsequent pages unfold, all these are discussed, in detail, in seriatim.



1. The Labour or Personnel Aspect:

This is concerned with manpower planning, recruitment, selection, placement, transfer, promotion, training and development, lay-off and retrenchment, remuneration, incentives, productivity, etc.

2. Welfare Aspect:

It deals with working conditions, and amenities such as canteen, creches, rest and lunch rooms, housing, transport, medical assistance, education, health and safety, recreation facilities, etc.

3. Industrial Relations Aspects:

This covers union-management relations, joint consultation, collective bargaining, grievance and disciplinary actions, settlement of disputes, etc.

➤ IMPORTANCE OF HRM

1. Recruitment and Training

This is one of the major responsibilities of the human resource team. The HR managers come up with plans and strategies for hiring the right kind of people. They design the criteria which is best suited for a specific job description. Their other tasks related to recruitment include formulating the obligations of an employee and the scope of tasks assigned to him or her. Based on these two factors, the contract of an employee with the company is prepared. When needed, they also provide training to the employees according to the requirements of the organisation. Thus, the staff members get the opportunity to sharpen their existing skills or develop specialised skills which in turn, will help them to take up some new roles.

2. Performance Appraisals

HRM encourages the people working in an organisation, to work according to their potential and gives them suggestions that can help them to bring about improvement in it. The team communicates with the staff individually from time to time and provides all the necessary information regarding their performances and also defines their respective roles. This is beneficial as it enables them to form an outline of their anticipated goals in much clearer terms and thereby, helps them execute the goals with best possible efforts. Performance appraisals, when taken on a regular basis, motivate the employees.

3. Maintaining Work Atmosphere

This is a vital aspect of HRM because the performance of an individual in an organisation is largely driven by the work atmosphere or work culture that prevails at the workplace. A good working condition is one of the benefits that the employees can expect from an efficient human resource team. A safe, clean and healthy environment can bring out the best in an employee. A friendly atmosphere gives the staff members job satisfaction as well.

4. Managing Disputes

In an organisation, there are several issues on which disputes may arise between the employees and the employers. It can be said that conflicts are almost inevitable. In such a scenario, it is the human resource department which acts as a consultant and mediator to sort out those issues in an effective manner. They first hear the grievances of the employees. Then they come up with suitable solutions to sort them out. In other words, they take timely action and prevent things from going out of hands.

5. Developing Public Relations

The responsibility of establishing good public relations lies with the HRM to a great extent. They organize business meetings, seminars and various official gatherings on behalf of the company in order to build up relationships with other business sectors. Sometimes, the HR department plays an active role in preparing the business and marketing plans for the organisation too.

Any organisation, without a proper setup for HRM is bound to suffer from serious problems while managing its regular activities. For this reason, today, companies must put a lot of effort and energy into setting up a strong and effective HRM.

➤ THE ROLE OF HRM

1. Advisory Role:

HRM advises management on the solutions to any problems affecting people, personnel policies and procedures.

(a) Personnel Policies: Organization Structure, Social Responsibility, Employment Terms & Conditions, Compensation, Career & Promotion, Training & Development and Industrial Relations.

(b) Personnel Procedures: Relating to manpower planning procedures, recruitment and selection procedures, and employment procedures, training procedures, management

development procedures, performance appraisal procedures, compensation procedures, industrial relations procedures and health and safety procedures.

2. Functional Role:

The personnel function formulates personnel policies in accordance with the company's doctrine and management guidelines. It provides guidance to managers to help them ensure that agreed policies are implemented.

3. Service Role:

Personnel function provides personnel services. These services constitute the main activities carried out by personnel department, like payroll, disciplinary actions, etc, and involve the implementation of the policies and procedures described above.

4. Motivating the workforce

Due to the growth of the global market, a technological edge supported by a talent pool has become a vital factor for survival in the market. Due to the reason organization gives main priority to technology advancement programs. HR managers are now performing the role of motivators for their knowledge workers to adopt new changes.

➤ FUNCTIONS:

We have already defined HRM. The definition of HRM is based on what managers do. The functions performed by managers are common to all organizations. For the convenience of study, the function performed by the Human resource management can broadly be classified into two categories, viz.

(1) Managerial functions, and

(2) Operative functions

(1) MANAGERIAL FUNCTIONS:

I. Planning:

Planning is a predetermined course of actions. It is a process of determining the organizational goals and formulation of policies and programmes for achieving them. Thus planning is future oriented concerned with clearly charting out the desired direction of business activities in future. Forecasting is one of the important elements in the planning process. Other functions of managers depend on planning function.

II. Organizing:

Organizing is a process by which the structure and allocation of jobs are determined. Thus organizing involves giving each subordinate a specific task establishing departments, delegating authority to subordinates, establishing channels of authority and communication, coordinating the work of subordinates, and so on.

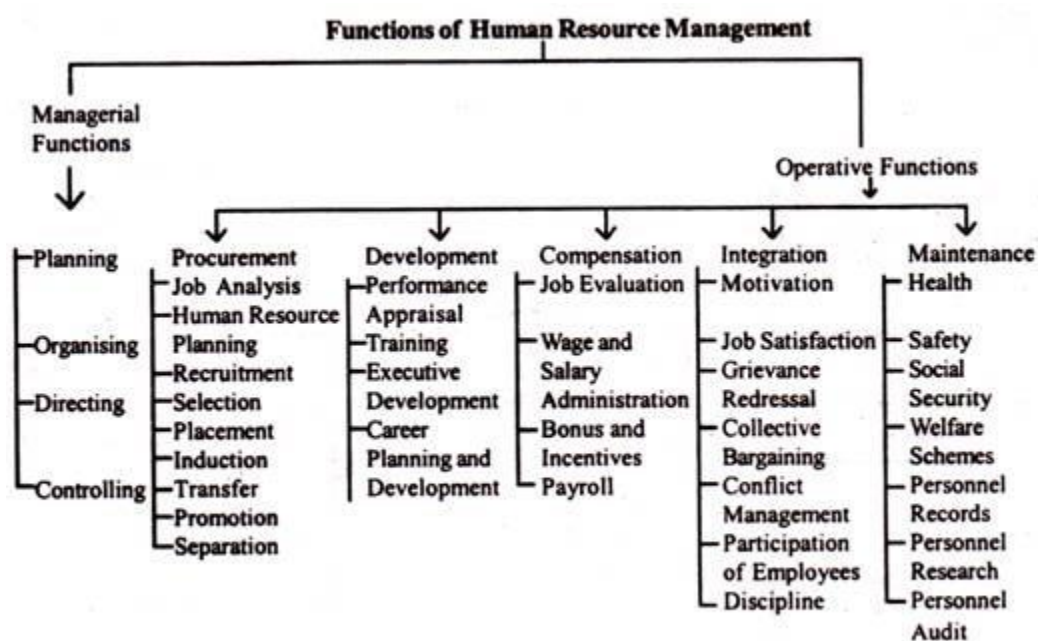


Fig. 1.2 : Functions of Human Resource Management

III. Staffing:

TOs is a process by which managers select, train, promote and retire their subordinates This involves deciding what type of people should be hired, recruiting prospective employees, selecting employees, setting performance standard, compensating employees, evaluating performance, counseling employees, training and developing employees.

IV. Directing/Leading:

Directing is the process of activating group efforts to achieve the desired goals. It includes activities like getting subordinates to get the job done, maintaining morale motivating subordinates etc. for achieving the goals of the organization.

V. Controlling:

It is the process of setting standards for performance, checking to see how actual performance compares with these set standards, and taking corrective actions as needed.

(2) OPERATIVE FUNCTIONS:

The operative, also called, service functions are those which are relevant to specific department. These functions vary from department to department depending on the nature of the department. Viewed from this standpoint, the operative functions of HRM relate to ensuring right people for right jobs at right times. These functions include procurement, development, compensation, and maintenance functions of HRM.

A brief description of these follows:**I. Procurement:**

It involves procuring the right kind of people in appropriate number to be placed in the organisation. It consists of activities such as manpower planning, recruitment, selection placement and induction or orientation of new employees.

II. Development:

This function involves activities meant to improve the knowledge, skills aptitudes and values of employees so as to enable them to perform their jobs in a better manner in future. These functions may comprise training to employees, executive training to develop managers, organisation development to strike a better fit between organisational climate/culture and employees.

III. Compensation:

Compensation function involves determination of wages and salaries matching with contribution made by employees to organizational goals. In other words, this function ensures equitable and

fair remuneration for employees in the organization. It consists of activities such as job evaluation, wage and salary administration, bonus, incentives, etc.

IV. Maintenance:

It is concerned with protecting and promoting employees while at work. For this purpose virus benefits such as housing, medical, educational, transport facilities, etc. are provided to the employees. Several social security measures such as provident fund, pension, gratuity, group insurance, etc. are also arranged.

➤ NEW TRENDS IN HRM DUE TO GLOBALIZATION AND TECHNOLOGICAL ADVANCEMENT

1. Online skills assessment:

It is a relatively new trend in HR, and companies are using it as an effective talent management tool. Online skill assessment can come in the form of surveys, tests, quizzes, and exams. Skill assessment enables companies to know the talent pool they have and what skills their workforce lack

2. Biometric time tracking

Employee attendance management is vital for successful workplace control. However, most companies still use outdated tools to determine the working time of their teams — from spreadsheets to paper trails.

Biometric scanners are the future HR trends in employee tracking. For one thing, they are hard to fake as your team members can't forge fingerprints. Also, biometric tracking tools are hacker-proof and store data in private vaults.

Biometric fingerprint readers help avoid buddies from punching in and eliminate time theft. The technology can be applied for remote employee management as well as fingerprint scanners are easy to integrate with smart phones.

3. Artificial intelligence

It refers to technology used to do a task that requires some level of intelligence to accomplish. In other words, a tool trained to do what a human can do. The use of artificial intelligence, in a practical and effective manner, lead to improve the achievement of the human resource management work tasks, whether in the field of employment, evaluation and performance measurement, HR planning, training needs of employees, job evaluation, or even forecasting the labor market and its needs and indicators

4. Empowerment of Employees:

Empowerment involves giving the employees more information and control over how they perform their jobs. Various techniques of empowerment range from participation in decision-making to the use of self-managed teams. Empowerment would be all the more necessary to speed up the process of decision-making, make use of environmental opportunities and to serve the customers and society better.

5. Advancement in technology

With rapid advancement in technology, companies nowadays require such human force that has the ability to learn and cope with the changes at an opportune moment.

Technological changes must be taken into consideration by any kind of company. It is because the present world demands every firm to move along with the change, or else be left behind and get extinct.

Technological changes influence overall nature of work and the company will need to find out employees that are capable to adjust with the change. During this process, unemployment, as well as employment opportunities arises, creating new challenges for HRM.

6. A Learning Management System (LMS)

It can be defined as a holistic, end-to-end software solution for the planning, execution, documentation, tracking, and reporting of knowledge or skill-based courses and training programs.

The idea for LMS emerged as a natural sequel to eLearning. While the movement towards eLearning started primarily in the educational sector, the corporate world quickly picked up on the trend and LMS has now come a long way from the first SoftArc software solution that was launched in 1990.

7. Transformational Leadership in HRM

Transformational Leadership is a kind of leadership in which the leader encourages, motivates and inspires employees to bring innovation and change in an organization for the development and future success achievement of the organization. Here leaders trust and train employees to take authority and decisions in their assigned jobs. It's a management style that's designed to give employees to be creative, look to the future and find new solutions to old problems.

Employees having good leadership qualities will also be prepared to become transformational leaders themselves through mentorship and training.

8. Payroll

Payroll is a written document which provides information about the company's employees along with the amount of remuneration to be paid.

HRM has to conduct a number of tasks every day. In this process, HR manager might forget to pay its employees, if not then he can forget the amount to be paid to the individual employee.

With proper maintenance of payroll, HR manager will be able to pay right amount to right employee at right time, which is essential for extracting satisfactory output from employees

➤ HR PRACTICES IN INDIA

1. Providing security to employees

The first Human Resource best practice is employment security. Life is unpredictable and work is a stable factor that is very important to most people. Having an employer who enables the employee to provide for themselves and their family is, in essence, the number one reason why people come to work.

There is both a formal contract (labor for money) and an informal contract (you put in some extra effort, we take good care for you) between the employee and the employer. Employment security enables employees to go home after work and provide for themselves and their families. This concept of security is essential and underpins almost everything HR does.

When this employment security is threatened, for example when there is a restructuring or a layoff, you see this immediately ripple through the organization.

Employment security also benefits organizations because it helps them retain their people. When employees are laid off, for example, it's usually the organization that pays the price. They are the ones who have invested in the selection, training, and development of these employees. This is a costly process. If the organization doesn't work on retaining its people, they are more likely to leave and work for the competition.

2. Selective hiring: Hiring the right people

The second HR best practice is **selective hiring**. This enables an organization to bring in employees who add value. Companies do their utmost best to hire exceptional people because they add the most value to the business.

Research shows that the difference in performance between an average performer and a high performer can be as high as 400%! This holds true for different industries and job types, including researchers, entertainers, and athletes.

Bringing in the right people is, therefore, a key to building a competitive advantage.

In today's digital world, there are a lot of different recruitment tools we can use to make the right selection. More and more companies vigorously keep track of their recruitment metrics to see how well they are doing in this regard.

Commonly used selection instruments are structured and unstructured interviews, IQ tests, personality assessments, work tests, peer assessments, and reference checks. These (pre-employment) assessments are used to uncover three key candidate characteristics.

1. **Ability:**

is the person able to do the job? Does the person have the right technical and soft skills?
Is the person smart enough to do the job well?

2. **Trainability:**

can we train this person to improve his/her skills? Has the person the aptitude to learn and keep developing?

3. **Commitment:**

will the person commit to his/her work and to the organization? Will we be able to retain this person once he/she is up to speed and fully productive?

3. Self-managed and effective teams

Teamwork is crucial in achieving goals. High-performance teams are crucial for any company when it comes to achieving success.

Teams provide value because they consist of people who are and think differently but are working towards a common goal. This means that different ideas are generated to help achieve the goal. These ideas are then processed and combined, resulting in the best ones being selected.

The best teams are cognitively diverse and psychologically safe. This means that team members can generate ideas that are different while feeling comfortable bringing these up and discussing them.

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4. Fair and performance-based compensation

Contingent compensation is the fourth Human Resource best practice. It has everything to do with compensation and benefits. First of all, if you hire the right people, you want to compensate them above average. These are the people that will add the most value to your company so you want to retain them and pay them fairly. This is an example that shows how different best practices work together to provide more value than they would alone, in this case, selective hiring, contingent compensation, and employment security.

➤ **ISSUES AND CHALLENGES IN HRM**



1. Globalization

Globalization is a process by which a business firm or organization starts operating on an international scale, creating international influence.

Internationalization of firms is obviously a **Sign of Success** but it is a challenge at the same time because globalization invites issues related to unknown language, laws, work ethics, attitudes, management approach, culture and tradition.

A human resource manager will need to deal with more heterogeneous functions such as scheduling meetings, holiday management, human resource outsourcing, etc to overcome the challenge.

2. Workforce diversity

The composition of the workforce is getting diverse at present situation. Here diversity is not only created by age, gender, educational background and religion but also by the nature, personality and background of workers.

With more diversification of workforce, issues related to bullying, harassment, discrimination, etc may arise, to control which HRM should formulate and implement strict rules and regulations.

3. Recruiting new staff

Companies sometimes need to recruit new talent for various reasons such as an increase in project scope, operations. While recruiting, HRM faces major challenges i.e. selecting the best candidate and making the hired candidate familiar with the environment and culture.

HRM has to select such candidates which are not only technically expert but socially too because the company cannot receive expected output from employees who are unable to socialize. This affects the productivity of the company

4. Increase in the size of work force:

With the increase in the size of the organization and emergence of the multinational companies, the no. of people working in the organization has also increased. The management of this increased workforce is the challenge for the human resource manager.

5. Advancement in technology

With rapid advancement in technology, companies nowadays require such human force that has the ability to learn and cope with the changes at an opportune moment.

Technological changes must be taken into consideration by any kind of company. It is because the present world demands every firm to move along with the change, or else be left behind and get extinct.

Technological changes influence overall nature of work and the company will need to find out employees that are capable to adjust with the change. During this process, unemployment, as well as employment opportunities arises, creating new challenges for HRM.

6. Increase in the education level:

Technological progress and spread of educational institutions have increased the level of the education and made the employees more mobile, they are more aware of their rights and high level needs. Hence there is a challenge of HRM to develop appropriate policies, motivational techniques for these workers.

7. Downsizing

Downsizing means reducing the strength of employees through planned elimination of positions and jobs. Because of global competition most of the companies want to reduce costs and be competitive.

Downsizing refers to reduction of the size of the organization by resorting to reducing costs by writing off unprofitable operations and improving organizational efficiency.

8. Exit policy

It means the policy regarding the retrenchment of the surplus labour force resulting from restructuring of industrial units and workers displaced by the closure of sick units. Exit may become necessary due to strategic reasons, financial constraints and environmental changes.

9. VRS stands for voluntary retirement scheme,

Whereby an employee is offered to voluntarily retire from services before the retirement date. The scheme allows companies to reduce the strength of employees. It can be implemented by both the public and private sectors. VRS is also known as '**Golden Handshake**'

10. Empowerment of Employees:

Empowerment involves giving the employees more information and control over how they perform their jobs. Various techniques of empowerment range from participation in decision-making to the use of self-managed teams. Empowerment would be all the more necessary to speed up the process of decision-making, make use of environmental opportunities and to serve the customers and society better.

11. Recruiting new staff

Companies sometimes need to recruit new talent for various reasons such as an increase in project scope, operations. While recruiting, HRM faces major challenges i.e. selecting the best candidate and making the hired candidate familiar with the environment and culture.

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12. Retention

Hiring employees is not only the challenge that HRM faces; retaining them is also one. Retention of employees is essential to minimize employee turnover rate. This is a major challenge for HRM because of following reasons:

i. Contingent workforce

The contingent workforce includes part-time, temporary contract and work-at-home employees. Maintaining such employees in the company is a challenge because they are less attached to the

company. So it becomes a major duty of HRM to make such employees feel that they are a part of the company in order to retain them for a long term.

ii. Demand of expert employees

Personnel with greater professional and technical knowledge are highly demanded in the job market as such employees have the ability to keep their company ahead in the race. Such employees are an invaluable asset for any company and HRM should focus on maintaining them.

iii) Training

Skilled workers are the key to the smooth functioning of the organization. Therefore, HRM should manage on-site (within the workplace) as well as off-site (outside the workplace) job training for employees.

So how is training a challenge to HRM? Before organizing training programs, HRM should answer following questions:

- What kind of training programs is currently required?
- What is the objective of the training?
- How to make them effective?
- Who are the target groups?

How much do the programs cost the company

HUMAN RESOURCE PLANNING

➤ MEANING:

HRP is also known by other names such as ‘Manpower Planning’, ‘Employment Planning’, ‘Labor Planning’, ‘Personnel Planning’, etc. Human resource planning may be viewed as foreseeing the human resource requirements of an organization and the future supply of human resources and-

- (i) Making necessary adjustments between these two and organizational plans; and
- (ii) foreseeing the possibility of developing the supply of human resources in order to match it with requirements by introducing necessary changes in the functions of human resource management. In this definition, human resource means skill, knowledge, values, ability, commitment, motivation, etc., in addition to the number/of employees.

➤ DEFINITION:

E.W. Vetter viewed human resource planning as “a process by which an organization should move from its current manpower position to its desired manpower position. Through planning, management strives to have the right number and right kind of people at the right places at the right time, doing things which result in both the organisation and the individual receiving maximum long-run benefit.”

➤ NEED AND IMPORTANCE:

I. Assessing Future Personnel Needs:

Whether it is surplus labour or labour shortage, it gives a picture of defective planning or absence of planning in an organization. A number of organizations, especially public sector units (PSUs) in India are facing the problem of surplus labour.

II. Foundation for Other HRM Functions:

HRP is the first step in all HRM functions. So, HRP provides the essential information needed for the other HRM functions like recruitment, selection, training and development, promotion, etc.

III. Coping with Change:

Changes in the business environment like competition, technology, government guidelines, global market, etc. bring changes in the nature of the job. This means changes in the demand of personnel, content of job, qualification and experience needed. HRP helps the organization in adjusting to new changes.

IV. Investment Perspective:

As a result of change in the mindset of management, investment in human resources is viewed as a better concept in the long run success of the enterprise. Human assets can increase in value as opposed to physical assets. Thus, HRP is considered important for the proper planning of future employees.

V. Expansion and Diversification Plans:

During the expansion and diversification drives, more employees at various levels are needed. Through proper HRP, an organization comes to know about the exact requirement of personnel in future plans.

VI. Employee Turnover:

Every organization suffers from the small turnover of labour, sometime or the other. This is high among young graduates in the private sector. This necessitates again doing manpower planning for further recruiting and hiring.

VII. Conformity with Government Guidelines:

In order to protect the weaker sections of the society, the Indian Government has prescribed some norms for organizations to follow. For example, reservations for SC/ST, BC, physically handicapped, ex-servicemen, etc. in the jobs. While planning for fresh candidates, HR manager takes into consideration all the Government guidelines.

VIII. International Expansion Strategies:

International expansion strategies of an organization depend upon HRP. Under International Human Resource Management (IHRM), HRP becomes more challenging. An organization may want to fill the foreign subsidiary's key positions from its home country employees or from host-country or from a third country. All this demands very effective HRP.

IX. Having Highly Talented Manpower Inventory:

Due to changing business environment, jobs have become more challenging and there is an increasing need for dynamic and ambitious employees to fill the positions. Efficient HRP is needed for attracting and retaining well qualified, highly skilled and talented employees.

➤ HUMAN RESOURCE PLANNING – OBJECTIVES:**1) Determination of Present and Future Requirements of Personnel:**

Personnel management is tasked with the responsibility to ensure that there is enough number of competent personnel to meet the present as also future requirements of the organization. This will take care of its present activities as also those to be undertaken in future to meet the proposed expansion and diversification plans.

(2) Assessment of Future Skill Requirements:

In the present-day world, an organization needs personnel who are competent to handle the available technology. However, given the pumping of enormous resources to develop ever new technology, personnel management should study the future skill requirements so that it can keep pace with technological developments.

(3) Determination of Future Training and Management Development Needs:

An organization cannot remove workers with traditional skill sets. Therefore, it needs to make arrangements to train them in the prevailing technological environment that will teach them how to handle ever new technical gadgets.

(4) Anticipation of Surplus Staff and Avoidance of Unnecessary Dismissals:

As technology is changing by the day and threatening to replace men with machines, an organization will naturally deal with the surplus staff whose jobs have been taken over by automation. What does an organization do with unwanted surplus staff? The best course will be to impart them training in new skill sets.

This may absorb some of them and the organization will have to prepare itself to remove others. How does it do it? It must pay them attractive compensation package and help them get employment in other organizations which are still using traditional skills.

(5) Control of Wage and Salary Costs:

Workers need to be paid wages and salaries. Personnel management should ensure that wages and salaries paid by the organization is cost effective and does not constitute an unbearable burden. As it is, salaries paid to government employees eat away a large portion of its revenue, leaving little to spend on developmental activities.

(6) Optimum Utilization of Current Human Resources:

It is the responsibility of personnel management to ensure that workers currently working in the organization are fully engaged in the tasks assigned to them and that they are not left unoccupied for long hours during the day.

➤ **MANPOWER PLANNING – FACTORS INFLUENCING MANPOWER REQUIREMENT**

(1). Layout:

If equipment works in isolation (say a drill or lathe) but needs continuous supervision (say by excavators, etc.) then one man per machine is essential. If a group of machines works in unison, the whole group may be attended to by one or more persons. If equipment is not in continuous operation, one person may look after more than one equipment.

2). Requirements:

There are certain positions in mines, electrical installations, hazardous places where welfare amenities have to be provided as per statutory regulations. First aid posts, creches, etc. fall under this category. For example, the Mines Creche Rules 1966 stipulate the number of categories of staff to be provided.

3). Shifts:

Manpower requirements are determined by the number of shifts in which the work is to be carried out – whether in a general shift or in combined shifts. Once the number of persons per shift has been determined, this will be multiplied by the number of working shifts. When work goes on round the clock, manpower has to be provided for all the shifts.

4). Leave Reserve:

Certain allowances have to be made for manpower requirements thus worked out as human beings cannot work on all days of the year. They have to be allowed regular leave for certain periods in a year depending on the legislation or mutual agreement between the unions and the management on the basis of leave availed of during the study period. A certain percentage towards leave reserves is added to arrive at the number of required manpower.

5) Employment:-

HRP is affected by the employment situation in the country i.e. in countries where there is greater unemployment; there may be more pressure on the company, from government to appoint more people. Similarly some company may face shortage of skilled labour and they may have to appoint people from other countries.

6) Technical changes in the society

Technology changes at a very fast speed and new people having the required knowledge are required for the company. In some cases, company may retain existing employees and teach them the new technology and in some cases, the company have to remove existing people and appoint new.

7) Organizational changes:-

Changes take place within the organization from time to time i.e. the company diversify into new products or close down business in some areas etc. in such cases the HRP process i.e. appointing or removing people will change according to situation.

8). Demographic changes :-

Demographic changes refer to things referring to age, population, composition of work force etc. A number of people retire every year. A new batch of graduates with specialization turns out every year. This can change the appointment or the removal in the company.

9) Shortage of skill due to labor turnover:-

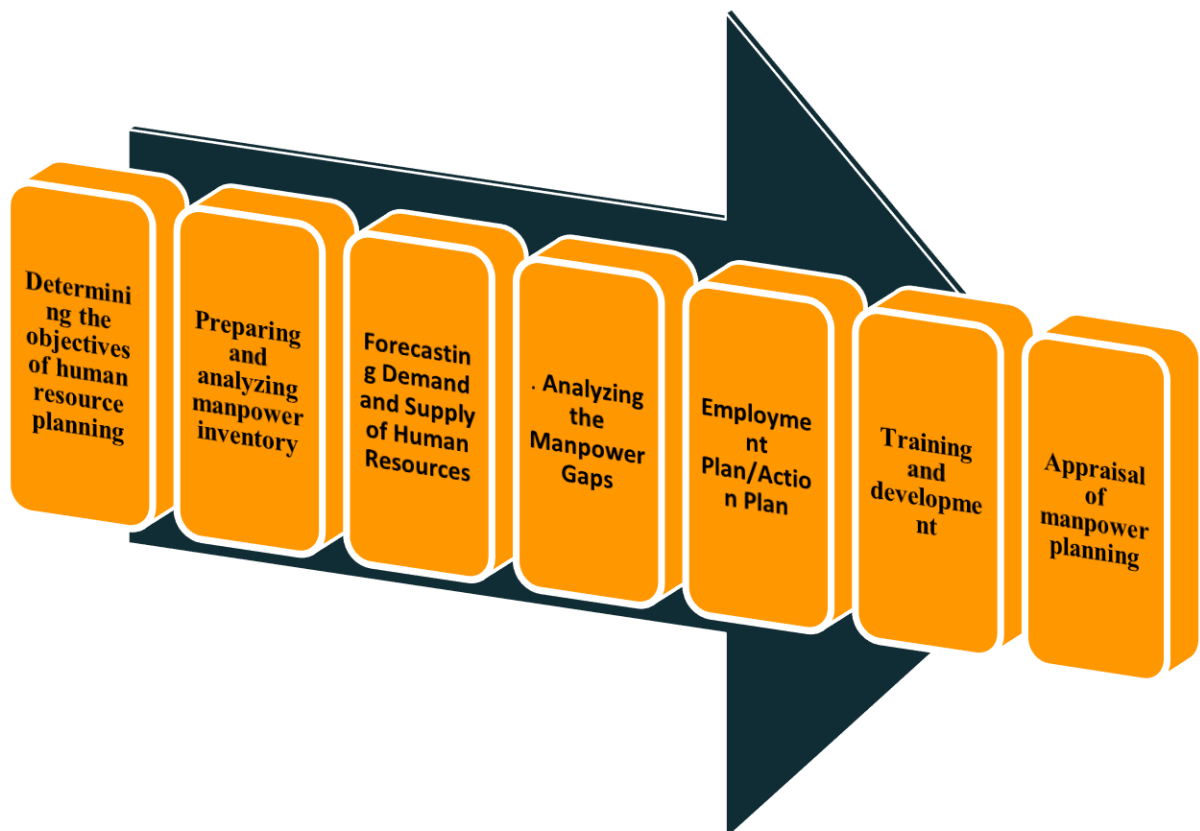
Industries having high labour turnover rate, the HRP will change constantly i.e. many new appointments will take place. This also affects the way HRP is implemented.

10) Multicultural workforce:-

Workers from different countries travel to other countries in search of job. When a company plans its HRP it needs to take into account this factor also.

11) Pressure groups :-

Company has to keep in mind certain pressure. Groups like human rights activist, woman activist, media etc. as they are very capable for creating problems for the company, when issues concerning these groups arise, appointment or retrenchment becomes difficult. You can read external factors on following link - [External factors affecting Human Resource Management](#)

PROCESS OF HRP:

1. Determining the Objectives of Human Resource Planning: The foremost step in every process is the determination of the objectives for which the process is to be carried on. The objective for which the manpower planning is to be done should be defined precisely, so as to ensure that a right number of people for the right kind of job are selected.

The objectives can vary across the several departments in the organization such as the personnel demand may differ in marketing, finance, production, HR department, based on their roles or functions.

2. Analyzing Current Manpower Inventory:

The next step is to analyze the current manpower supply in the organization through the stored information about the employees in terms of their experience, proficiency, skills, etc. required to perform a particular job.

Also, the future vacancies can be estimated, so as to plan for the manpower from both the internal (within the current employees) and the external (hiring candidates from outside) sources. Thus, it is to be ensured that reservoir of talent is maintained to meet any vacancy arising in the near future.

3. Forecasting Demand and Supply of Human Resources: Once the inventory of talented manpower is maintained; the next step is to match the demand for the manpower arising in the future with the supply or available resources with the organization.

Here, the required skills of personnel for a particular job are matched with the job description and specification.

4. Analyzing the Manpower Gaps: After forecasting the demand and supply, the manpower gaps can be easily evaluated. In case the demand is more than the supply of human resources, that means there is a deficit, and thus, new candidates are to be hired.

Whereas, if the Demand is less than supply, there arises a surplus in the human resources, and hence, the employees have to be removed either in the form of termination, retirement, layoff, transfer, etc.

5. Employment Plan/Action Plan: Once the manpower gaps are evaluated, the action plan is to be formulated accordingly. In a case of a deficit, the firm may go either for recruitment, training, interdepartmental transfer plans whereas in the case of a surplus, the voluntary retirement schemes, redeployment, transfer, layoff, could be followed.

6. Training and Development: The training is not only for the new joiners but also for the existing employees who are required to update their skills from time to time.

After the employment plan, the training programmes are conducted to equip the new employees as well as the old ones with the requisite skills to be performed on a particular job.

7. Appraisal of Manpower Planning: Finally, the effectiveness of the manpower planning process is to be evaluated. Here the human resource plan is compared with its actual implementation to ensure the availability of a number of employees for several jobs.

At this stage, the firm has to decide the success of the plan and control the deficiencies, if any.

Thus, human resource planning is a continuous process that begins with the objectives of Human Resource planning and ends with the appraisal or feedback and control of the planning process.

UNIT-II

JOB ANALYSIS

➤ **MEANING:**

Job Analysis is a process to identify and determine in detail the particular job duties and requirements and the relative importance of these duties for a given job. Job Analysis is a process where judgments are made about data collected on a job.

➤ **THERE ARE TWO MAJOR ASPECTS OF JOB ANALYSIS:**

These are:

1. Job Description
2. Job Specification

• **A brief description of these follows:**

1. Job Description:

Job description is prepared on the basis of data collected through job analysis. Job description is a functional description of the contents what the job entails. It is a narration of the contents of a job. It is a description of the activities and duties to be performed in a job, the relationship of the job with other jobs, the equipment and tools involved, the nature of supervision, working conditions and hazards of the job and so on.

All major categories of jobs need to be spelled out in clear and comprehensive manner to determine the qualifications and skills required to perform a job. Thus, job description differentiates one job from the other. In sum, job description is a written statement of what a job holder does, how it is done, and why it is done.

2. Job Specification:

While job specification focuses on the job, job specification focuses on the person i.e, the job holder. Job specification is a statement of the minimum levels of qualifications, skills, physical and other abilities, experience, judgment and attributes required for performing job effectively.

In other words, it is a statement of the minimum acceptable qualifications that an incumbent must possess to perform a given job. It sets forth the knowledge, skills and abilities required to do the job effectively.

Job specification specifies the physical, psychological, personal, social and behavioural characteristics of the job holders.

➤ **DEFINITION:**

- In the words of **Dale Yoder**, "A Job is a collection of duties, tasks and responsibilities which are assigned to an individual and which is different from other assignment"
- According to **Michael J. Jucius**, "Job analysis refers to the process of studying the operations, duties and organizational aspects of jobs in order to derive specification or, as they are called by some job description"
- In the words of **Edwin B. Flippo**, "Job analysis is the process of studying and collecting information relating to the operations and responsibilities of a specific job "
- **According to Blum**, "A job analysis is an accurate study of the various components of a job. It is concerned not only with an analysis of the duties and conditions of work, but also with the individual qualifications of the worker."

➤ **Job analysis aims to answer questions such as:**

- Why does the job exist?
- What physical and mental activities does the worker undertake?
- When is the job to be performed?
- Where is the job to be performed?
- Under What conditions it is to be performed?

➤ **JOB ANALYSIS – OBJECTIVES:**

i. Work Simplification:

Job analysis provides the information related to job and this data can be used to make process or job simple. Work simplification means dividing the job into small parts i.e. different operations in a product line or process which can improve the production or job performance.

ii. Setting Up of Standards:

Standard means minimum acceptable qualities or results or performance or rewards regarding a particular job. Job analysis provides the information about the job and standard of each can be established using this information.

iii. Support to Personnel Activities:

Job analysis provides support to various personnel activities like recruitment, selection, training and development, wage administration, performance appraisal, etc.

➤ JOB ANALYSIS – PURPOSES:**1. Organization and Manpower Planning:**

It is helpful in organization planning, for it defines labor needs in concrete terms and co-ordinates the activities of the workforce, and clearly divides duties and responsibilities.

2. Recruitment, Selection:

By indicating the specific requirements of each job (i. e., the skills and knowledge), it provides a realistic basis for the hiring, training, placement, transfer and promotion of personnel. “Basically, the goal is to match the job requirements with a worker’s aptitude, abilities and interests. It also helps in charting the channels of promotion and in showing lateral lines of transfer.

3. Wage and Salary Administration:

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

4. Job Reengineering:

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

5. Employee Training and Management Development:

Job analysis provides the necessary information to the management of training and development programmes. It helps to determine the content and subject matter of in-training courses. It also helps in checking application information, interviewing, weighing test results, and in checking references.

6. Performance Appraisal:

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

7. Health and Safety:

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

➤ PROCESS OF JOB ANALYSIS

PROCESS OF JOB ANALYSIS



1. **Defining the objectives:** The foremost step in the process of job analysis is defining the objective of the job analysis. The objective could be either of the following:

- Redesign the job description
 - Revise the compensation program
 - Change the organization structure
 - Redesign the job in a particular department. Once the objective is selected, it should be well communicated to the top management because with its support only, the changes can be made in the organization.
2. **Preparing the job Analysis:** After setting an objective, the kind of jobs that are to be analyzed are selected, whether the **clerical jobs**, managerial jobs, division specific job, etc. Also, the members who are included in the analysis and the methods to be used are identified.
- At this stage, the complete review of the **existing job description** is done to have a fair insight of the duties, responsibilities, organization chart, working conditions, hazards, etc. that exist in a particular set of jobs.
3. **Performing the Job Analysis:** The next stage in the process of job analysis is to perform or begin with the job analysis. Here, the sufficient time should be allotted for collecting the job details from the employees. The information from the employees can be collected through **questionnaires, interviews, or through an observation method**. Once the information gets collected it needs to be sorted on the basis of its nature, division, department.
4. **Designing Job Descriptions and Job Specifications:** At this stage, the job analyst prepares a draft of the job description and the specifications. After sorting of the information, **the changes that need to be made in the jobs is identified and is written on paper**. Once the draft gets prepared, it is circulated to the managers, supervisors, and the employees.
5. **Control Job Descriptions and Job Specifications:** This is the last step in the process of job analysis wherein the job descriptions, and the specifications are timely checked and modified according to the changing needs of the organization.

➤ **METHODS OF COLLECTING JOB ANALYSIS INFORMATION**

The methods of collecting job-related data are (i) observational method, (ii) interviews, (iii) questionnaire, (iv) checklists, (v) technical conferences, and (vi) diary. A combination of these approaches may be used depending upon the situation and the organization. A brief description of each method is in order.

1. Observation

In this method, the job analyst carefully observes the job holder at work and records what he or she does, how he or she does, and how much time is needed for completion of a given task. This method has both positive as well as negative sides. On the positive side, the method is simple, and the data collected are accurate because of direct observation. On the flip side, it may be told that the method is time consuming and inapplicable to jobs which involve high proportions of unobservable mental activities and those which do not have complete and easily observable job cycles. The analyst needs to be trained to carefully observe and record the competence of a job incumbent. And training means additional cost. Considering all these, the observation method may be used for analyzing repetitive, short-cycle, unskilled and semi-skilled jobs.

2. Interview

In this, the analyst interviews the job holder and his/her supervisor to elicit information about the job. Usually, a structured interview form is used to record the information. During the interview, the analyst must make judgements about the information to be included and its degree of importance.

3. Questionnaire

Job holders fill in the given structured questionnaires, which are then approved by their supervisors. The filled-in questionnaires offer enough data on jobs. Standard questionnaires are available or they may be prepared for the purpose by the analysts. Standard or prepared, questionnaires should contain the following basic information:

1. The job title of the job holder;
2. The job title of the job holder's manager or supervisor;
3. The job titles and numbers of the staff reporting to the job holder (best recorded by means of an organization chart)

4. A brief description (one or two sentences) of the overall role or purpose of the job; and
5. A list of the main tasks or duties that the job holder has to carry out; as appropriate, these should specify the resources controlled, the equipment used, the contracts made and the frequency with which the tasks are carried out.

4. Checklists

A checklist is similar to a questionnaire, but the response sheet contains fewer subjective judgments and tends to be either-yes-or-no variety. Checklists can cover as many as 100 activities and job holders tick only those tasks that are included in their jobs. Preparation of a checklist is a challenging job. The specialists who prepare the list must collect all relevant information about the job concerned. Such information can be obtained by asking supervisors, industrial engineers, and others familiar with the work.

5. Technical Conference Method

In this method, services of supervisors who possess extensive knowledge about a job are used. It is from these experts that details about the job are obtained. Here, a conference of supervisors is used. The analyst initiates discussion which provides details about jobs. Though a good method of data collection, this method lacks accuracy because the actual job holders are not involved in collecting information.

6. Diary Method

This method requires the job holders to record in detail their activities each day. If done faithfully, this technique is accurate and eliminates errors caused by memory lapses the job holder makes while answering questionnaires and checklists. This method, however, is time consuming because the recording of tasks may have to be spread over a number of days. It also engages considerable time of a production worker. No wonder, the diary method is not used much in practice.

7. Critical incident method:

This method consists of observation and documentation of other instances and whether the behaviours were effective or futile to produce the desired results.

The critical incident method of behaviour includes; the reason of the incident and the circumstance, the work was done by the employee and how it was futile or useful, the assumed

outcome of the behaviour and also an analysis on the influence the behaviour of an employee has on the outcome. This method vastly differs from the other job evaluation, methods of conducting job analysis as only here the employee behaviour is not recorded when it is performed but later when the behaviour has been evaluated to be futile or useful depending on the results.

Here the behaviour is described in retrospect and it is acknowledged that recording of past actions is more difficult and complicated than of present actions when the performance is continued.

➤ **JOB DESCRIPTION AND JOB SPECIFICATION**

1) JOB DESCRIPTION

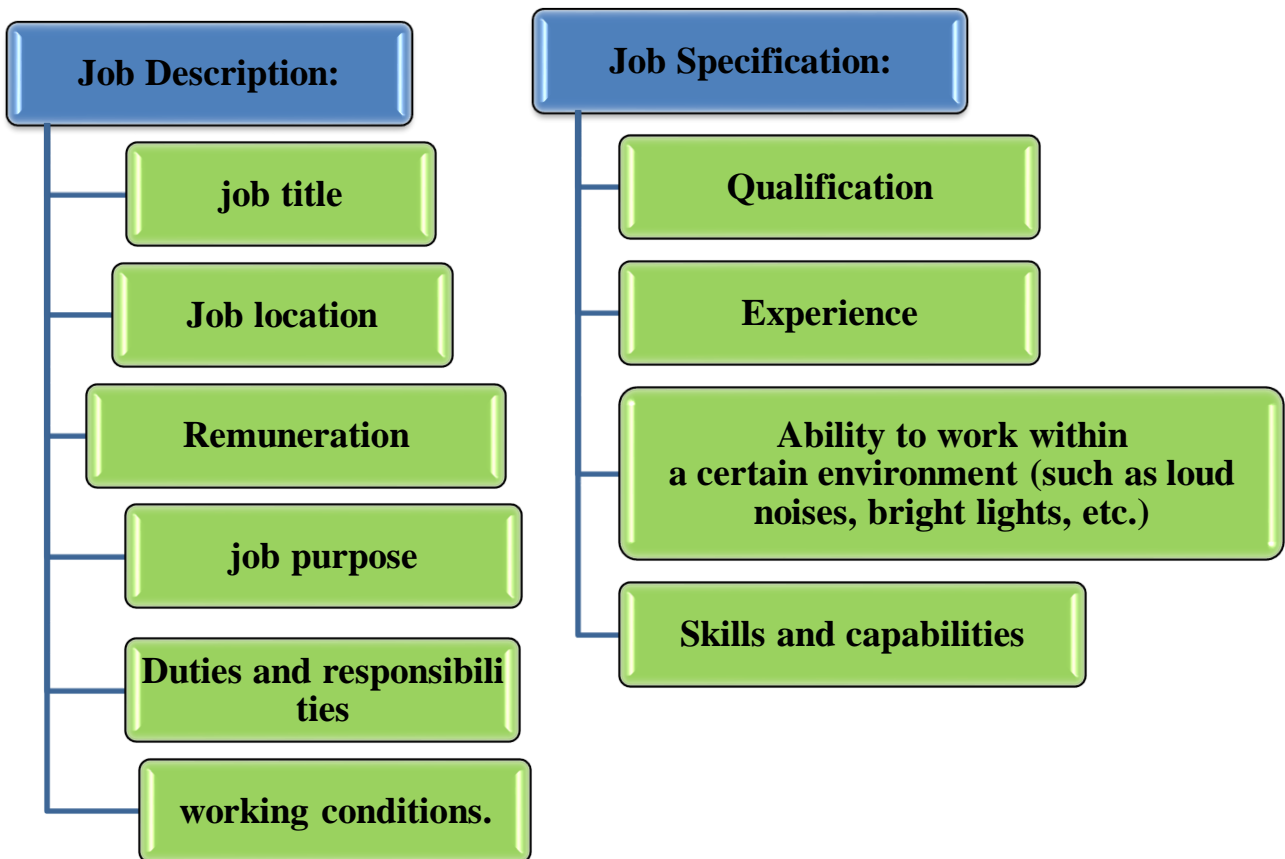
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Job specification specifies the physical, psychological, personal, social and behavioural characteristics of the job holders.



➤ ADVANTAGES OR MERITS OF JOB ANALYSIS

1. Direct job-related information is given:

Job analysis provides direct and detailed information about the job and the right way to perform the duties.

The insightful information imparted is useful for the supervisors and managers as learning this they can decide the duties and requirements of the job properly and according to that select the workers.

The risks and difficulties associated with the work are also understood and the expertise and knowledge required is also known through job analysis. Hence the process of selection becomes much easier after job analysis.

2. Useful for constructing the proper Job-Employee combination:

This is a vital activity in any organization as only with the suitable workers can an organization become successful.

So the worker suitable and custom-made for the job should be hired after examination of their skills, knowledge and other requirements by the manager or supervisor.

Job Analysis helps the organizations to select suitable candidates as the workers; who can perform according to the job necessities efficiently.

3. Useful for Effectual hiring methods:

The decisions of which candidate to select and whom to reject is confusing; job evaluation makes this easy as the requirements of each job is detailed properly and only the candidates who fulfill this criterion will be selected.

4. Monitoring of performance assessment and appraisal methods:

Job Analysis is useful in reviewing the performance of the workers by making the comparison of the desired result with the actual result. By depending on this results the examination and evaluation of the performance is done; whether it has been efficient or not.

Job evaluation is essential in deciding who are responsible and dedicated workers, and also award incentives and promotions to the dedicated employees to encourage them further.

It also helps in understanding the faults of individual workers and with proper analysis, the solutions are found and good workers are made responsible for the difficult tasks so that the end outcome will be effective and wanted.

5. Assist in analyzing the instruction and progress requirements:

The practice of job analysis answers numerous difficulties and queries; the person giving the instructions and training, the time of training and instructing, the matter of instruction and training, how should the training be given and is it behavioural or technical, and the process of conducting the training. All this information and decisions are taken by job analysis.

6. It is essential for determining the worthy Compensation Package for the particular job:

To take a legitimate and valid decision about the compensation packages, benefits and grants of the workers, no amount of contemplation by the managers or supervisors will do.

Only with the help of job analysis can they come to an unbiased and indisputable decision of allowances and perks related to a specific job. The allowances and reimbursement are decided to depend on the liabilities and risks of the profession.

➤ DEMERITS OR DISADVANTAGES OF JOB ANALYSIS:

The various drawbacks of Job Analysis are

1. Tiresome and lengthy:

The drawback which discourages most people from doing a job analysis is the lengthy procedure and unnecessary time-consumption and time-wastage during the interviews or observations.

The prolonged time required for completing a job analysis is a major drawback and becomes more of a hindrance as the employee can change the job before the manager or supervisor has completed the job analysis.

2. Involves personal liking and biases:

Though job analysis is a very efficient method of understanding the job requirements when done properly; but most often the analysis is distorted by personal likes and dislikes.

If the manager likes one worker more than the other his personal opinions will influence the job analysis and it will not be a genuine analysis.

The biases and prejudices will always be present in job analysis since it is done by human beings and they are never free from biases and prejudices completely. This favouritism and partiality causes difficulties in collecting genuine and real information.

3. Both the basis of information and supply is small:

The size and source of the data is mostly insignificant and small as the sample size is small. This makes the source of data small and only the information collected from a few workers who may even be influenced by their own personal opinions is recorded and analyzed. Then this information of job analysis is portrayed as significant and consistent.

But in reality, this is not the case as a sample of a few workers is not enough to decide the norm and become a standard.

4. Need immense amounts of hard work and dedication:

The methods for job analysis require immense dedication and hard work for the proper completion of the analysis.

It becomes all the more difficult and complex since all the different jobs has different demands and requirements in no single outline. So the same method of job analysis and the same questions and evaluation systems will not suffice for the different jobs; tailor-made questions are required for the different jobs for their proper job analysis.

The analysis and recording of information for different jobs should be done separately to get the correct results.

5. The reviewer or the job analyst may not be suitable:

Often it occurs that the analyst himself is not worthy of doing the analysis work; with an unworthy analyst, a proper job analysis is impossible to do.

He may be unaware of the goals and aims of the job on which the job evaluation is being done. If this is the case then the job analysis is nonsense and misuse of time, effort and money. It will never be any good for the organization or the workers.

So when the analyst is not properly trained he should never be given the duty of doing job analysis; he should be rigorously trained with real and authentic information to get the sense of the real world.

6. No one can analyze mental potential through Job Analysis methods:

The last drawback seen in job analysis is that the mental aptitudes like intelligence, sentiments, knowledge and wisdom, propensity, patience and stamina are never to be seen as these are intangible characteristics of each individual.

During the questioning in job analysis, the complete mental analysis can never be done as people respond differently in diverse circumstances. Hence one can never standardize the mental ability requirements in any given job.

Job analysis gathers information on the duties and responsibilities of the job; it specifies the basic requirements and qualifications for the job. The work environment is also evaluated and assessment is done about whether the work surroundings are worker-friendly or difficult to work in.

JOB DESIGN:

- **MEANING:**

Job design is the process of Work arrangement (or rearrangement) aimed at reducing or overcoming job dissatisfaction and employee alienation arising from repetitive and mechanistic tasks

It means outlining the task, duties, responsibilities, qualifications, methods and relationships required to perform the given set of a job. In other words, job design encompasses the components of the task and the interaction pattern among the employees, with the intent to satisfy both the organizational needs and the social needs of the jobholder.

The objective of a job design is to arrange the work in such a manner so as to reduce the boredom and dissatisfaction among the employees, arising due to the repetitive nature of the task.

- **CHARACTERISTICS OF JOB DESIGN:**

- 1. Task Variety:**

Task variety varies the tasks to be performed so that an individual employee can move from one job to another at various points of time. This makes it possible for the employees to move to different job verticals and such variations provide a change in both their mental activity as well as in their physical well-being. Change in mental activity takes place through movement from one job vertical to another (one job to another) and changes in the physical well-being take place through different body postures for different nature of jobs.

- 2. Task Identity:**

Wherever possible, tasks should fit together to make a complete job, since this gives the employee a sense of doing a whole job from the beginning till the end, with a visible output. The important benefits derived from the task identity are that it can facilitate a worker to trace his/her performance to the overall goals and target the achievement of the organization. Workers

can cultivate their sense of belongingness and can start realizing that they are the partners in the organizational progress.

3. Task Significance:

By establishing task significance, organizations can make workers feel that they have achieved something meaningful in course of their working. This establishes their importance and enhances their self-esteem. Workers can autonomously contribute to the organizational growth and prosperity, once they understand their task significance. This requires organizations to value each task by inculcating a culture of mutual respect.

4. Autonomy:

To ensure autonomy in job design, organizations should wherever possible, give inputs to their employees, on how their jobs should be done—the order of tasks, the speed of work, etc. Thereafter, **these employees should be given a free hand, by reducing the extent of supervision and control so that they start realizing that they are doing their own jobs and that they are the job owners.**

5. Feedback:

The last characteristic of job design is the provision for feedback. Feedback provides an opportunity to workers to understand their strengths and weaknesses and in the process helps them to achieve greater perfection in future job assignments. Many organizations provide automated feedback systems, so that workers can self-assess their extent of performance.

➤ **FACTORS THAT AFFECT A JOB DESIGN CAN BE CLASSIFIED UNDER THREE HEADS. THEY ARE:**

1. ORGANIZATIONAL FACTORS

2. ENVIRONMENTAL FACTORS

3. BEHAVIORAL FACTORS.

1. ORGANIZATIONAL FACTORS

Organizational factors that affect job design can be work nature or characteristics, workflow, organizational practices, and ergonomics.

- **Work Nature:** There are various elements of a job, and job design is required to classify various tasks into a job or a set of jobs. The various **tasks may be planning, executing, monitoring, controlling**, etc., and all these are to be taken into consideration while designing a job.
- **Ergonomics:** Ergonomics aims at designing jobs in such a way that the **physical abilities and individual traits of employees** are taken into consideration to ensure efficiency and productivity. Ergonomics helps employers to design jobs in such a way that a worker's physical abilities and job demands are balanced.

Ergonomics does not alter the nature of job tasks but the location of tools, switches, and other facilities, keeping in view that the handling the job is the primary consideration.

- **Workflow:** Product and service type often determines the sequence of a workflow. A balance is required between the various product or service processes, and a job design ensures this.
- **Work practices and culture:** Work practices are set ways of performing works. These methods may arise from tradition or the collective wishes of employees. Either way, the HR department's flexibility to design the job is limited, especially when such practices are part of a union-management relationship. Failure to consider work practices can have undesirable outcomes.

2. ENVIRONMENTAL FACTORS

Environmental factors affect job design to a considerable extent. These factors include both the internal as well as external factors.

They include factors like employee skills and abilities, their availability, and their socio-economic and cultural prospects.

- **Employee availability and abilities:** Employee skills, abilities, and time of availability play a crucial role while designing jobs. The above-mentioned factors of employees who will perform the job are taken into consideration. Designing a job that is more demanding and above their skill set will lead to decreased productivity and employee satisfaction.
- **Socio-economic and cultural expectations:** Jobs are nowadays becoming more **employee-centered** rather than process-centered. They are, therefore, designed to keep the employees into consideration. In addition, the literacy level among the employees is also on the rise. They now demand jobs that are to their liking and competency and which they can perform the best.

3. BEHAVIORAL FACTORS

Behavioral factors or human factors are those that pertain to the human need and that need to be satisfied for ensuring productivity at the workplace.

They include elements like autonomy, diversity, feedback, etc. A brief explanation of them is given below:

- **Autonomy:** Employees should work in an open environment rather than one that contains fear. It promotes creativity, independence, and leads to increased efficiency.
- **Feedback:** Feedback should be an integral part of the work. Each employee should receive proper feedback about his work performance.

- **Diversity:** Repetitive jobs often make work monotonous, which leads to boredom. A job should carry sufficient diversity and variety so that it remains as interesting with every passing day. Job variety/diversity should be given due importance while designing a job.
- **Use of Skills and abilities:** Jobs should be an employee- centered rather than a process-centered. Though due emphasis needs to be given to the latter but jobs should be designed in a manner such that an employee can make full use of his abilities and perform the job effectively

BENEFITS OF JOB DESIGN

The following are the benefits of good job design:

Employee Input

A good job design enables good job feedback. Employees have the option for various tasks as per their personal and social needs, habits, and circumstances in the workplace.

Employee Training

Training is an integral part of job design. Contrary to the philosophy of “leave them alone’ job design lies due emphasis on training people so that they are well aware of what their job demands and how it is to be done.

Work / Rest Schedules

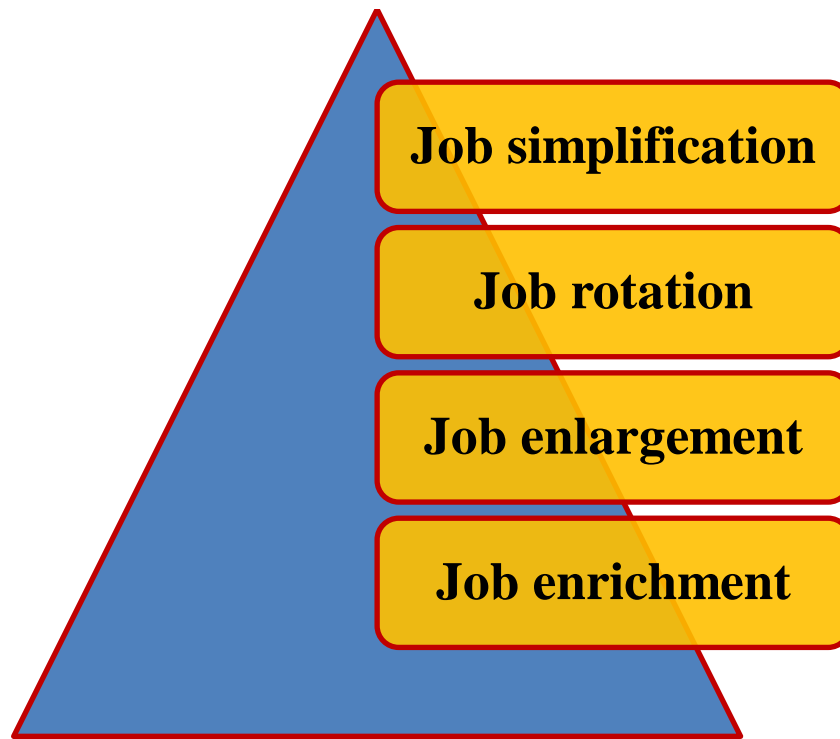
Job design offers good work and rest schedule by clearly defining the number of hours an individual has to spend in his/her job.

Adjustments

A good job design allows for adjustments for physically demanding jobs by minimizing the energy spent doing the job and by aligning the manpower requirements for the same.

Job design is a continuous and ever-evolving process that is aimed at helping employees make adjustments with the changes in the workplace. The end goal is reducing dissatisfaction, enhancing motivation, and employee engagement at the workplace.

- **METHODS AND TECHNIQUES OF JOB DESIGN:**



1. Job Simplification:

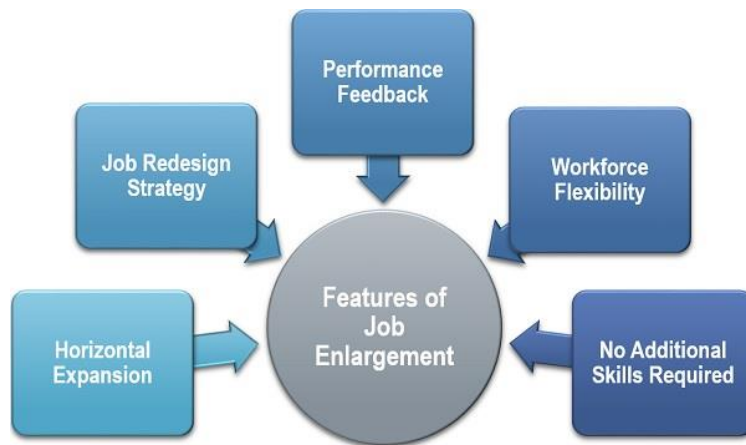
In the job simplification technique, the job is simplified or specialized. A given job is divided into small sub-parts and each part is assigned to one individual employee. Job simplification is introduced when job designers feel that the jobs are not specialized enough.

2. Job Rotation:

Job rotation involves a periodic vertical and horizontal movement of the groups of employees between a set of jobs or tasks. Job rotation, therefore, provides **some relief from boredom and monotony of doing the same jobs** or tasks repeatedly. However, this requires organizations to initiate **multi- skilling of employees** through continuous training and learning activities.

3. Job Enlargement:

Job enlargement is the **horizontal expansion of jobs** and it involves the grouping of a variety of jobs within a job rather than between jobs. Obviously, the time cycle of the job, that is the time taken to complete a job increases. **For example**, a particular employee may be required to perform some similar tasks or jobs of several employees in an assembly line.

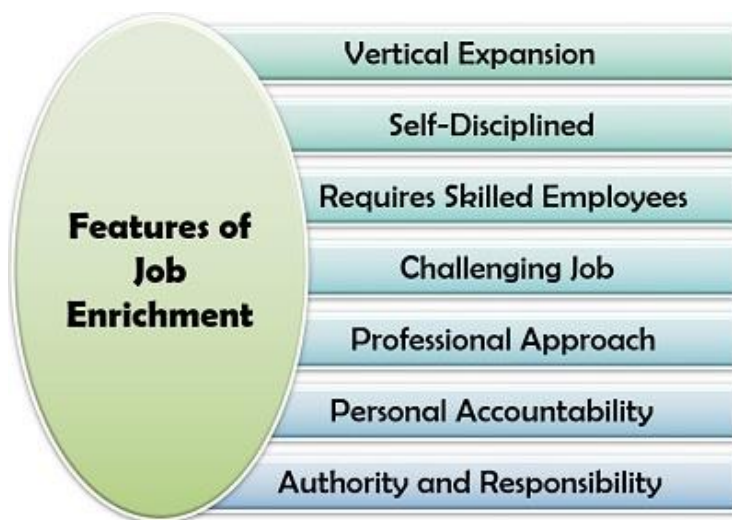


- **Horizontal Expansion:** In job enlargement, the number of task, responsibilities and duties are increased which are at the same level or similar to the existing job position.
- **Job Redesign Strategy:** It can be referred to as job redesigning, i.e. preparing the work modules such that optimum utilization of the employee's efficiency can be done.
- **Performance Feedback:** It encourages the employees to give meaningful feedback on their performance and job profile.
- **Workforce Flexibility:** The scope of the job responsibilities is widened, and employees are motivated to be versatile in their work, thus initiating workforce flexibility.
- **No Additional Skills Required:** The employees are given tasks similar to the ones which they are already performing. Therefore no special skills or training is necessary.

4. Job Enrichment:

Job enrichment is another important process of job design or redesign, which reverses the effects of repetitive tasks. Employees develop fatigue by doing repetitive tasks again and again. **Boredom and lack of flexibility in jobs make them feel dissatisfied** (Leach and Wall 2004).

Through **vertical expansion** of jobs, job enrichment expands the scope of jobs and employees feel more motivated and self-sufficient. For the variety of exposure to jobs or tasks, employees can also groom themselves for future higher positions.



- **Vertical Expansion:** Job enrichment adds on functions like decision making to the employee's job profile which was earlier performed by the higher-level superiors. Therefore it is considered a vertical expansion of tasks.
- **Self-Disciplined:** When the employees hold authority, responsibility and accountability of their work, they tend to maintain a self-disciplined attitude and sincerity towards their role in the organization.
- **Requires Skilled Employees:** Job enrichment is a tactful strategy which is difficult to be implemented if the employees do not possess decision making and problem-solving skills.
- **Challenging Job:** Allowing the decision making authority to the employees makes their job more challenging and leads to employee empowerment and engagement.

- **Professional Approach:** Job enrichment inculcates professionalism in the working and attitude of the employees by providing them with worthiness and recognition.
- **Personal Accountability:** The employee is wholly and solely responsible for his work, i.e. his excellent work will be appreciated, and poor performance will be criticized.

Authority and Responsibility: The employees get the liberty of taking decisions related to their work, and the employee is responsible for completing the given task successfully

RECRUITMENT

➤ **MEANING:**

The process of finding and hiring the best-qualified candidate (from within or outside of an organization) for a job opening, in a timely and cost effective manner. The recruitment process includes analyzing the requirements of a job, attracting employees to that job, screening and selecting applicants, hiring, and integrating the new employee to the organization. Recruitment is a positive process of searching for prospective employees and stimulating them to

apply for the jobs in the organization. When more persons apply for jobs then there will be a scope for recruiting better persons.

➤ **THE ESSENTIAL FEATURES OF RECRUITMENT**

1. **Recruitment is a searching and attracting function** – It is mainly concerned with searching and attracting the potential candidates towards organization.
2. **Recruitment is not a selection** – Recruitment involves searching the potential candidates and attracting them towards organization to apply for the job. But selection involves choosing suitable candidate among those who have applied for job.
3. **It is a process** – Recruitment is a process of series of activities like recruitment policy, sources of recruitment, technique of tapping those sources and evaluation of those sources etc.
4. **It is a linking activity** – Recruitment brings together those who have a job (employer) and those who search a job (employees)
5. **It is a pervasive function** – This function needs to be performed by all organizations which need human resources.
6. **It is one of the functions of personnel management** – It is an important function of personnel management as it helps in acquiring different number and types of persons for continued functioning of an organization.

➤ **SOURCES OF RECRUITMENT:**

The eligible and suitable candidates required for a particular job are available through various sources. These sources can be divided into two categories

A. INTERNAL SOURCES OF RECRUITMENT:**1. Promotions:**

The promotion policy is followed as a motivational technique for the employees who work hard and show good performance. Promotion results in enhancements in pay, position, responsibility and authority. The important requirement for implementation of the promotion policy is that the terms, conditions, rules and regulations should be well-defined.

2. Retirements:

The retired employees may be given the extension in their service in case of non-availability of suitable candidates for the post.

3. Former employees:

Former employees who had performed well during their tenure may be called back, and higher wages and incentives can be paid to them.

4. Transfer:

Employees may be transferred from one department to another wherever the post becomes vacant.

5. Internal advertisement:

The existing employees may be interested in taking up the vacant jobs. As they are working in the company since long time, they know about the specification and description of the vacant

job. For their benefit, the advertisement within the company is circulated so that the employees will be intimated.

✓ **BENEFITS OF INTERNAL SOURCES OF RECRUITMENT:**

1. The existing employees get motivated.
2. Cost is saved as there is no need to give advertisements about the vacancy.
3. It builds loyalty among employees towards the organization.
4. Training cost is saved as the employees already know about the nature of job to be performed.
5. It is a reliable and easy process.

✓ **LIMITATIONS OF INTERNAL SOURCES OF RECRUITMENT:**

1. Young people with the knowledge of modern technology and innovative ideas do not get the chance.
2. The performance of the existing employees may not be as efficient as before.
3. It brings the morale down of employees who do not get promotion or selected.
4. It may lead to encouragement to favoritism.
5. It may not be always in the good interest of the organization

B. EXTERNAL SOURCES OF RECRUITMENT:

1. Press advertisement:

A wide choice for selecting the appropriate candidate for the post is available through this source. It gives publicity to the vacant posts and the details about the job in the form of job description and job specification are made available to public in general.

2. Campus interviews:

It is the best possible method for companies to select students from various educational institutions. It is easy and economical. The company officials personally visit various institutes and select students eligible for a particular post through interviews. Students get a good opportunity to prove themselves and get selected for a good job.

3. Placement agencies:

A databank of candidates is sent to organizations for their selection purpose and agencies get commission in return.

4. Employment exchange:

People register themselves with government employment exchanges with their personal details. According to the needs and request of the organization, the candidates are sent for interviews.

5. Walk in interviews:

These interviews are declared by companies on the specific day and time and conducted for selection.

6. E-recruitment:

Various sites such as jobs.com, naukri.com, and monster.com are the available electronic sites on which candidates upload their resume and seek the jobs.

7. Competitors:

By offering better terms and conditions of service, the human resource managers try to get the employees working in the competitor's organization.

8. Gate Applicants:

The educated unemployed youth may contact the company to get employment. These candidates may not have any recommendations. Even the company might not have issued any advertisement for the post. The candidate personally approaches the appointing authority of the company. If such candidate is found fit for any one of the posts which are vacant at that time, the candidate is appointed.

9. Unsolicited Applicants:

Unsolicited applications means the application received through mail from the candidate. The application brings the information regarding the name and address of the candidate, his age, educational qualification, experience, area of interest, etc. If there is any vacancy at that time, the candidate will be recruited for the specified post. Normally, this type of application is considered for the posts at the lower level.

✓ BENEFITS OF EXTERNAL SOURCES OF RECRUITMENT:

1. New talents get the opportunity.
2. The best selection is possible as a large number of candidates apply for the job.
3. In case of unavailability of suitable candidates within the organization, it is better to select them from outside sources.

1. Choice – A company can recruit a person out of a large number of applicants. Each and every candidate's plus points and minus points are taken into consideration for the purpose of recruitment. Then, the best candidate can be selected by the company

2. **New Outlook** – If a new person is recruited by the company, a new way of approach may be used to solve the problem, which will give maximum benefits to the company.

3. **Wide Experience** – If the recruited new candidate has experience in various fields, the company can get the benefit of the candidate's experience.

➤ **LIMITATIONS OF EXTERNAL SOURCES OF RECRUITMENT**

The external sources also have some demerits.

1. **Grudging of old employment** – If a candidate is recruited from external sources, the existing staff may have a grudge against him. It results in demoralisation of the staff members.

2. **Lack of co-operation** – The existing staff members do not extend their co-operation to the person who is selected from out of external sources. In addition to this, the existing staff members make the new recruit face the difficulties and try to disorient him in relation to his work.

3. **Expensive** – Recruitment of a person from outside the company requires a lot of formalities. The formalities include issuing advertisement, receiving the applications, screening the applications, dispatching the interview letters, fixation of interview date, time and place, formation of an interview committee etc. Completing all the above said procedure involves a lot of expenditure.

4. **Trade union** – If the trade union of the company is very strong, it is very difficult to convince the trade union and recruit a person from outside a company.

5. **Danger of non-adjustment** – If a newly recruited person fails to adjust himself to the working conditions of the company, it leads to more expenditure in looking for his replacement.

Besides, it causes irritation and quarrel between the recruited person and the existing staff members.

1. Skilled and ambitious employees may switch the job more frequently.
2. It gives a sense of insecurity among the existing candidates.
3. It increases the cost as advertisement is to be given through press and training facilities to be provided for new candidates.

➤ **PURPOSE AND IMPORTANCE OF RECRUITMENT**

The Purpose and Importance of Recruitment are given below:

- Attract and encourage more and more candidates to apply in the organization.
- Create a talent pool of candidates to enable the selection of best candidates for the organization.
- Determine present and future requirements of the organization in conjunction with its personnel planning and job analysis activities.
- Recruitment is the process which links the employers with the employees.
- Increase the pool of job candidates at minimum cost.
- Help increase the success rate of the selection process by decreasing the number of visibly under qualified or overqualified job applicants.
- Help reduce the probability that job applicants once recruited and selected will leave the organization only after a short period of time.

- Meet the organizations legal and social obligations regarding the composition of its workforce.
- Begin identifying and preparing potential job applicants who will be appropriate candidates.
- Increase organization and individual's effectiveness of various recruiting techniques and sources for all types of job applicants.

POLICIES AND PROCEDURE OF RECRUITMENT

➤ **MEANING:**

A recruitment policy indicates the organization's code of conduct in this area of activity. Recruitment policy asserts the objectives of the recruitment and provides a framework of the implementation of the recruitment program.

➤ **RECRUITMENT POLICY STATEMENT:**

In its recruitment activities, the company will:

- 1) Advertise all vacancies internally.
- 2) Reply to every job promptly
- 3) Inform job applicants the basic details and job conditions of every job advertised,
- 4) Process all applications with efficiency and courtesy.
- 5) Seek candidates on the basis of their qualifications.

6) Aim to ensure that every person invited for the interview will be given a fair and thorough hearing

➤ **OBJECTIVES OF RECRUITMENT POLICY**

It may involve the organization system to be developed for implementing recruitment programs and procedures to be employed.

➤ **According to Memoria, a good recruitment policy must contain elements such as**

1. organization's objective (short term and long term),
2. identification of the recruitment needs,
3. the preferred source of recruitment,
4. criteria of selection and preferences, and
5. The cost of recruitment and its financial implications of the same. Objectives are targets and goals.

➤ **According to Yoder (1996), the following are the main objectives of recruitment policy:**

- To find and employ the best-qualified person for each job.
- To minimize the cost of recruitment.
- To offer promising careers and security.
- To provide facilities for growth and development.
- To retain the best and most promising ones.

- To reduce the scope of favoritism and malpractice.

➤ **RECRUITMENT PROCEDURE**

1. Recruitment Planning

The first step involved in the recruitment process is planning. Here, planning involves to draft a comprehensive job specification for the vacant position, outlining its major and minor responsibilities; the skills, experience and qualifications needed; grade and level of pay; starting date; whether temporary or permanent; and mention of special conditions, if any, attached to the job to be filled ”

2. Strategy Development:

Once it is known how many with **what qualifications of candidates are required**, the next step involved in this regard is to devise a suitable strategy for recruiting the candidates in the organisation.

The strategic considerations to be considered may include issues like whether to prepare the required candidates themselves or hire it from outside, what type of recruitment method to be used, **what geographical area be considered for searching the candidates, which source of recruitment to be practiced**, and what sequence of activities to be followed in recruiting candidates in the organisation.

3. Searching:

This step involves attracting job seekers to the organisation. There are broadly two sources used to attract candidates.

These are:

1. Internal Sources, and

2. External Sources

4. Screening:

Though some view screening as the starting point of selection, we have considered it as an integral part of recruitment. The reason being the selection process starts only after the applications have been screened and shortlisted. Let it be exemplified with an example.

In the Universities, applications are invited for filling the post of Professors. Applications received in response to invitation, i.e., advertisement are screened and shortlisted on the basis of eligibility and suitability. Then, only the screened applicants are invited for seminar presentation and personal interview. The selection process starts from here, i.e., seminar presentation or interview.

Job specification is invaluable in screening. Applications are screened against the qualification, knowledge, skills, abilities, interest and experience mentioned in the job specification. Those who do not qualify are straightway eliminated from the selection process.

The techniques used for screening candidates vary depending on the source of supply and method used for recruiting. Preliminary applications, de-selection tests and screening interviews are common techniques used for screening the candidates.

5. Evaluation and Control:

Given the considerable cost involved in the recruitment process, its evaluation and control is, therefore, imperative.

The costs generally incurred in a recruitment process include:

- (i) Salary of recruiters
- (ii) Cost of time spent for preparing job analysis, advertisement
- (iii) Administrative expenses
- (iv) Cost of outsourcing or overtime while vacancies remain unfilled

(v) Cost incurred in recruiting unsuitable candidates

In view of above, it is necessary for a prudent employer to try to answer certain questions like: whether the recruitment methods are appropriate and valid? And whether the recruitment process followed in the organisation is effective at all or not? In case the answers to these questions are in negative, the appropriate control measures need to be evolved and exercised to tide over the situation.

➤ **MAJOR CHALLENGES FACED BY HR IN RECRUITMENT ARE:**

- **Adaptability to globalization**

The HR professionals are expected and required to keep in tune with the changing times, i.e. the changes taking place across the globe. HR should maintain the timeliness of the process.

- **Lack of motivation**

Recruitment is considered to be a thankless job. Even if the organization is achieving results, HR department or professionals are not thanked for recruiting the right employees and performers.

- **Process analysis**

The immediacy and speed of the recruitment process are the main concerns of HR in recruitment. The process should be flexible, adaptive and responsive to the immediate requirements. The recruitment process should also be cost effective.

- **Strategic prioritization**

The emerging new systems are both an opportunity as well as a challenge for the HR professionals. Therefore, reviewing staffing needs and prioritizing the tasks to meet the changes in the market has become a challenge for recruitment professionals.

- **Technological changes**

The decision to strategy development relates to the methods used in recruitment and selection. This decision is mainly influenced by the available technology. The advent of computers has made it possible for employers to scan national and international applicant qualifications.

Although impersonal, computers have given employers and job seekers a wider scope of options in the internal screening' stage.

Technological advancement has made it possible for job seekers to gain better access. They have begun sending C.V. about themselves to a number of organizations without wasting time and without spending money on travel

➤ **THE FACTORS AFFECTING RECRUITMENTS CAN BE CLASSIFIED AS INTERNAL AND EXTERNAL WHICH ARE EXPLAINED BELOW:**

1. INTERNAL FACTORS:

(i) Organization Policies and Practices:

Policies and practices of the organization affect the system of recruitment of the organization. Some organizations may adopt the practice of recruiting from within the organization through promotion, transfer, lay-off etc., and others may go for external sources. Some organizations adopt the practice of recruiting the persons from backward castes and communities, physically handicapped persons etc., and others may give importance to merit irrespective of caste, creed and religion.

(ii) Image of the Organization:

Image or the impression that an organization gives to the public considerably influences on the recruitment process of the organization. Kind of job environment, benefit it provides to its employees, employer employee relation that prevails in the organization enhance the image of the organization. Better the image, better the quality of applicant and vice-versa.

(iii) Wage and Salary Policies:

Benefits provided by the organization to its employees have a great influence on its recruitment system. Higher salaries and wages consistent with the merit and experience of the employees will certainly attract meritorious and experienced employees towards the organization.

(iv) Promotion and Retirement Policies:

Company which provides better promotion prospects to its dedicated and meritorious employees and offers retirement benefits like pension or gratuity to those who are serving in the company

for a minimum fixed period also affect the recruitment policy of the organization and in turn attract meritorious and able persons towards the organization.

(v) Working Conditions:

Good working conditions like proper lighting and ventilation, safety provisions, welfare measures like bonus, quarter's facility, subsidized food, medical facility etc., influence positively on the recruitment system of the organization.

2. EXTERNAL FACTORS:

External factors like government regulations, trade union restrictions, labour market conditions, legal factors, economic factors, cultural factors, location of the organization etc., also influence the recruitment system of the organization.

(i) Government Regulations:

Government regulations towards Backward Caste, Scheduled Caste, Scheduled Tribes and women have a direct impact on recruiting practices and hence organizations have to observe these regulations while recruiting its employees.

(ii) Trade Union Restrictions:

Trade union always wants to protect the interest of its members and hence interfere in the recruitment process of the organization. Therefore, while making the recruitment, interest of the trade union should be kept in mind and process should be continued.

(iii) Labour Market Conditions:

Labour market conditions in India are always volatile i.e., changing. At any given point of time there may be a **surplus or a shortage** of well qualified candidate in a particular category of post for which vacancy is to be filled up. If well qualified candidates are in **short supply recruitment**

becomes difficult and if the candidates are excess with suitable qualification, selection becomes difficult. Therefore, it is necessary to take a note of labour market condition while recruiting the employees.

(iv) Legal Factors:

Legal factors like **prohibition of employment of children**, prohibition of employment of women in night shift, provision of security to the workers in underground mines, abolition of bonded labour, regulation of employment of contract labour, safety of scheduled caste, scheduled tribe and other weaker sections of society, discrimination in employment on the basis of religion, caste, sex, etc., influence on the recruitment practice of the organization.

(v) Economic Factors:

Economic factors like cost of recruitment, capacity of recruiting competent persons, working conditions in other similar organizations etc., also affect the recruitment practice of the organization.

SELECTION

➤ MEANING:

Selection is the process of picking or choosing the right candidate, who is most suitable for a vacant job position in an organization. In others words, selection can also be explained as the process of interviewing the candidates and evaluating their qualities, which are required for a specific job and then choosing the suitable candidate for the position.

The selection of a right applicant for a vacant position will be an asset to the organization, which will be helping the organization in reaching its objectives.

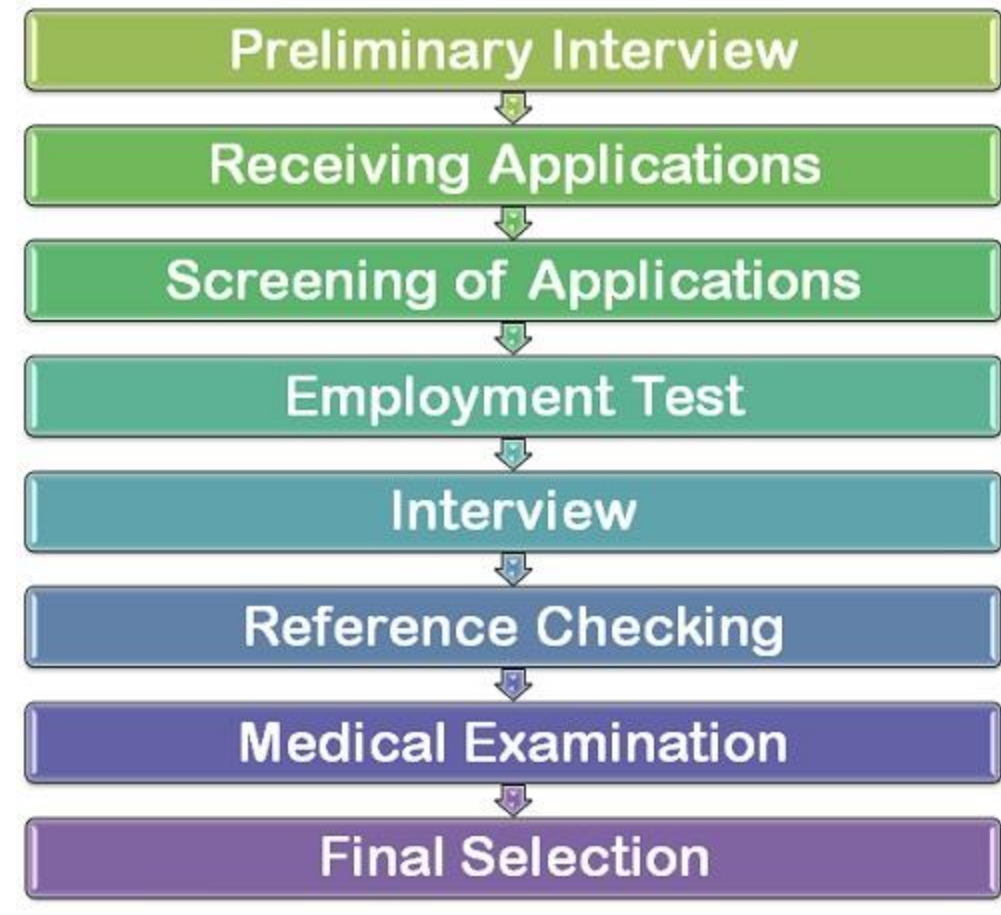
➤ **Different authors define Selection in different ways. Here is a list of some of the definitions –**

- Employee selection is a process of putting a right applicant on a right job.
- Selection of an employee is a process of choosing the applicants, who have the qualifications to fill the vacant job in an organization.
- Selection is a process of identifying and hiring the applicants for filling the vacancies in an organization.
- Employee selection is a process of matching organization's requirements with the skills and the qualifications of individuals.

A good selection process will ensure that the organization gets the right set of employees with the right attitude

➤ **SELECTION PROCESS AND STEPS**

As we have discussed that Selection is very important for any organization for minimizing the losses and maximizing the profits. Hence the selection procedure should be perfect. A good selection process should comprise the following steps –



1. **Preliminary Interview:** The preliminary interview is also called as a screening interview wherein those candidates are eliminated from the further selection process who do not meet the minimum eligibility criteria as required by the organization.

Here, the individuals are checked for their academic qualifications, skill sets, family backgrounds and their interest in working with the firm. The preliminary interview is less formal and is basically done to weed out the unsuitable candidates very much before proceeding with a full-fledged selection process.

2. **Receiving Applications:** Once the individual qualifies the preliminary interview he is required to fill in the application form in the prescribed format. This application contains the candidate data such as age, qualification, experience, etc. This information helps the interviewer to get the fair idea about the candidate and formulate questions to get more information about him.
3. **Screening Applications:** Once the applications are received, these are screened by the screening committee, who then prepare a list of those applicants whom they find suitable for the interviews. The short listing criteria could be the age, sex, qualification, experience of an individual. Once the list is prepared, the qualified candidates are called for the interview either through a registered mail or e-mails.
4. **Employment Tests:** In order to check the mental ability and skill set of an individual, several tests are conducted. Such as intelligence tests, aptitude tests, interest tests, psychological tests, personality tests, etc. These tests are conducted to judge the suitability of the candidate for the job.
5. **Employment Interview:** The one on one session with the candidate is conducted to gain more insights about him. Here, the interviewer asks questions from the applicant to discover more about him and to give him the accurate picture of the kind of a job he is required to perform.

Also, the briefing of certain organizational policies is done, which is crucial in the performance of the job. Through an interview, it is easier for the employer to understand the candidate's

expectations from the job and also his communication skills along with the confidence level can be checked at this stage.

6. **Checking References:** The firms usually ask for the references from the candidate to cross check the authenticity of the information provided by him. These references could be from the education institute from where the candidate has completed his studies or from his previous employment where he was formerly engaged. These references are checked to know the conduct and behavior of an individual and also his potential of learning new jobs.

7. **Medical Examination:** Here the physical and mental fitness of the candidate are checked to ensure that he is capable of performing the job. In some organizations, the medical examination is done at the very beginning of the selection process while in some cases it is done after the final selection. Thus, this stage is not rigid and can take place anywhere in the process. The medical examination is an important step in the selection process as it helps in ascertaining the applicant's physical ability to fulfill the job requirements.
8. **Final Selection:** Finally, the candidate who qualifies all the rounds of a selection process is given the appointment letter to join the firm.

Thus, the selection is complex and a lengthy process as it involves several stages than an individual has to qualify before getting finally selected for the job

TEST AND INTERVIEW

➤ INTRODUCTION:

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

This is done through a device called '**selection test**'. Selection test is a device that uncovers the information about the candidate which is not known through application blank and interview. In this way, selection test is an adjunct to a selection method.

➤ DEFINITION

According to Lee J. Groonbach “A test is a systematic procedure for comparing the behaviour of two or more persons”.

Milton M. Blum has defined test as “a sample of an aspect of an individual’s behaviour, performance and attitude”.

➤ **PURPOSE OF TESTS**

Selection tests, these are conducted mainly to fulfill the following purposes:

- (i) For the selection and placement of new employees.
- (ii) For appraising employees for promotional potentials.
- (iii) For counseling employees to enable them to perform better in their jobs.

William C. Byham puts the use of selection tests in these words: “The tests are the most misused, the least understood, yet the most valuable sources of information about applicants”.

➤ **TYPES OF TESTS**

1. APTITUDE TESTS:

These tests aim at measuring if an individual has the capacity or latent ability to learn a given job, in case he is given adequate training.

➤ **DIFFERENT APTITUDE TESTS ARE AS UNDER:**

(i) Intelligence Tests:

These tests, as evident from their name, measure intelligence quotient of the candidate. In detail, these tests measure capacity for comprehension reasoning, word fluency, verbal comprehension, numbers, memory and space.

(ii) Mechanical Aptitude Tests:

To evaluate the capacities of spatial visualization, perceptual speed and knowledge of mechanical matter mechanical aptitude tests are held. These tests are useful when selection is to be made of apprentices, skilled, mechanical employees, technicians, etc.

(iii) Psychomotor Tests:

These tests measure abilities like manual dexterity motor ability and mind and coordination of candidates. These tests are of great use to select **semi-skilled workers** for repetitive operations like packing, watch assembly.

iv) Clerical Aptitude Tests:

Specific capacities that are involved in office work are measured through this test. This test includes the items like spelling, computation, comprehension, copying, word measuring, etc.

2. ACHIEVEMENT TESTS:

These tests are conducted in case, it is claimed by the applicants that they know something as extraordinary; as such these tests are concerned with what one has accomplished. These tests are more useful to measure the value of specific achievement, when an organisation wishes to employ experienced candidates.

These tests are classified into two phases:

(i) Job Knowledge Tests:

It is the test under which a candidate is put under test in the knowledge of a particular job. For example, if a junior lecturer applies for the job of a senior lecturer in commerce, he may be tested in job knowledge, where he is asked questions about Accountancy Principles, Banking Law and Business Management etc.

(ii) Work Sample Tests:

This is the second phase under which a portion of the actual work is given to the candidate, as a test and the candidate is asked to do it. **To illustrate, in case a candidate applies for a post of lecturer in Management, he may be asked to deliver a lecture on Management Information System as a work sample test.**

3. SITUATIONAL TESTS:

This test makes evaluation of a candidate in a **similar real life situation**. The candidate is asked either to cope with the situation or solve critical situations of the job.

It can be divided as under:**(i) Group Discussion:**

As it is clear from its name that this test is administered through a group discussion approach to solve a problem under which candidates are observed in the areas of initiating, leading, proposing valuable ideas, conciliating skills, oral communicating skills, coordinating and concluding skills.

ii) In-Basket:

Situational test is administered through in-basket. The candidate, in this test, is supplied with actual letters, telephone and telegraphic message, reports and requirements by various officers of the organisation, adequate information about the job and organisation. The candidate is asked to take decisions on various items based on the in-basket information regarding requirements in the memoranda.

4. INTEREST TEST:

It is the state of wanting to know something about or a capacity about a subject arousing in a person, who is normally non-intellectual in nature. This test is an inventory of “likes and dislikes” of a person. The assumption of the test is that there is correlation between the interest of a person in his job and attaining success.

5. PERSONALITY TEST:

Personality attributes are considered as important since they affect the entire behavioral pattern of a person. Personality refers to the impression which an individual forms on others. They are expressed in such traits like self-confidence, tact, conformity emotions, control opinion, decisiveness sociability, so on and so forth.

(a) Objective test – Most of the personality tests are objective tests, as they are suitable for group tests and can be scored objectively.

(b) Projective test – The test projects interpretation of certain ‘stimulus’ situations on confused form of pictures and figures.

➤ OTHER TESTS

1. Graphology

The origin of graphology is traced back to the eleventh century when the Chinese drew attention to the relationship between **handwriting and personality**. It has been said that an individual's handwriting can suggest the degree of energy, found in the writer.

For example, big letters and emphasis on capital letters indicate a tendency towards domination and competitiveness. A slant to the right, moderate pressure and good legibility show leadership potential. Although the validity of

handwriting analysis is not fool-proof, some companies use graphology tests to supplement their usual selection procedure.

Polygraph Tests:

This test is designed to confirm the accuracy of information given on the application blank. Hence, it is considered as a form of employment test. Polygraph is a lie detector. Polygraph tests are found useful for the organizations that are highly vulnerable to theft or **swindling (obtain money or property by fraud)**

Examples of such organizations are departmental stores, banks, jewellery shops, etc.

Physiognomy Tests:

These tests suggest a definite correlation between facial features and physiological functions and behavior. According to these tests, **structures of features** are reflective of personality traits and characteristics. **For example, thin lips indicate determination.**

➤ **ADVANTAGE OF TESTING:**

1. Predicts Future Performance:

A well designed test can predict the future performance of an individual. Thus, test can be used for hiring personnel, transfer or promotion of the personnel for higher positions.

2. Diagnoses the situation and behavior:

Knowing why people behave the way one does requires understanding the particular variables/situation that cause behavior. Here again, well planned tests help understand the situation. For example, though **decline in productivity** could be caused by a host of factors, tests can help understand such decline due to human factors.

3. Offers Benefits of Economy of Scale:

Conducting tests on the whole serves cost effective as it offers the benefits of economy of scale. This is because tests when administered to a group save on both time and cost.

4. Uncover what not covered by Other Devices:

One important advantage of conducting tests is that they uncover qualifications and talents of the tested that cannot be detected by application blanks and interviews.

5. Serve as Unbiased Tools:

Based on reliability and validity norms, tests do also serve as unbiased tools of selection process.

6. Quantify the Test Results:

Above all, tests being quantifiable yield themselves to scientific and statistical analyses. Thus, tests also save basis for research in personnel issues and matters. Valid job-related tests will also pay off in increasing ability to identify in advance those employees who will perform most effectively in the organisation.

➤ WHILE APPLYING TESTS FOR SELECTION OF CANDIDATES THE FOLLOWING GUIDELINES SHOULD BE OBSERVED:

- (i) Tests should be used as supplements rather than as substitute for any method of selection.
- (ii) Tests are better at predicting failure than success. They often determine which applicants will not or cannot perform a job satisfactorily instead who can or will perform in effective and efficient manner.
- (iii) Tests are not precise measures of one's skills and traits but only samples of one's total behavior. So to say, tests with highest scores do not necessarily mean better choices for a job than those with lower scores.
- (iv) Tests should be validated in the organisation in which these are administered. Here, validity means the degree to which a test actually measures what it is meant to measure.

(v) In order to make the test scores comparable, tests should be administered under standard conditions to all applicants tested for a particular job”.

(vi) Tests should be designed, administered, interpreted and evaluated only by trained and competent persons.

(vii) The candidates should be provided with samples of tests or answering queries so as to warm up them before the test is administered.

INTERVIEW

MEANING:

The interview is the heart of the employment process. Interviewing is considered to be the most useful selection method. The interview is a conversation with a purpose.

“An interview is a purposeful exchange of ideas, the answering of questions and communication between two or more persons.”

DEFINITION:

According to juices Michael, “An interview is a face to face, oral observational and personal appraisal method.” Its aim is to provide the candidate with information about the job and the company and also to give the candidate a favorable impression of the company.

Selection interview, also known as employment interview, is a formal, in-depth conversation conducted to evaluate the acceptability of candidates for employment. Its aim is to discover those aspects of an applicant which may not be disclosed by other methods.

➤ **THE FOLLOWING ARE THE OBJECTIVES OF A WELL-DESIGNED AND AN EFFECTIVE INTERVIEW:**

1. To seek more information about the candidate, which is not mentioned in “Application Blank”
2. To judge an applicant’s qualities and characteristics as a basis for sound selection and placement.
3. To verify the information given in the application form and in the Application Blank.
4. To give essential and accurate facts about the job and the organisation such as nature of the job, hours of work, opportunities for advancement, employee welfare facilities, benefits and services available, organisation’s policies, plans, future prospects etc. to the candidate. So that the candidate will be in a position to decide, whether to accept or not the employment in that organisation.
5. To create a good image and to promote goodwill towards the organisation, whether the interview culminates in employment or not.
6. To give an idea of disciplinary action, grievance handling and relations with unions to the candidate, because interview is a valuable tool for all these.

7. Interview is the only technique which seeks correct and factual information about the candidate.

➤ **INTERVIEW OFFERS THE FOLLOWING IMPORTANCE**

(i) **Helps in Selection of a suitable candidate** – Candidates who have claimed different qualities in their application can be tested directly through face to face conversation and those who are suitable can be selected.

(ii) **Exchange of information** – Face to face conversation helps to exchange views and opinions between interviewer and interviewee and any doubt regarding the terms and conditions of the job can be cleared then and there only.

(iii) **Helps to know the facilities** – Interview helps to know the facilities offered and opportunities available to the employees and also the terms and conditions of employment. This helps the candidates to decide whether to offer their service or not to the organization.

(iv) **Helps to tell about company** – Interview helps to tell about company's policy, rules, regulations, discipline and conditions of appointment. If the conditions are acceptable, candidates may accept the job and vice-versa.

(v) **Widely accepted tool** – Interview is the oldest and most commonly used device in selecting the employees. Though test and group discussion are conducted to select the employees, they do

not provide complete information about the candidates. Under such circumstances interview acts as a great help to the organization.

➤ **TYPES OF INTERVIEW:**

1. Preliminary Interview:

It is also called screening interview. The purpose is to decide through mutual information sharing whether a comprehensive interview is desired. In this interview, besides providing information about the job and the organisation, preliminary information is sought on past work experience, education and motivation people who, sometimes, involve people from the areas where the applicant is finally going to be placed. This is usually done for jobs that are technical in nature.

2. Patterned Interview:

In this kind of interview what is to be asked is already structured and hence they are called structured interviews. Patterned interviews are a combination of direct and indirect & questioning of the applicant in conjunction with the application blank and is considered to be much more accurate than less standardized interviews.

3. Non Directive/Unstructured Interview:

In This interviewing technique there is a minimum use of direct question. Questions that can yield 'yes' or 'no' answers are avoided and instead broad general questions are asked in the interview.

Such questions help in revealing the applicant real personality. It is felt that the more the applicant is allowed the freedom to talk about himself, the more he will reveal his personality as it really is.

4. Stress Interview:

It is a deliberate attempt to create tension and pressure to observe how an applicant performs under stress. Stress is induced by not allowing him to complete his answers or too many questions are asked in quick succession. Some may react in a mature way by keeping their cool and yet try to answer the questions, others might lose their cool and react sharply. The most important advantage of this interview is that it helps to demonstrate important personality or characteristics which would be difficult to observe in tension-free situations. Such interviews are useful in jobs where emotional balance is a key requirement.

5. Depth Interview:

The purpose of depth interview is to get total information on an applicant in order to develop a comprehensive profile based on in-depth understanding of his personality. Its major advantage, of course, is in getting a complete and details understanding of the applicant. Its major drawback is the cost in terms of time. In any case it is not a usual method of selection.

6. Group Interview:

In this interview, groups rather than individuals are interviewed. A topic of discussion is assigned to the group of applicants and their performance is evaluated by the observers. The observers' main focus is to see whether any one of the applicants assumes leadership how this is done, and how it is accepted by other members of the group.

7. Panel or Board Interview:

Interviewing candidates by a single person may not be effective as he cannot judge the candidates in different areas/skill. Hence, most organizations' invite a panel of experts, specialized in different disciplines, to interview candidates. The great advantage of this interview

is that it helps to coordinate the collective judgment and wisdom of members of the panel. This type of interview is done usually for supervisory and managerial positions.

PLACEMENT

➤ MEANING

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

When once the candidate reports for duty, the organization has to place him initially in that job for which is selected; immediately the candidate will be trained in various related jobs during the periods of probation of training or trial.

➤ **THE FOLLOWING PRINCIPLES ARE REQUIRED TO BE OBSERVED WHILE MAKING PLACEMENT OF AN EMPLOYEE:**

(i) **Job requirement** – Man should be placed on the job according to the requirement of the job rather than qualification and requirement of the man.

(ii) **Qualification** – The job offered should match with the qualification possessed by an employee.

(iii) **Information** – All the information relating to the job should be given to the employees along with the prevailing working conditions. They should also be made known that they have to pay penalty for wrong doing.

(iv) **Loyalty and Co-operation** – Every effort should be made to develop a sense of loyalty and co-operation in employees to make them understand their responsibilities

➤ **5 MAJOR PROBLEMS FACED BY PERSONNEL MANAGER IN PLACEMENT OF NEW EMPLOYEES**

Problem # 1. Employees Expectations:

What the new employee expects from his job is the first problem in his placement. If he expects high salary, independent and challenging work but the job offers low salary, dependent and routine work, the employee finds himself misfit to his job.

Problem # 2. Job Expectations:

Sometimes, the employee's expectations from his job are more than his abilities or skills. In such a case, the personnel manager finds the mismatch between the employee and the job.

Problem # 3. Technological Change:

Sometimes, technological changes bring radical changes in job description and specifications, resulting in the mismatch between the employee and the job.

Problem # 4. Changes in Organizational Structure:

Some strategic changes like mergers, acquisitions, amalgamations, delayering, downsizing etc. bring about changes in organizational structure, which in their turn, bring about changes in the jobs. Such changes are likely to result in misfit between the employees and the job.

Problem # 5. Social and Psychological Factors:

Some social and psychological factors involved in **team work** or group formation result in the mismatch between employees and the jobs.

INDUCTION

➤ **MEANING:**

An induction programme is the process used within many businesses to welcome new employees to the company and prepare them for their new role. Induction training should include development of theoretical and practical skills, but also meet interaction needs that exist among them.

Induction is the process of introducing a new employee to his/her job and organization and giving him all the necessary information required by him/her to start his work. Induction helps to reduce the anxiety of a new entrant in the organization and helps him to feel a sense of belongingness in the organization. introduction of a new entrant into any existing group of people has been a common feature we come across in our everyday life.

Example:- Recall, the bride on joining to (your) family was introduced to (your) family members and manners. Remember your own joining to your present Department of Business Administration. On joining the Department, you may have been told about the Department's rules and regulations, the procedure for academic activities such as sessional tests, assignments, seminar presentations, summer training, semester examination, papers to be taught with the names of the teachers, etc.

➤ **OBJECTIVES OF INDUCTION**

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

➤ **BENEFITS OF INDUCTION PROGRAMME:**

A formal induction programme may provide the following benefits to the new comer and the organization:

1. A well-designed induction programme reduces anxiety, nervousness, and absenteeism and employee turnover.
2. Induction helps minimize the reality or cultural shock new employees undergo on joining a new organization.

➤ **INDUCTION PROGRAMME INCLUDES THREE STEPS**

1. **General orientation:** It includes guided tours in different departments of an organization, introduction with fellow employees, supervisors and executives, information about the organizations' mission, philosophy, achievements and future plans, etc
2. **Specific orientation:** This is intended to help new employees to get familiar with their new work environment. The supervisor or the departmental boss of the employee takes him on a round to his place of work and impart vocational guidance for his particular nature of work.
3. **Follow-up orientation:** This orientation is conducted after some time of initial induction of an employee, i.e., preferably within a period of six months or so. The purpose of such orientation is to give guidance and counsel to the employees to ensure that they are reasonably satisfied and gradually settling down.

IMPORTANT QUESTIONS**UNIT-I****➤ SHORT QUESTIONS:**

- Q1.** Globalization
- Q2.** HRM practices in India
- Q3.** Human Resource Planning
- Q4.** Downsizing
- Q5.** Voluntary Retirement
- Q6.** Objectives of HRM
- Q7.** Exit Policy
- Q8.** Artificial intelligence
- Q9.** Learning Management System
- Q10.** Procurement.

➤ LONG QUESTIONS:

- Q1.** Human resource management plays a vital role in the whole system of Management of an Industrial organization. Explain.
- Q2.** Write a note on the task and challenges before the HR managers in near future. What role they will have to perform.
- Q3.** Discuss the factors affecting HRP.

Q4. Explain the steps followed in Human resource Planning.

Q5. Describe the functions and scope of HRM

Q6. Human resource Planning has a great relevance in the present day context of technological revolution than even before. Explain the statement.

UNIT-II

➤ SHORT QUESTIONS

Q1. Job Description

Q2. Job Specification

Q3. Job Enlargement

Q4. Job Enrichment

Q5. Difference between Job Enlargement and Job Enrichment

Q6. Job Rotation

Q7. Placement and Induction

Q8. Test and Interview

Q9. Difference between Recruitment and Selection

Q10. Difference between induction and orientation

➤ LONG QUESTIONS:

Q1. Define job Analysis. Discuss the methods of job analysis in details.

Q2. What is job design? Explain the methods or techniques of job design in detail.

Q3. Discuss the factors affecting Recruitment.

Q4. Explain the Selection process in details.

Q5. What are the constraints generally faced by an organization in recruiting employees?

Q6. Explain the sources of recruitment. Also explain the merits and demerits of External source of Recruitment.

Q7. What are the recent trends in recruitment? What challenges are faced by Human resource managers of today?

Q8. Discuss the process of Job analysis in detail.

Q9. Discuss the merits and demerits of job enlargement and job enrichment.

UNIT-III

TRAINING AND DEVELOPMENT

➤ TRAINING AND DEVELOPMENT

Training is about knowing where you are in the present and after some time where will you reach with your abilities. By training, people can learn new information, new methodology and refresh their existing knowledge and skills. Due to this there is much improvement and adds up the effectiveness at work. The motive behind giving the training is to create an impact that lasts beyond the end time of the training itself and employee gets updated with the new phenomenon. Training can be offered as skill development for individuals and groups.

Dale S. Beach defines training as ‘the organized procedure by which people learn knowledge and/or skill for a definite purpose’. Training refers to the teaching and learning activities carried on for the primary purpose of helping members of an organization acquire and apply the knowledge, skills, abilities, and attitudes needed by a particular job and organization.

According to **Edwin Flippo**, ‘training is the act of increasing the skills of an employee for doing a particular job’.

➤ DEVELOPMENT MEANING:

It is an educational process which is concerned with the overall growth of the employees. To improve the work performances of the employees.

➤ **FEATURES:**

1. Development is the overall growth of an employee to perform present assignment better and increasing potential for future higher order assignment.
2. It focuses on imparting technical, human, and conceptual skills.
3. It seeks to develop competency of managerial employees to handle complex and challenging tasks. Thus, it has long-term focus.
4. It is a self-development process. The executive has to be internally motivated for self-development. It is career-centered in nature.

➤ **DIFFERENCE BETWEEN TRAINING AND DEVELOPMENT**



➤ NEED FOR TRAINING:

Every organization should provide training to all the employees irrespective of their qualifications and skills.

Specifically the need for training arises because of following reasons:

1. Environmental changes:

Mechanization, computerization, and automation have resulted in many changes that require trained staff possessing enough skills. The organization should train the employees to enrich them with the latest technology and knowledge.

2. Organizational complexity:

With modern inventions, technological Upgradation, and diversification most of the organizations have become very complex. This has aggravated the problems of coordination. So, in order to cope up with the complexities, training has become mandatory.

3. Human relations:

Every management has to maintain very good human relations, and this has made training as one of the basic conditions to deal with human problems.

4. To match employee specifications with the job requirements and organizational needs:

An employee's specification may not exactly suit to the requirements of the job and the organization, irrespective of past experience and skills. There is always a gap between an employee's present specifications and the organization's requirements. For filling this gap training is required.

5. Change in the job assignment:

Training is also necessary when the existing **employee is promoted to the higher level** or **transferred to another department**. Training is also required to equip the old employees with new techniques and technologies

➤ IMPORTANCE OF TRAINING:

The importance of training is emphasized by the following factors:

1. Increased Productivity:

It improves performance. Better skilled workers increase quantity and improve quality of output. Wastages are reduced. It reduces the learning time with the resultant productivity.

2. Improvement in Employee Morale:

Training improves needed skills, which build up confidence and satisfaction. This, in turn, develops enthusiasm and pride, which are indicative of high morale.

3. Better Safety:

More accidents are caused by deficiencies in people than by deficiencies in equipment and working condition. Proper training with emphasis upon selected safety points reduces accidents.

4. Reduced Supervision:

Untrained personnel are a source of constant worry to the immediate supervisor. Once he acquires the requisite skill he is entitled to lesser close supervision.

5. Personal Growth:

The training programmes give the participants a wider awareness, a sense of self-satisfaction and fulfillment, an enlightened philosophy and a value system that are the apex to the personal growth.

6. Ensure better Placement:

Training helps in spotting out promising men and in locating mistakes in selection. Promising trainee will be discovered from his quick understanding of instructions.

7. Organizational Stability:

Training and development programmes foster the initiative and creativity of employees, which increases a sense of belonging, thus preventing manpower obsolescence. There is no greater organizational asset than that of trained and motivated personnel.

➤ **TRAINING AND DEVELOPMENT PROCESS**

Training and development is a continuous process as the skills, knowledge and quality of work needs constant improvement. Since businesses are changing rapidly, it is critical that companies focus on training their employees after constantly monitoring them & developing their overall personality.

✓ **STEPS FOR TRAINING AND DEVELOPMENT PROCESSES ARE**

Step # 1. Identifying Training Needs:

Training need is a difference between standard performance and actual performance. Hence, it tries to bridge the gap between standard performance and actual performance. The gap clearly underlines the need for training of employees. Hence, under this phase, the gap is identified in order to assess the training needs.

Step # 2. Establish Specific Objectives:

After the identification of training needs, the most crucial task is to determine the objectives of training. Hence, the primary purpose of training should focus to bridge the gap between standard performance and actual performance. This can be done through setting training objectives. Thus, basic objective of training is to bring proper match between man and the job.

Step # 3. Select Appropriate Methods:

Training methods are desired means of attaining training objectives. After the determination of training needs and specification of objectives, an appropriate training method is to be identified

and selected to achieve the stated objectives. There are number of training methods available but their suitability is judged as per the need of organizational training needs.

Step # 4. Implement Programs:

After the selection of an appropriate method, the actual functioning takes place. Under this step, the prepared plans and programs are implemented to get the desired output. Under it, employees are trained to develop for better performance of organizational activities.

Step # 5. Evaluate Program:

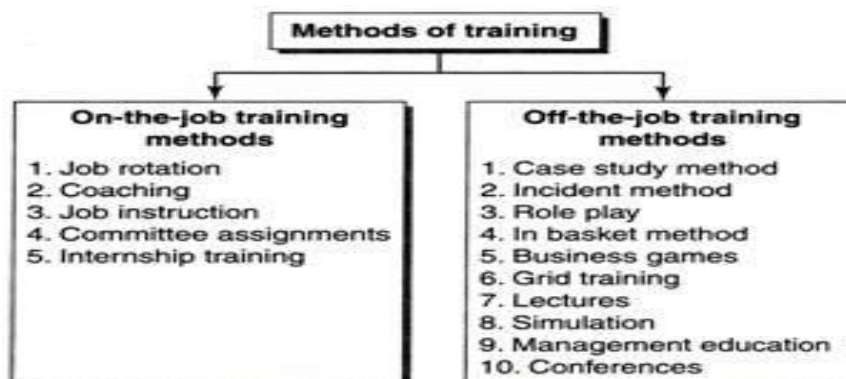
It consists of an evaluation of various aspects of training in order to know whether the training program was effective. In other words, it refers to the training utility in terms of effect of training on employees' performance.

Step # 6. Feedback:

Finally, a feedback mechanism is created in order to identify the weak areas in the training program and improve the same in future. For this purpose, information relating to class room, food, lodging etc., are obtained from participants. The obtained information, then, evaluated, and analyzed in order to mark weak areas of training programs and for future improvements.

➤ **METHODS OF TRAINING:**

On-the-job Training Method and Off-the-Job Methods!



Management development is a systematic process of growth and development by which the managers develop their abilities to manage. It is concerned with not only improving the performance of managers but also giving them opportunities for growth and development.

There are two methods through which managers can improve their knowledge and skills. One is through formal training and other is through on the job experiences. On the job training is very important since real learning takes place only when one practices what they have studied.

1. ON-THE-JOB TRAINING (OJT) METHODS:

This is the most common method of training in which a trainee is placed on a specific job and taught the skills and knowledge necessary to perform it.

1. Job rotation:

This training method involves movement of trainee from one job to another gain knowledge and experience from different job assignments. This method helps the trainee understand the problems of other employees.

2. Coaching:

Under this method, the trainee is placed under a particular supervisor who functions as a coach in training and provides feedback to the trainee. Sometimes the trainee may not get an opportunity to express his ideas.

3. Job instructions:

Also known as **step-by-step training** in which the trainer explains the way of doing the jobs to the trainee and in case of mistakes, corrects the trainee.

4. Committee assignments:

A group of trainees are asked to solve a given organizational problem by discussing the problem. This helps to improve team work.

5. Internship training:

Under this method, instructions through theoretical and practical aspects are provided to the trainees. Usually, students from the engineering and commerce colleges receive this type of training for a small stipend.

➤ ADVANTAGES OF ON THE JOB TRAINING

1. Improve Productivity

Training improves the productivity of employees. Because when the employees well-trained they know what to do? and How to do?. So, training improves the productivity of the employees.

2. Multi-Skill

Training makes the employees multi-skilled. During the training, employees learn multiple skilled. which make them more skilled and multi-skilled as well.

3. Quick Learning

On the job training provides the learning environment to the trainees. which make them more quick learner.

4. Make Systematic Approach

On the job training make the systematic approach in the organization.because that time they know the right approach of the organization.

➤ DISADVANTAGES OF ON JOB TRAINING:

1. Problem in Production

On job training create problems during the production of finish goods, because trainees ask the queries during production which distract the worker. So, on the job training create problems during production.

2. Costly

On Job training method is costly in the sense that the workers are disturbed by training activities.

3. Possibility of Accidents

When the trainees work on the floor the risk of accidents increases because that time they will not be aware with the dangerous machine. that can be harmful.

2. OFF-THE-JOB METHODS:

On the job training methods have their own limitations, and in order to have the overall development of employee's off-the-job training can also be imparted. The methods of training which are adopted for the development of employees away from the field of the job are known as off-the-job methods.

The following are some of the off-the-job techniques:

1. Case study method:

Usually case study deals with any problem confronted by a business which can be solved by an employee. The trainee is given an opportunity to analyse the case and come out with all possible solutions. This method can enhance analytic and critical thinking of an employee.

2. Incident method:

Incidents are prepared on the basis of actual situations which happened in different organizations and each employee in the training group is asked to make decisions as if it is a real-life situation. Later on, the entire group discusses the incident and takes decisions related to the incident on the basis of individual and group decisions.

3. Role play:

In this case also a problem situation is simulated asking the employee to assume the role of a particular person in the situation. The participant interacts with other participants assuming different roles. The whole play will be recorded and trainee gets an opportunity to examine their own performance.

4. In-basket method:

The employees are given information about an imaginary company, its activities and products, HR employed and all data related to the firm. The trainee (employee under training) has to make notes, delegate tasks and prepare schedules within a specified time. This can develop situational judgments and quick decision making skills of employees.

5. Business games:

According to this method the trainees are divided into groups and each group has to discuss about various activities and functions of an imaginary organization. They will discuss and decide about various subjects like production, promotion, pricing etc. This gives result in co-operative decision making process.

6. Grid training:

It is a continuous and phased programme lasting for six years. It includes phases of planning development, implementation and evaluation. The grid takes into consideration parameters like concern for people and concern for people.

7. Lectures:

This will be a suitable method when the numbers of trainees are quite large. Lectures can be very much helpful in explaining the concepts and principles very clearly, and face to face interaction is very much possible.

8. Simulation:

Under this method an imaginary situation is created and trainees are asked to act on it. For e.g., assuming the role of a marketing manager solving the marketing problems or creating a new strategy etc.

9. Management education:

At present universities and management institutes give great emphasis on management education. For e.g., Mumbai University has started bachelors and postgraduate degree in Management. Many management Institutes provide not only degrees but also hands on experience having collaboration with business concerns. .

10. Conferences:

A meeting of several people to discuss any subject is called conference. Each participant contributes by analyzing and discussing various issues related to the topic. Everyone can express their own view point.

➤ ADVANTAGES OR BENEFITS OF OFF THE JOB TRAINING**1. Effective Method**

Off the job training is well organized and conducted by experts and specialists which makes the training program more effective.

2. High Productivity

It is conducted outside the organization or workstation and trainees are not involved in the production process. Only trained and skilled workers are placed at the work place. So, productivity will be higher.

3. Minimize Errors

Under this method, newly appointed employees are trained outside the production area and skilled and trained manpower perform the job. So, it lowers the production errors.

4. Economical

In this method, a large number of employees can be participated and orientation can be provided at a time. It helps to reduce training costs. So, it is a cost effective method.

5. No Disturbance

Trainees are not allowed to work in the actual work place. So, production process will not be disturbed and existing employees can do their jobs smoothly.

➤ DISADVANTAGES OR DRAWBACKS OF OFF THE JOB TRAINING

1. More Expensive

This method of training may be very expensive due to extra space, accommodation and transportation costs and experts' fees etc.

2. Less Effective

Off the job training is less effective than on the job training method because it is conducted outside the working environment. Employees need extra induction training to handle their job.

3. Dissatisfaction

Training is conducted artificially outside the work place. So, employees cannot learn properly in this training method. Dissatisfaction may arise among the employees.

4. No Production

Trainees cannot take part in the production process. So, potential output and time is lost in this method of training.

UNIT-III

TRAINING AND DEVELOPMENT

➤ TRAINING AND DEVELOPMENT

Training is about knowing where you are in the present and after some time where will you reach with your abilities. By training, people can learn new information, new methodology and refresh

their existing knowledge and skills. Due to this there is much improvement and adds up the effectiveness at work. The motive behind giving the training is to create an impact that lasts beyond the end time of the training itself and employee gets updated with the new phenomenon. Training can be offered as skill development for individuals and groups.

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Training methods are desired means of attaining training objectives. After the determination of training needs and specification of objectives, an appropriate training method is to be identified and selected to achieve the stated objectives. There are number of training methods available but their suitability is judged as per the need of organizational training needs.

Step # 4. Implement Programs:

After the selection of an appropriate method, the actual functioning takes place. Under this step, the prepared plans and programs are implemented to get the desired output. Under it, employees are trained to develop for better performance of organizational activities.

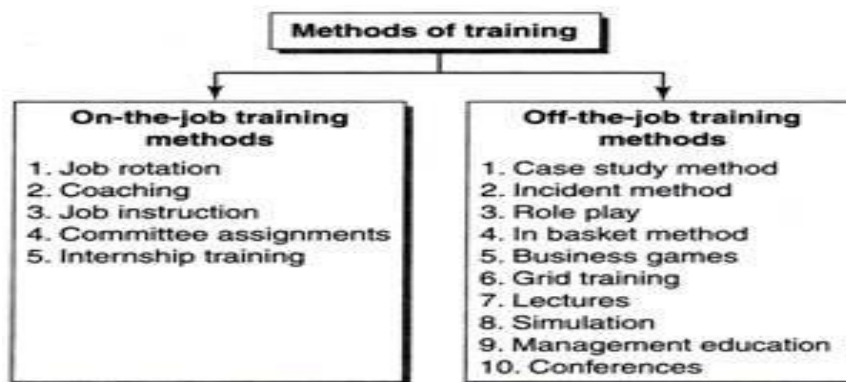
Step # 5. Evaluate Program:

It consists of an evaluation of various aspects of training in order to know whether the training program was effective. In other words, it refers to the training utility in terms of effect of training on employees' performance.

Step # 6. Feedback:

Finally, a feedback mechanism is created in order to identify the weak areas in the training program and improve the same in future. For this purpose, information relating to class room, food, lodging etc., are obtained from participants. The obtained information, then, evaluated, and analyzed in order to mark weak areas of training programs and for future improvements.

➤ **METHODS OF TRAINING:**

On-the-job Training Method and Off-the-Job Methods!

Management development is a systematic process of growth and development by which the managers develop their abilities to manage. It is concerned with not only improving the performance of managers but also giving them opportunities for growth and development.

There are two methods through which managers can improve their knowledge and skills. One is through formal training and other is through on the job experiences. On the job training is very important since real learning takes place only when one practices what they have studied.

1. ON-THE-JOB TRAINING (OJT) METHODS:

This is the most common method of training in which a trainee is placed on a specific job and taught the skills and knowledge necessary to perform it.

1. Job rotation:

This training method involves movement of trainee from one job to another gain knowledge and experience from different job assignments. This method helps the trainee understand the problems of other employees.

2. Coaching:

Under this method, the trainee is placed under a particular supervisor who functions as a coach in training and provides feedback to the trainee. Sometimes the trainee may not get an opportunity to express his ideas.

3. Job instructions:

Also known as **step-by-step training** in which the trainer explains the way of doing the jobs to the trainee and in case of mistakes, corrects the trainee.

4. Committee assignments:

A group of trainees are asked to solve a given organizational problem by discussing the problem. This helps to improve team work.

5. Internship training:

Under this method, instructions through theoretical and practical aspects are provided to the trainees. Usually, students from the engineering and commerce colleges receive this type of training for a small stipend.

➤ **ADVANTAGES OF ON THE JOB TRAINING**

1. Improve Productivity

Training improves the productivity of employees. Because when the employees well-trained they know what to do? and How to do?. So, training improves the productivity of the employees.

2. Multi-Skill

Training makes the employees multi-skilled. During the training, employees learn multiple skilled. which make them more skilled and multi-skilled as well.

3. Quick Learning

On the job training provides the learning environment to the trainees. which make them more quick learner.

4. Make Systematic Approach

On the job training make the systematic approach in the organization.because that time they know the right approach of the organization.

➤ DISADVANTAGES OF ON JOB TRAINING:

2. Problem in Production

On job training create problems during the production of finish goods, because trainees ask the queries during production which distract the worker. So, on the job training create problems during production.

2. Costly

On Job training method is costly in the sense that the workers are disturbed by training activities.

3. Possibility of Accidents

When the trainees work on the floor the risk of accidents increases because that time they will not be aware with the dangerous machine. that can be harmful.

2. OFF-THE-JOB METHODS:

On the job training methods have their own limitations, and in order to have the overall development of employee's off-the-job training can also be imparted. The methods of training

which are adopted for the development of employees away from the field of the job are known as off-the-job methods.

The following are some of the off-the-job techniques:

1. Case study method:

Usually case study deals with any problem confronted by a business which can be solved by an employee. The trainee is given an opportunity to analyse the case and come out with all possible solutions. This method can enhance analytic and critical thinking of an employee.

2. Incident method:

Incidents are prepared on the basis of actual situations which happened in different organizations and each employee in the training group is asked to make decisions as if it is a real-life situation. Later on, the entire group discusses the incident and takes decisions related to the incident on the basis of individual and group decisions.

3. Role play:

In this case also a problem situation is simulated asking the employee to assume the role of a particular person in the situation. The participant interacts with other participants assuming different roles. The whole play will be recorded and trainee gets an opportunity to examine their own performance.

4. In-basket method:

The employees are given information about an imaginary company, its activities and products, HR employed and all data related to the firm. The trainee (employee under training) has to make notes, delegate tasks and prepare schedules within a specified time. This can develop situational judgments and quick decision making skills of employees.

5. Business games:

According to this method the trainees are divided into groups and each group has to discuss about various activities and functions of an imaginary organization. They will discuss and decide about various subjects like production, promotion, pricing etc. This gives result in co-operative decision making process.

6. Grid training:

It is a continuous and phased programme lasting for six years. It includes phases of planning development, implementation and evaluation. The grid takes into consideration parameters like concern for people and concern for people.

7. Lectures:

This will be a suitable method when the numbers of trainees are quite large. Lectures can be very much helpful in explaining the concepts and principles very clearly, and face to face interaction is very much possible.

8. Simulation:

Under this method an imaginary situation is created and trainees are asked to act on it. For e.g., assuming the role of a marketing manager solving the marketing problems or creating a new strategy etc.

9. Management education:

At present universities and management institutes gives great emphasis on management education. For e.g., Mumbai University has started bachelors and postgraduate degree in Management. Many management Institutes provide not only degrees but also hands on experience having collaboration with business concerns. .

10. Conferences:

A meeting of several people to discuss any subject is called conference. Each participant contributes by analyzing and discussing various issues related to the topic. Everyone can express their own view point.

➤ **ADVANTAGES OR BENEFITS OF OFF THE JOB TRAINING**

1. Effective Method

Off the job training is well organized and conducted by experts and specialists which makes the training program more effective.

2. High Productivity

It is conducted outside the organization or workstation and trainees are not involved in the production process. Only trained and skilled workers are placed at the work place. So, productivity will be higher.

3. Minimize Errors

Under this method, newly appointed employees are trained outside the production area and skilled and trained manpower perform the job. So, it lowers the production errors.

4. Economical

In this method, a large number of employees can be participated and orientation can be provided at a time. It helps to reduce training costs. So, it is a cost effective method.

5. No Disturbance

Trainees are not allowed to work in the actual work place. So, production process will not be disturbed and existing employees can do their jobs smoothly.

➤ **DISADVANTAGES OR DRAWBACKS OF OFF THE JOB TRAINING**

1. More Expensive

This method of training may be very expensive due to extra space, accommodation and transportation costs and experts' fees etc.

2. Less Effective

Off the job training is less effective than on the job training method because it is conducted outside the working environment. Employees need extra induction training to handle their job.

3. Dissatisfaction

Training is conducted artificially outside the work place. So, employees cannot learn properly in this training method. Dissatisfaction may arise among the employees.

4. No Production

Trainees cannot take part in the production process. So, potential output and time is lost in this method of training.

CAREER PLANNING

➤ **DEFINITION OF CAREER PLANNING:**

Career planning is the process of enhancing an employee's future value. A career plan is an individual's choice of occupation, organization and career path.

“Career planning is a process of systematically matching career goals and individual capabilities with opportunities for their fulfillment.”

➤ **FEATURES OF CAREER PLANNING AND CAREER DEVELOPMENT:**

1. It is an ongoing process.
2. It helps individuals develop skills required to fulfill different career roles.
3. It strengthens work-related activities in the organization.
4. It defines life, career, abilities, and interests of the employees.
5. It can also give professional directions, as they relate to career goals.

➤ **OBJECTIVES OF CAREER PLANNING:**

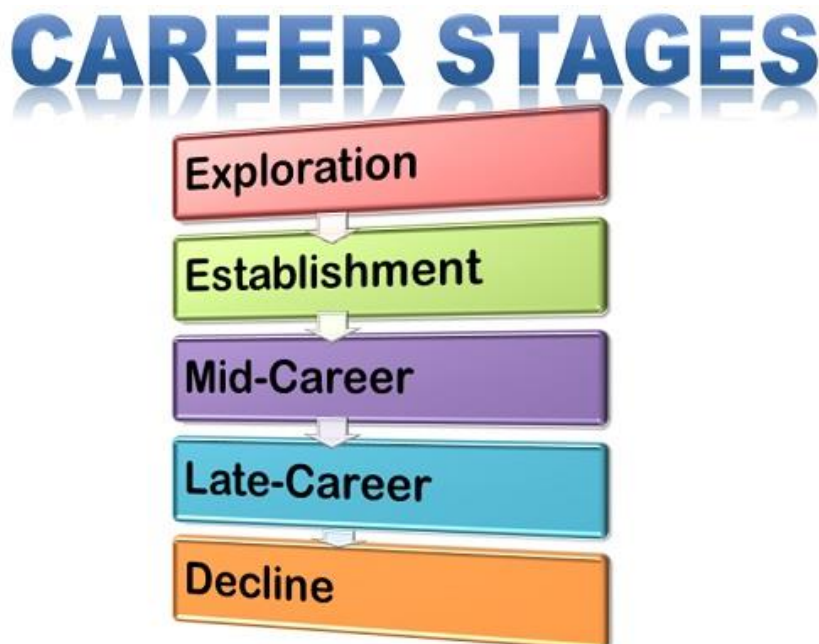
1. To identify positive characteristics of the employees.
2. To develop awareness about each person's uniqueness.
3. To respect feelings of other employees.
4. To attract talented employees to the organization.
5. To train employees towards team-building skills.
6. To create healthy ways of dealing with conflicts, emotions, and stress.

➤ **BENEFITS OF CAREER PLANNING:**

1. Career planning ensures a constant supply of promotable employees.

2. It helps in improving the loyalty of employees.
3. Career planning encourages an employee's growth and development.
4. It discourages the negative attitude of superiors who are interested in suppressing the growth of the subordinates.
5. It ensures that senior management knows about the calibre and capacity of the employees who can move upwards.
6. It can always create a team of employees prepared enough to meet any contingency.
7. Career planning reduces labour turnover.
8. Every organization prepares succession planning towards which career planning is the first step.

➤ **CAREER LIFE CYCLE**



1. **Exploration:** The exploration stage is the **pre-employment stage**, wherein the individuals are in their mid-twenties and **enter from their college life to the work environment**. The individuals narrow down their work preferences on the basis of the directions shown by their **parents, friends, family, teachers**.

At this stage, **several expectations** about the work are created that may be the fantasies, or unrealistic beliefs about the work, very much before entering into the firm.

2. **Establishment:** At this stage, an **individual actually experiences the work culture in his first job**. Here, all the expectations and fantasies come to an end, and one has to face the reality of life. This stage covers about 10 years from the 25 years of age.

It is also called as a learning stage; wherein the fresher learns under the **guidance of a mentor**. At this stage, the fresher commits many mistakes and try to learn from these, thereby gaining a position in the society and working for his career advancement.

3. **Mid-Career:** This stage covers the age period of **35 to 45 years**. At this stage, the individual is no longer considered to be a fresher and his mistakes are taken seriously by the senior management.

Here, **the employee must evaluate his current career position**, i.e. whether he is advancing, or has stabilized or has started to decline and look for the future career prospects. At this stage, an individual has to maintain a balance between his career and his personal life i.e. spouse and children.

4. **Late-Career:** At this stage, an individual reaches to a **particular position in the organization hierarchy**, on the basis of his career graph which is **characterized by growth or stagnation**.

If an individual grows even after the mid-career (i.e. 20 years after mid-forties), then he is considered to be having the pleasant experience with the work. Here, an individual becomes the mentor and guide others through his experiences.

5. Decline: This is the last stage of career development. At this stage, an individual has to step out of his work or get a retirement from his official commitments. It is considered as one of the difficult stages, as it is very hard for the employees to leave the firm who are doing excellent even after their late career.

➤ **FACTOR AFFECTING CAREER PLANNING AND DEVELOPMENT:**

1. Personality of employee

Employee's personality and motivation is necessary prerequisite for working on certain job positions. Personality of employee and superior ideas about personality profile for concrete job is one of key factor with the direct affect to career development.

For typical example we can use job positions in management level. The employee could be the great specialist, but the same person can be very bad boss or manager.

2. Education, completed training and courses

Adequate education, completed courses and training programs are one of basic factor with direct influence for career and for promotion in organizational structure.

In some companies it is very difficult for employee without university degree to decide achieve advancement to major work and employee with university degree has obvious advantage career development.

3. Behavior and self - presentation

The behavior and the superior view of employee is sometimes more important than job performance. Employ must consider the career goals and for these goals and for proposed job position must modify self-presentation and behavior in company.

4. Job performance and evaluation of superior

Job performance and result attained at work should be one of the key factors with influence for career and for advancement in within organizational structure. But in company games they are not only job performance a work results as factor affecting career development. Equally important and many times more important is the superior view and evaluations of job performance. And superiors decide about career progress of their subordinates.

5. Performed job position

Performed job position must be in accordance with career goals. If employee wants to build specialist career in research area, he must find adequate job place in adequate company, which allow him correct job and career development.

6. Situation at company-

Situation at company has significant influence for employee career. The employee can have all prerequisites and assumptions for promotion, but situation at company does not allow career development. Reasons for these conditions could be different, for examples: well-qualified and well-evaluated persons on required job positions or economic situations of company or market. In these states of affair is almost impossible to reach of promotion.

7. Willingness to change performed job or employer

Sometimes it is necessary to change job position, department or employers for promotion or job career development. In the event that employer does not allow career progress, employee has only one option- to search new job and change employer.

UNIT IV

PERFORMANCE APPRAISAL

➤ **MEANING OF PERFORMANCE APPRAISAL:**

Performance Appraisal is the systematic evaluation of the performance of employees and to understand the abilities of a person for further growth and development. Performance appraisal is generally done in systematic ways which are as follows:

1. The supervisors measure the pay of employees and compare it with targets and plans.
2. The supervisor analyses the factors behind work performances of employees.
3. The employers are in position to guide the employees for a better performance.

➤ **OBJECTIVES OF PERFORMANCE APPRAISAL**

Performance Appraisal can be done with following objectives in mind:

1. To maintain records in order to determine compensation packages, wage structure, salaries raises, etc.
2. To identify the strengths and weaknesses of employees to place right men on right job.
3. To maintain and assess the potential present in a person for further growth and development.
4. To provide a feedback to employees regarding their performance and related status.
5. To provide a feedback to employees regarding their performance and related status.
6. It serves as a basis for influencing working habits of the employees.
7. To review and retain the promotional and other training programmes

➤ **PROCESS OF PERFORMANCE APPRAISAL**



1. Establishing performance standards

The first step in the process of performance appraisal is the setting up of the standards which will be used to as the base to compare the actual performance of the employees. This step requires setting the criteria to judge the performance of the employees as successful or unsuccessful and the degrees of their contribution to the organizational goals and objectives. The standards set should be clear, easily understandable and in measurable terms. In case the performance of the employee cannot be measured, great care should be taken to describe the standards.

2. Communicating the standards to employees

Once set, it is the responsibility of the management to communicate the standards to all the employees of the organization. The employees should be informed and the standards should be clearly explained to the employees. This will help them to understand their roles and to know what exactly is expected from them. The standards should also be communicated to the appraisers or the evaluators and if required, the standards can also be modified at this stage itself according to the relevant feedback from the employees or the evaluators.

3. Measuring the actual performance

The most difficult part of the Performance appraisal process is measuring the actual performance of the employees that is the work done by the employees during the specified period of time. It is a continuous process which involves monitoring the performance throughout the year. This stage requires the careful selection of the appropriate techniques of measurement, taking care that personal bias does not affect the outcome of the process and providing assistance rather than interfering in an employees work.

4. Comparing actual performance with desired performance

The actual performance is compared with the desired or the standard performance. The comparison tells the deviations in the performance of the employees from the standards set. The result can show the actual performance being more than the desired performance or, the actual performance being less than the desired performance depicting a negative deviation in the organizational performance. It includes recalling, evaluating and analysis of data related to the employees' performance.

5. Discussing results [Feedback]

The result of the appraisal is communicated and discussed with the employees on one-to-one basis. The focus of this discussion is on communication and listening. The results, the problems and the possible solutions are discussed with the aim of problem solving and reaching consensus. The feedback should be given with a positive attitude as this can have an effect on the employees' future performance. Performance appraisal feedback by managers should be in such way helpful to correct mistakes done by the employees and help them to motivate for better

performance but not to demotivate. Performance feedback task should be handled very carefully as it may lead to emotional outburst if it is not handled properly. Sometimes employees should be prepared before giving them feedback as it may be received positively or negatively depending upon the nature and attitude of employees.

6. Decision-making (taking corrective action :)

The purpose of conducting employee performance appraisal is for making decisions about employees without any bias by the HR manager. Decision-making by HR managers about employees rewarding, promotions, demotions, transfers and sometimes suspensions/dismissal of employees are dependent upon the employee performance appraisal. The decision taken by HR manager should match exactly with performance appraisal results of employees to avoid grievance or disturbances in between them, as they affect overall performance of the organization.

➤ PERFORMANCE APPRAISAL METHODS:

Table 28.4 : Methods of Performance Appraisal

<i>Traditional Methods</i>	<i>Modern Methods</i>
<ol style="list-style-type: none"> 1. Ranking method 2. Paired comparison 3. Grading 4. Forced distribution method 5. Forced choice method 6. Checklist method 7. Critical incidents method 8. Graphic scale method 9. Essay method 10. Field review method 11. Confidential report 	<ol style="list-style-type: none"> 1. Management by Objectives (MBO) 2. Behaviourally anchored rating scales 3. Assessment centres 4. 360-degree appraisal 5. Cost accounting method

(A) TRADITIONAL METHODS:**1. Ranking Method:**

It is the oldest and simplest formal systematic method of performance appraisal in which employee is compared with all others for the purpose of placing order of worth. The employees are ranked from the highest to the lowest or from the best to the worst.

2. Paired Comparison:

In this method, each employee is compared with other employees on one- on one basis, usually based on one trait only. The rater is provided with a bunch of slips each coining pair of names, the rater puts a tick mark against the employee whom he insiders the better of the two. The number of times this employee is compared as better with others determines his or her final ranking.

3. Grading Method:

In this method, certain categories of worth are established in advance and carefully defined. There can be three categories established for employees: outstanding, satisfactory and unsatisfactory. There can be more than three grades. Employee performance is compared with grade definitions. The employee is, then, allocated to the grade that best describes his or her performance.

Such type of grading is done is Semester pattern of examinations and in the selection of a candidate in the public service sector. One of the major drawbacks of this method is that the rater may rate most of the employees on the higher side of their performance.

4. Forced Distribution Method:

This method was evolved by **Tiffen** to eliminate the central tendency of rating most of the employees at a higher end of the scale. The method assumes that employees' performance level confirms to a normal statistical distribution i.e., 10,20,40,20 and 10 per cent. This is useful for rating a large number of employees' job performance and promo ability. It tends to eliminate or reduce bias.

5. Check-List Method:

The basic purpose of utilizing check-list method is to ease the evaluation burden upon the rater. In this method, a series of statements, i.e., questions with their answers in 'yes' or 'no' are prepared by the HR department

6. Critical Incident Method:

In this method, the rater focuses his or her attention on those key or critical behaviours that make the difference between performing a job in a noteworthy manner (**effectively** or ineffectively).

7. Graphic Rating Scale Method:

The graphic rating scale is one of the most popular and simplest techniques for appraising performance. It is also known as **linear rating scale**. In this method, the printed appraisal form is used to appraise each employee.

<i>Performance Factor</i>	<i>Performance Rating</i>				
<i>Job knowledge</i> is information pertinent to the job that an individual should have for satisfactory job performance.	<input type="checkbox"/> Poorly informed about work duties	<input type="checkbox"/> Occasionally unsatisfactory	<input type="checkbox"/> Can answer most questions about the job	<input type="checkbox"/> Understands all phases of the job	<input type="checkbox"/> Has complete mastery of all phases of the job
<i>Dependability</i> in following directions and company policies without supervision.	<input type="checkbox"/> Required constant supervision	<input type="checkbox"/> Requires occasional follow-up	<input type="checkbox"/> Usually can be counted on	<input type="checkbox"/> Requires very little supervision	<input type="checkbox"/> Requires absolute minimum of supervision

8. Essay Method:

Essay method is the simplest one among various appraisal methods available. In this method, the rater writes a narrative description on an employee's strengths, weaknesses, past performance, potential **and suggestions for improvement**. Its positive point is that it is simple in use. It does not require complex formats and extensive/specific training to complete it.

9. Field Review Method:

When there is a reason to suspect rater's biasedness or his or her rating appears to be quite higher than others, these are neutralized with the help of a **review process**. The review process is usually conducted by the **personnel officer in the HR department**.

10. Confidential Report:

It is the traditional way of appraising employees mainly in the Government Departments. Evaluation is made by the immediate boss or supervisor for giving effect to promotion and transfer. **Usually a structured format is devised to collect information on employee's strength weakness, intelligence, attitude, character, attendance, discipline, etc. report.**

(B) MODERN METHODS:**1. Management by Objectives (MBO):**

Most of the traditional methods of performance appraisal are subject to the antagonistic judgments of the raters. It was to overcome this problem; Peter F. Drucker propounded a new concept, namely, management by objectives (MBO) way back in 1954 in his book.

The Practice of management. The concept of MBO as was conceived by Drucker, can be described as a “process whereby the superior and subordinate managers of an organization jointly identify its common goals, define each individual’s major areas of responsibility in terms of results expected of him and use these measures as guides for operating the unit and assessing the contribution of each its members”.

2. Assessment Centres:

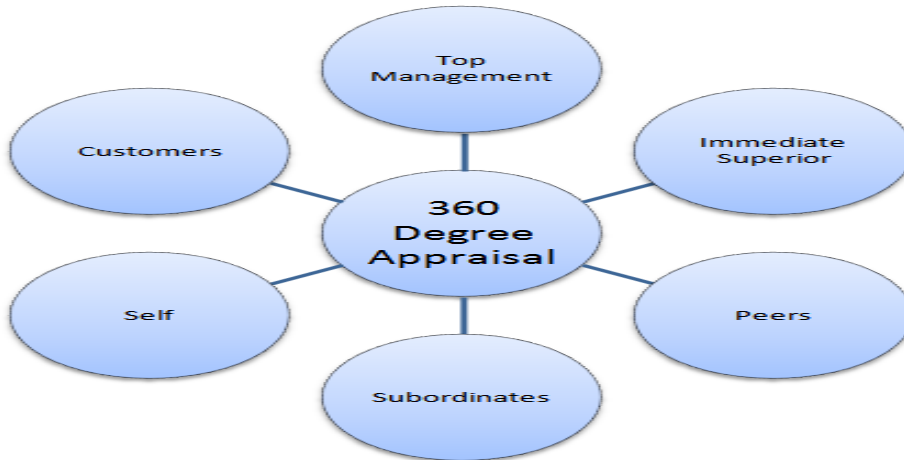
The introduction of the concept of assessment centres as a method of performance method is traced back in 1930s in the Germany used to appraise its army officers. The concept gradually spread to the US and the UK in 1940s and to the Britain in 1960s.

The concept, then, traversed from the army to business arena during 1960s. The concept of assessment centre is, of course, of a recent origin in India. In India, Crompton Greaves, Eicher, Hindustan Lever and Modi Xerox have adopted this technique of performance evaluation.

✓ Advantages of the assessment centre method:

- Enhance a participant’s knowledge, boost his/her thought process, and improve employee efficiency
- Can be tailored to fit different roles, competencies, and business needs
- Offer an insight of the employee’s personality (ethics, tolerance, problem-solving skill, introversion/extroversion, adaptability, etc.)

3. 360 – Degree Appraisal:



360-degree feedback is a multidimensional performance appraisal method that evaluates an employee using feedback collected from the employee's circle of influence namely managers, peers, customers, and direct reports. This method will not only eliminate bias in performance reviews but also offer a clear understanding of an individual's competence.

This appraisal method has five integral components like:

1. Self-appraisals

Self-appraisals offer employees a chance to look back at their performance and understand their strengths and weaknesses. However, if self-appraisals are performed without structured forms or formal procedures, it can become lenient, fickle, and biased.

2. Managerial reviews

Performance reviews done by managers are a part of the traditional and basic form of appraisals. These reviews must include individual employee ratings awarded by supervisors as well as the evaluation of a team or program done by senior managers.

3. Peer reviews

As hierarchies move out of the organizational picture, coworkers get a unique perspective on the employee's performance making them the most relevant evaluator. These reviews help determine an employee's ability to work well with the team, take up initiatives, and be a reliable contributor. However, friendship or animosity between peers may end up distorting the final evaluation results.

4. Subordinates Appraising manager (SAM)

This upward appraisal component of the 360-degree feedback is a delicate and significant step. Reportees tend to have the most unique perspective from a managerial point of view. However, reluctance or fear of retribution can skew appraisal results.

5. Customer or client reviews

The client component of this phase can include either internal customers such as users of product within the organization or external customers who are not a part of the company but interact with this specific employee on a regular basis.

Customer reviews can evaluate the output of an employee better, however, these external users often do not see the impact of processes or policies on an employee's output.

4. Cost Accounting Method:

This method evaluates an employee's performance from the monetary benefits the employee yields to his/her organisation. This is ascertained by establishing a relationship between the costs involved in retaining the employee, and the benefits an organisation derives from Him/her.

✓ Advantages of the human cost accounting method:

- Effectively measure the cost and value that an employee brings to the organization
- Help identify the financial implications that an employee's performance has on the organization's bottom line

5. Behaviorally anchored rating scale (BARS)

It is a method used to identify the most important areas of an employee's performance and how much he needs to improve in what aspect of his achieve his objectives or goals. There is a predetermined behaviour that has shown the most effective and efficient work performance. Thus, the employees' behaviour is measured by comparing them to the predetermined behaviour and how much they deviate from this behaviour.

The first step in BARS creation is generation of critical incidents that depict typical workplace behavior. The next step is editing these critical incidents into a common format and removing any redundancy. After normalization, the critical instances are randomized and assessed for effectiveness. Remaining critical incidents are used to create BARS and evaluate employee performance.

✓ Advantages of using BARS:

- Enjoy clear standards, improved feedback, accurate performance analysis, and consistent evaluation
- Eliminate construct-irrelevant variance in performance appraisal ratings by emphasis more on specific, concrete, and observable behaviors
- Decrease any chance for bias and ensure fairness throughout the appraisal process

✓ Common drawbacks of BARS:

1. High chance for subjectivity in evaluations
2. Hard to make compensation and promotion decisions
3. Time-consuming to create and implement
4. Demands more from managers and senior executives

➤ **ADVANTAGES OF PERFORMANCE APPRAISAL**

It is said that performance appraisal is an investment for the company which can be justified by following advantages:

1. **Promotion:** Performance Appraisal helps the supervisors to chalk out the promotion programmes for efficient employees. In this regards, inefficient workers can be dismissed or demoted in case.
2. **Compensation:** Performance Appraisal helps in chalking out compensation packages for employees. Merit rating is possible through performance appraisal. Performance Appraisal tries to give worth to a performance. Compensation packages which include bonus, high salary rates, extra benefits, allowances and pre-requisites are dependent on performance appraisal. The criteria should be merit rather than seniority.
3. **Employees Development:** The systematic procedure of performance appraisal helps the supervisors to frame training policies and programmes. It helps to analyse strengths and weaknesses of employees so that new jobs can be designed for efficient employees. It also helps in framing future development programmes.
4. **Selection Validation:** Performance Appraisal helps the supervisors to understand the validity and importance of the selection procedure. The supervisors come to know the validity and thereby the strengths and weaknesses of selection procedure. Future changes in selection methods can be made in this regard.
5. **Communication:** For an organization, effective communication between employees and employers is very important. Through performance appraisal, communication can be sought for in the following ways:
 - a. Through performance appraisal, the employers can understand and accept skills of subordinates.
 - b. The subordinates can also understand and create a trust and confidence in superiors.
 - c. It also helps in maintaining cordial and congenial labour management relationship.
 - d. It develops the spirit of work and boosts the morale of employees.

6. Motivation: Performance appraisal serves as a motivation tool. Through evaluating performance of employees, a person's efficiency can be determined if the targets are achieved. This very well motivates a person for better job and helps him to improve his performance in the future

➤ **ERRORS OR LIMITATION IN PERFORMANCE APPRAISAL:**

1. Halo Effect

Halo Effect is when a rater's overall positive or negative impression of an individual employee leads to rating him or her the same across all rating dimensions. This is when a manager really likes or dislikes an employee and allows their personal feelings about this employee to influence their performance ratings of them.

2. Leniency Error

Leniency error is when a raters' tendency is to rate all employees at the positive end of the scale (positive leniency) or at the low end of the scale (negative leniency) This can happen when a manager over-emphasizes either positive or negative behaviors.

3. Central Tendency Error

Central tendency error is the raters' tendency to avoid making "extreme" judgments of **employee performance** resulting in rating all employees in the middle part of a scale.

This can happen either when a manager is not comfortable with conflict and avoids low marks to avoid dealing with behavioral issues or when a manager intentionally forces all employees to the middle of the scale.

4. Recency Error

Recency error is the rater's tendency to allow more **recent incidents** (either effective or ineffective) of employee behavior to carry too much weight in the evaluation of performance over an entire rating period. Either an employee just finishing a major project successfully or an employee may have had a negative incident right before the performance appraisal process and it is on the forefront of the manager's thoughts about that employee.

It is for this reason that keeping accurate records of performance throughout the year to refer back to during performance appraisal time is so important.

5. First Impression Error

First impression error is the rater's tendency to let their first impression of an employee's performance carries too much weight in the evaluation of performance over an entire rating period. **An example** of this would be a new employee joining the organization and performing at high levels during their "honeymoon" period and then possibly losing some of that initial momentum.

6. Similar-to-me Error

Similar-to-me error is when the rater's tendency is biased in performance evaluation toward those employees seen as similar to the raters themselves. We can all relate to people who are like us but cannot let our ability to relate to someone influence our rating of their employee performance. Since human biases can easily influence the rating process, it is important to create objective measures for rating performance.

WAGE AND SALARY ADMINISTRATION

➤ MEANING:

Wage and salary administration is defined as the process by which wage and salary levels and structures are determined in organisational settings.

Wages are payments for labour services rendered frequency, expressed in hourly rates, while a salary is a similar payment, expressed in weekly, monthly or annual rates.

Thus the term 'wage' frequently connote payments in terms of the number of hours worked and may fluctuate depending upon hours actually worked.

➤ DEFINITION:

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

As per the ILO, "Wages refer to the payment which is made by the employer to the labourer for his services hired on the conditions of payment per hour, per day, per week, or per fortnight."

In the words of Jaod, "Wages are the income that an employee gets for his services."

➤ WAGE AND SALARY ADMINISTRATION – NATURE AND CHARACTERISTICS

✓ Nature:

1. The basic purpose of wage and salary administration is to establish and maintain an equitable wage and salary structure.
2. It is concerned with the establishment and maintenance of equitable labor cost structure i.e. an optimal balancing of conflicting personnel interest so that the satisfaction of the employees and employers is maximized and conflicts are minimized.
3. The wage and salary administration is concerned with the financial aspects of needs, motivation and rewards.

4. Employees should be paid according to the requirements of their jobs i.e. highly skilled jobs are paid more compensation than low skilled jobs.
5. To minimize the chances of favoritism.
6. To establish the job sequences and lines of production wherever they are applicable.
7. To increase the employees' morale and motivation because a wage programme can be explained and is based upon facts.

✓ **CHARACTERISTICS:**

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

➤ **FACTOR AFFECTING WAGE AND SALARY ADMINISTRATION**

1. The Organization's Ability to Pay:

Wage increases should be given by those organizations that can afford them. Companies that have good sales and, therefore, high profits tend to pay higher wages than those which are running at a loss or earning low profits because of the high cost of production or low sales. In the short run, the economic influence on the ability to pay is practically nil.

2. Supply and Demand of Labor

The labor market conditions or supply and demand forces operate at the national, regional and local levels, and determine organizational wage structure and level.

If the demand for certain skills is high and the supply is low, the result is a rise in the price to be paid for these skills. When prolonged and acute, these labor-market pressures probably force most organizations to “reclassify hard-to-fill jobs at a higher level” than that suggested by the job evaluation. The other alternative is to pay higher wages if the labor supply is scarce; and lower wages when it is excessive.

3. Prevailing Market Rate:

This is also known as the ‘comparable wage’ or ‘going wage rate’, and is the most widely used criterion. An organization’s compensation policies generally tend to conform to the wage-rates payable by the industry and the community.

This is done for several reasons. First, competition demands that competitors adhere to the same relative wage level. Second, various government laws and judicial decisions make the adoption of uniform wage rates an attractive proposition. Third, trade unions encourage this practice so that their members have equal pay, equal work and geographical differences may be eliminated. Fourth, functionally related firms in the same industry require essentially the same quality of employees, with the same skills and experience. This results in a considerable uniformity in wage and salary rates. Finally, if the same or about the same general rates of wages are not paid to the employees as are paid by the organisation’s competitors, it will not be able to attract and maintain a sufficient quantity and quality of manpower.

4. The Cost of Living:

The cost-of-living pay criterion is usually regarded as an automatic minimum equity pay criterion. This criterion calls for pay adjustments based on increases or decreases in an acceptable cost of living index. In recognition of the influence of the cost of living, “escalator clauses” are written into labour contracts.

When the cost of living increases, workers and trade unions demand adjusted wages to offset the erosion of real wages. However, when living costs are stable or decline, the management does not resort to this argument as a reason for wage reductions. The cost of living index at certain places is higher than other cities or centres.

5. The Living Wage:

This criterion means that wages paid should be adequate to enable an employee to maintain himself and his family at a reasonable level of existence. However, employers do not generally favour using the concept of a living wage as a guide to wage determination because they prefer to base the wages of an employee on his contribution rather than on his need. Also, they feel that the level of living prescribed in a worker’s budget is open to argument since it is based on subjective opinion.

6. Productivity:

Productivity is another criterion, and is measured in terms of output per man-hour. It is not due to labour efforts alone, technological improvements, better organisation and management, the development of better methods of production by labour and management, greater ingenuity and skill by labour are all responsible for the increase in productivity. Actually, productivity measures the contribution of all the resource factors – men, machines, methods, materials and

management. No productivity index can be devised which will measure only the productivity of a specific factor of production. Another problem is that productivity can be measured at several levels – job, plant, industry or national, economic level. Thus, although theoretically it is a sound compensation criterion, operationally many problems and complications arise because of definitional measurement and conceptual issues.

7. Trade Union's Bargaining Power:

Trade unions do affect rate of wages. Generally, the stronger and more powerful the trade union, the higher the wages are. A trade union's bargaining power is often measured in terms of its membership, its financial strength and the nature of its leadership. A strike or a threat of a strike is the most powerful weapon used by it. Sometimes trade unions force wages up faster than increases in productivity would allow and become responsible for unemployment or higher prices and inflation. However, for those remaining on the pay roll, a real gain is often achieved as a consequence of a trade union's stronger bargaining power.

8. Job Requirements:

Generally, the more difficult a job, the higher are the wages. Measures of job difficulty are frequently used when the relative value of one job to another in an organisation is to be ascertained. Jobs are graded according to the relative skill, effort, responsibility, and job conditions required.

9. Managerial Attitudes:

Managerial attitudes have a decisive influence on the wage structure and wage level since judgment is exercised in many areas of wage and salary administration – including whether the firm should pay below average, or above average rates, what job factors should be used to reflect job worth, the weight to be given for performance or length of service, and so forth, both the structure and level of wages are bound to be affected accordingly. These matters require the approval of the top executives. Lester observes, “Top management’s desire to maintain or enhance the company’s prestige has been a major factor in the wage policy of a number of firms. Desires to improve or maintain morale, to attract high-caliber employees, to reduce turnover, and to provide a high living standard for employees as possible also appear to be factors in management’s wage-policy decisions.”

10. Psychological and Social Factors:

Psychological and social factors determine in a significant measure how hard a person will work for the compensation received or what pressures he will exert to get his compensation increased. Psychologically, persons perceive the level of wages as a measure of success in life; people may feel secure; have an inferiority complex, seem inadequate or feel the reverse of all these. They may not take pride in their work, or in the wages they get.

Therefore, the management in establishing wage rates should not overlook these things. Sociologically and ethically, people feel that “equal work should carry equal wages,” that “wages should be commensurate with their efforts,” that “they are not exploited, and that no

distinction is made on the basis of caste, colour, sex or religion.” To satisfy the conditions of equity, fairness and justice, a management should take these factors into consideration.

11. Skill Levels Available in the Market:

With the rapid growth of industries, business trade, there is shortage of skilled resources. The technological development, automation has been affecting the skill levels at a fast rate. Thus, the wage levels of skilled employees are constantly changing and an organisation has to keep its level up to suit the market needs.

➤ METHODS OF WAGE AND SALARY ADMINISTRATION

1. Time Rate System
2. Piece Rate System
3. Combination of Time and Piece Rate System.

1. Time Rate System:

Time rate system is the simplest and oldest method of wage payment. According to this system, the workers are paid in accordance with the time spent on the job. The time may be on hourly, daily, weekly, fortnightly or monthly basis. The work or production done by an employee is not taken into consideration.

For example,

If the worker is paid at the rate of Rs.20 per hour and he spends 50 hours during a week, the weekly payment is:

Weekly wages = (Number of hours worked during the week) x (Rate per hours) = 50 x 20 = Rs.1000 per week.

✓ **ADVANTAGES:**

- a. This method of wage payment is very simple. The workers will not find any difficulty in calculating the wages.
- b. This method is acceptable to trade unions because it does not distinguish between workers on the basis of their performance.
- c. The quality of goods will be better as workers are assured of wages on time basis.
- d. This system is good for the beginners because they may not be able to reach a particular level of production in the beginning.
- e. There will be less wastage, as workers will not be in a hurry to push through production.

✓ **DISADVANTAGES:**

- a. This method does not distinguish between efficient and inefficient workers. The payment of wages is related to time and not output. Thus, the method gives no incentive for producing more.
- b. There will be wastage of time, as the workers are not following a target of production.

- c. Because wages are not related to output, employees find it difficult in determining labour cost per unit.
- d. Work needs supervision. Thus, cost of supervision increases.

2. PIECE WAGE SYSTEM:

Piece rate system is a system in which wages are paid in accordance with the number of units of work produced. This is independent of time spent on the job. A fixed rate of wage is paid for each piece of unit produced.

For example,

If a worker produces 100 pieces per day and he is paid at the rate of Rs.1.2 per piece, the daily wage is $100 \times 1.2 = \text{Rs.}120$.

✓ ADVANTAGES:

- a. This system is simple in working and the workers can easily calculate their wages.
- b. This system helps in distinguishing efficient and inefficient workers.
- c. Strict supervision is not required in this system.
- d. This system is fair to employee and employer both.
- e. There will be no dispute for wages, as workers will be rewarded satisfactory for their work

✓ **DISADVANTAGES:**

a. This system does not guarantee a fixed minimum wage to a worker.

3. BALANCE OR DEBT METHOD:

This method is a combination of time wage and piece wage methods. In this method, a worker is paid a fixed wage based on the time rate with a provision of piece wage method. How? This is just like minimum rent with a provision of short working recoupment in case of royalty. If a worker produces less quantity in a period, he is given wages as per time rate and excess payment over piece rate is treated as credit.

This credit is compensated in the period when he/she produces more than time rate wages. Thus, he is given time wage whether he produces more or less than it, i.e., time wage.

Suppose the time rate is Rs. 500 per week and the piece rate is Rs. 4 per unit.

The wages of a worker who produces 150, 100 and 125 units in three weeks will be calculated as follows:

Week	Piece Wages	Time Wages	Credit	Debit	Balance
First	$(150 \times 4) = 600$	500	100	-	100
Second	$(100 \times 4) = 400$	500	-	100	NIL
Third	$(125 \times 4) = 500$	500	-	-	NIL
Balance Method					

This method provides a sense of security to the employees. At the same time, an efficient worker has an opportunity to increase his wages. Workers of ordinary ability are given a sufficient

incentive to attain the same standard of living, by getting guaranteed time wage, even though the excess paid to them is later deducted from their future credit balance.

This method is suitable in industries where the flow of work is minimum. But rates in this method have to be fixed on the most scientific basis.

✓ **ADVANTAGES:**

- a. This system provides incentives to workers to produce more,
- b. It is simple in its working and the workers can easily calculate their wages.

✓ **DISADVANTAGES:**

- a. It needs check on quality.
- b. It needs careful piece rate fixing.
- c. The entire benefit of extra payment goes to worker

INCENTIVE PLANS

➤ **MEANING :**

Incentive are the rewards to an employee, over and above his base wage salary, in recognition of his performance and contribution.

➤ **DEFINITION:**

“An incentive scheme is a plan or programmes to motivate individual or group performance. An incentive programme is most frequently built on monetary rewards but may also include a variety of non-monetary rewards or prizes.” BY- Burack and smith.

➤ **CHARACTERISTICS OF INCENTIVE PLAN:**

- (a) Incentives have direct linking to performance.
- (b) Incentives induce the employee to move from existing level of performance to optimum achievable performance.
- (c) It helps to improve level of technology and thus increases productivity.
- (d) Incentives are measurable in monetary terms.
- (e) The timing, accuracy and frequency of incentives or the very basis of successful incentive plans.
- (f) Incentive plan encourages attendance and reduces absenteeism.

➤ **OBJECTIVES OF AN INCENTIVE PLAN**

1. To increase productivity of individual as well as group.
2. To reduce per unit cost and increase employee's earnings.
3. To improve industrial and interpersonal relations,

4. To increase profit of the organisation.

➤ **REQUISITES OF A SOUND INCENTIVE PLAN**

A sound incentive plan should have the following essentials or requisites.

1. Simplicity – The incentive plan should be simple. It should be so simple that even an ordinary worker must be in a position to understand the contents of the scheme and must be able to calculate his earnings.

2. Plan should guarantee minimum wage – Incentive plan adopted must guarantee the minimum wage to all the workers irrespective of their working performance so as to ensure them a sense of security and confidence.

3. Worker's Participation – Incentive plan should be accepted only after taking into confidence the workers and their union. Workers involvement ensures smooth flow of work.

4. Economical – The plan should be economical involving less clerical work. The benefit of the scheme should exceed the cost of operation of the scheme and plan should not involve elaborate records and complicated calculations.

5. Equitable – The plan should be fair, equitable and should cover all the employees. It must give equal opportunities to all workers to earn their wage incentives.

6. Clear understanding – The objectives of the scheme should be made known to all the employees so as to seek every employee's cooperation.

7. Prompt payment – Wage incentives should be paid promptly whenever it has become due for payment. If the payment is delayed, workers may lose the faith in the scheme.

8. Conducive to workers health and safety – The plan should encourage the workers to earn adequate wages. The scheme should not over strain them which may tempt the workers to work hard to earn more which in the long run may affect on health of the workers.

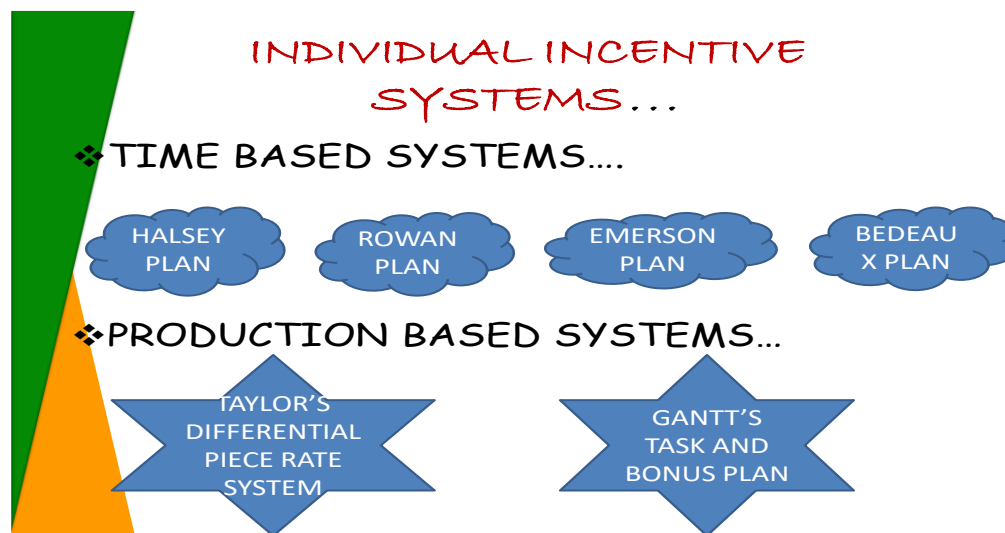
9. Flexibility – The plan should give scope for making changes in accordance with the change in demand, market condition and government policy. Adjustability should be the glaring feature of sound incentive plan.

10. Fixation of Standard – For the purpose of payment of incentives, the standard fixed should be scientific and must be capable of reaching the standard by majority of workers without much strain.

11. Grievance Procedure – The plan should have effective grievance procedure to deal with complaints and dis-satisfaction of workers.

12. Performance Appraisal – There should be proper system of appraisal of the performance of employees so as to check the quality of output and to give guidance to the workers for improvement.

➤ TYPES OF INCENTIVE PLANS



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1. Halsey Plan

This plan was developed by F.A. Halsey. Under Halsey plan, **a standard time is fixed in advance for completing the job.** An employee taking standard or more time is paid for the time taken by him. An employee completing his or her job in less than the standard time is paid for some of the time saved.

In other words, if the worker completes the job in less than the standard time, he will receive a bonus payment at his time rate for a specific percentage of the time saved.

$$\text{Wages} = (T \times R) + [(S - T)/2] \times R$$

Where S = Standard time

T = Time taken

R = Hourly rate

Merits:

- (a) Halsey plan guarantees minimum wage to all workers, which creates a sense of security.
- (b) The wages of time saved are divided between the employer and employee. Thus, this plan benefits the employer also.
- (c) This plan is simple to introduce and easily understood by the workers. They can easily make their calculations.
- (d) Workers can utilize their saved time in doing other jobs and earn more.

Demerits:

- (a) Difficulty arises in fixing standard time for completing a job.
- (b) Quality of goods may suffer as workers may try to finish the work in the shortest possible time.
- (c) More supervision is required to ensure that workers in their eagerness to complete the work fast do not waste materials unduly or damage the machines and tools.
- (d) Workers do not receive full benefits for their efforts as usually they are paid for half of the time saved, the other half goes to the employer.

2. Rowan Plan

This plan was developed by James Rowan in 1898. In this plan also, a standard time and rate per hour are fixed. This plan differs from Halsey plan only in respect of the determination of the bonus. The bonus is calculated on the basis of the proportion which the time saved bears to the standard time.

$$\text{Bonus} = (\text{Time saved/standard time}) \times \text{Time taken} \times \text{Hourly rate}$$

Merits:

- (a) It guarantees minimum wages to workers.
- (b) Increase in production reduces overhead cost per unit.
- (c) It enables the employer of the share in the benefits of increased output.

Demerits:

- (a) This plan is more complex and expensive than the Halsey plan.
- (b) This plan's incentive value is low at high production levels, thus this is unjust to efficient workers.

3. Emersion Efficiency Plan:

Under this system, the worker's daily wage is guaranteed. A standard time is established for a standard task. There is no sudden rise in wages on achieving the standard of performance. The remuneration based on efficiency rises, gradually. Efficiency is determined by the ratio between standard time fixed for performance and the actual time taken by the worker.

Thus, if the standard time is 8 hours and the actual time is 16 hours, his efficiency is 50%. He who finishes the task in 8 hours has 100% efficiency. No bonus is paid to a worker unless he attains 67% efficiency, at which stage he receives a nominal bonus. This bonus goes on increasing till, when he achieves 100% efficiency, the bonus comes to 20% of the guaranteed wage. At 120% efficiency, worker receives a bonus of 40% and at 140 efficiency the bonus is 60% of day wage.

✓ Merits:

- (I) This plan is simple and easily understood by workers.
- (II) Minimum wages are guaranteed.

(III) In this plan, whenever the efficiency of a worker reaches 67 per cent he or she will get bonus. In addition, the rate of bonus increases progressively. Thus, it provides a stimulus to employees for increasing their efficiency.

✓ **Demerits:**

(I) Wage calculations require careful attention.

(II) Employees may not be encouraged to increase their output beyond the standard level, as rewards may be nominal.

(4) Bedeaux Plan:

This plan was developed by Charles E. Bedeaux in 1911. In this plan, each minute of the allowed time is called a Bedeaux point or 'B' in short. There are 60 B's in one hour. Each job has a standard number of B's and the hourly rate is also determined. In addition to hourly rate, a worker receives a bonus calculated at 75 per cent of the points earned in excess of 60 per hour, multiplied by one-sixtieth of the worker's hourly rate

➤ **PRODUCTION BASED PLANS**

(a) Taylor's Differential Piece-Rate System:

This system was developed by **F.W. Taylor in 1880**. Under this plan, there are two piece rates, namely **high rate and low rate for each job or task**. For each job, standard output and task time are established. If the output of workers is equal to or exceeds the standard, he or she receives wages at the higher rate to enable them to get the bonus.

(b) Gantt's Task and Bonus Plan:

This system was developed by H.L. Gantt, a close associate of F.W. Taylor, in 1901. Gantt is **considered as one of the pioneers of scientific management**. He modified Taylor's plan considerably. The significant modification is the substitution of Taylor's punitive wage rate by a guaranteed basic wage.

Under this plan, a worker's wage consists of two parts, which are the following:

(I) A guaranteed minimum wage on time rate, which is usually an hourly rate.

(II) A bonus, which is paid to the worker when output is equal to or more than the task. The bonus is a percentage of the guaranteed wage. Bonus varies from 20 per cent to 50 per cent of the guaranteed wage.

➤ **GROUP INCENTIVE PLAN**

I. Profit-Sharing Plan:

Employee profit-sharing plans constitute one of the more glamorous forms of monetary compensation used in business. In 1897, the International Cooperative Congress defined employee profit sharing as an agreement freely entered into, by which the employees receive a share, fixed in advance of the profits.

✓ **Objectives of Profit-Sharing:**

- (i) To secure employee cooperation and to maintain industrial harmony.
- (ii) To promote employee loyalty towards organization by supplementing his or her earning.
- (iii) To promote increased employee effort.
- (iv) To strengthen unity of interest between the employer and the employees.

✓ **Advantages of Profit-Sharing:**

- (i) It effects an increase in productive efficiency through reducing costs and increasing output.
- (ii) This scheme is relatively easy and less expensive to adopt.
- (iii) It improves employee morale.
- (iv) It results in cordial relations between the employees and the employer.
- (v) It reduces labour turnover.
- (vi) It provides security for the employee in the event of disability, death and retirement.
- (vii) It provides additional earning to the employees.
- (viii) It constitutes a mechanism for employees, economic education.

(ix) It enhances team spirit among employees.

✓ **Disadvantages of Profit-Sharing:**

(i) This scheme does not distinguish among individuals on the basis of effort and contribution. In other words, it does not differentiate between efficient and inefficient workers.

(ii) Besides labour there are many other factors that affect profits. For example, economic and social factors, government policies, demand of the product, etc.

(iii) The employer may indulge in the manipulation of accounts.

(iv) Under this scheme, the extra compensation is not paid immediately after the employee effort is made.

(v) The main disadvantage of this scheme is its high discontinuance rate. These discontinuances are caused by such factors as employee apathy to profit-sharing appraisal, lack of profits, insufficient share, union opposition and unintelligent plan administration.

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FRINGE BENEFITS

➤ **MEANING:**

Fringe benefits refer to those benefits and services that are extended by the employer to his/her employees over and above their wages and salaries, such as housing, transportation, subsidized meals, medical care, paid holidays, and the like. In other words Fringe benefits are rewards given to employees as an extra to their wage or Salary.

➤ **DEFINITION:**

According to D. Belcher, “Fringe benefits are any wage cost not directly connected with the employees’ productive effort, performance, service, or sacrifice.”

➤ **OBJECTIVES OF FRINGE BENEFIT:**

1. To recruit and retain the talented personnel in the organisation.
2. To maintain sound industrial relations and avoid unrest in the organisation.
3. To identify unsatisfied needs of the employees and convert those into satisfying needs by utilizing appropriate steps.
4. To protect social security of the employees during old age by providing provident fund, gratuity and pension, maternity benefits.
5. To develop a sense of belongingness among employees of the organisation.
6. To comply various legislations related with fringe benefits which are formulated by central and state Government.

7. To ensure cooperation, loyalty and faithfulness among employees of the organisation.

8. To develop Brand Image of the organisation in the eyes of public.

➤ **IMPORTANCE OF FRINGE BENEFITS:**

1. IMPORTANCE FOR EMPLOYEES:

The benefits are important to the employees for the following main reasons:

(i) They enhance the real earnings of the employees and enable them to save money, which they would, otherwise, have spent in the absence of these benefits.

(ii) Money value of these benefits has, for long, not been taxable under income tax law, thus enhancing employees' living standards. However, during more recent years, the value of these benefits is adjusted in the income tax payable by individual employees, but many of these still do not come into the ambit of income tax deductions.

(iii) Availability of the social security benefits in the event of such contingences as unemployment, sickness, disability, old age, maternity and so on mitigates the worries of the employees regarding apprehended insecurity.

(iv) Many benefits, particularly medical and refreshment facilities, are conducive to the protection of health of employees and enhancement of their efficiency.

(v) Housing accommodation with ancillary amenities and transport facilities result in saving of time and add to employees' convenience.

(vi) Many benefits are made available to the employees' family members, which promote congenial family life and strengthen employees' motivation.

(vii) Many companies make available to their employees plots for construction of houses or flats on lease basis, and also bear a part of the burden of interests on house loans. Thus, a major item of worry of the employees is mitigated.

(viii) Some companies advance loans to their employees on liberal terms for the purchase of vehicles and household appliances. This facility also raises the living standards of employees.

2. IMPORTANCE FOR EMPLOYERS:

Fringe/employee benefits are advantageous to the employers for the following main reasons:

(i) Employers have, for long, been enjoying substantial rebate on these benefits under income tax law. This advantage has, however, increasingly diminished during more recent years. Nonetheless, employers still receive rebates for expenditure on many of these benefits.

(ii) In establishments facing chronic problems of unstable workforce and absenteeism, long-term social security benefits such as life insurance cover, provident fund and pension and housing accommodation have proved effective in reducing their incidence.

(iii) These benefits generally tend to strengthen employees' motivation and efficiency resulting in higher production and reduction of labour cost.

(iv) Many companies have experienced establishment of sound employee and industrial relations as a result of provision of these benefits, especially when these benefits have emanated from agreement with the union.

(v) In some cases, the companies have been able to keep wage-rates at a low level on the ground of providing substantial benefits to their employees.

(vi) Provision of these benefits also enhances the prestige of the company in the community and enables competent workers to be attracted towards the company.

➤ **SEVERAL REASONS ACCOUNT FOR OFFERING FRINGE BENEFITS;**

- 1. Attraction and retention.**
- 2. Tax considerations.**
- 3. Employer's preference.**
- 4. Social security.**
- 5. Human relations.**

1. Attraction and retention

The main reason for providing fringe benefits is to attract and retain efficient employees.

2. Tax considerations

Fringe benefits are indirect remuneration, which is preferred by employees in tax considerations. Any increase in direct pay adds one's taxable income. But most fringe benefits are not taxed.

3. Employer's preference

Employers also prefer indirect pay (fringe benefits) to direct remuneration because any increase in benefits less distorts salary structures. It is also easy to explain to shareholders as the social responsibility of the company.

4. Social security

Fringe benefits in the name of social security measures provided to the employees against certain risks such as accidents and occupational diseases motive workers to be more productive.

5. Human relations

Fringe benefits are directed to satisfy the employees' needs such as economic, social and psychological. Thus, if fringe benefits are allowed, it becomes easy to improve and maintain good human relations

Finally, it can be said that an organization with the introduction of fringe benefits, seeks to increase employee morale and motivation, remain cost-effective and introduce changes without much resistance.

INDUSTRIAL RELATIONS

➤ **MEANING:**

Industrial relations may be defined as the relations and interactions in the industry particularly between the labour and management as a result of their composite attitudes and approaches in regard to the management of the affairs of the industry, for the betterment of not only the management and the workers but also of the industry and the economy as a whole.

The term industrial relations explain the relationship between employees and management which stem directly or indirectly from union-employer relationship.

➤ **PARTIES IN INDUSTRIAL RELATIONS:**

(1) Workers and their Organisations:

Worker class and labour unions have an important role in establishing industrial relations. It pays attention to the individual qualities of the labourers, such as, their cultural level, education level, ability, skill, interest in work, etc. In the organisation, labourers are represented by Trade Unions.

(2) Employers and their Organisations:

Employers have also an important role in maintaining good industrial relations. To increase their collective bargaining power, employers have well-knit organisations in different industries. These organisations fight with the government and the trade unions for their interest and

participate in different committees constituted by the government for the purpose of good industrial relations.

(3) Role of the Government:

Economic development of the country depends largely on industrial peace. It is the responsibility of the government to maintain industrial peace. Maintaining of industrial peace in a country depends on the political pattern of its government. Through legislative measures like fair wages, hours of work, conditions of work, bonus, etc. government makes significant contribution towards healthy industrial relations.

➤ OBJECTIVES:

The primary objective of industrial relations is to bring about sound and healthy relations between employers and employees.

- (i) To facilitate increased production and productivity;
- (ii) To safeguard the rights and interests of both labor and management by enlisting their co-operation;
- (iii) To avoid unhealthy atmosphere in the industry, especially work stoppages, go-slows, gheraos, strikes, lockouts; and
- (iv) To establish and maintain industrial democracy;
- (v) To achieve a sound, harmonious and mutually beneficial labor management relations.
- (vi) To correct an imbalance, disordered and maladjusted social and economic order with a view to reshape the complex socio-economic relationships following technological and economic progress;
- (vii) To control and discipline and parties concerned and adjust their conflicting interests.
- (viii) Improvement in the economic conditions of workers in the existing state of industrial management and political government;
- (ix) To regulate production and promoting harmonious industrial relations;

- (x) Socialization or rationalization of industries by making the state itself a major employer; and
- (xi) Vesting of a proprietary interest of the workers in the industries in which they are employed.

➤ **SCOPE OF INDUSTRIAL RELATIONS:**

Industrial relations are relation between employee and employer in their day-to-day work. Hence, it is continuous relationship.

The scope of industrial relations includes:

- (a) Relationship among employees, between employees and their superiors or managers.
- (b) Collective relations between trade unions and management. It is called union-management relations.
- (c) Collective relations among trade unions, employers' associations and government.

➤ **The relations between management and labour are impacted by a variety of complex issues that are discussed below:**

1. Employer-Employee Interactions:

Industrial relations arise out of employer-employee interactions. These relations cannot exist without the basic building blocks, i.e., the employer on one side and the employees on the other side.

2. Web of Rules:

Industrial relations are a 'web of rules' formed by the interaction of the government, the industry and the labour. They include the relations between employer and employees and between employers' associations, trade unions as well as the State.

3. Multidimensional:

Industrial relations are fairly multi-dimensional in nature as they are influenced, by a complex set of institutional, economic and technological factors.

i. Institutional Factors:

These factors include government policy, labour legislation, voluntary courts, collective agreements, employee courts, employers' federations, social institutions like community, caste, joint family, creed, system of beliefs, attitudes of workers, system of power, status, etc.

ii. Economic Factors:

These factors include economic organisations, like capitalist, communist, mixed, etc., the structure of labour force, demand for and supply of labour force, etc.

iii. Technological Factors:

These factors include mechanization, automation, rationalization, computerization etc.

iv. Dynamic and Changing:

Industrial relations change with the times, generally keeping pace with the expectations of employees, trade unions, employers' associations, and other economic and social institutions in a society. Apart from the legal framework, these societal forces generally influence the direction of industrial relations within a country.

v. Spirit of Compromise and Accommodation:

The industrial relations system is characterized by forces of conflict and compromise on either side. In the larger interests of society, both the employer and the employees must put out fires amicably and get along with each other in a spirit of compromise and accommodation. The individual differences and disagreements must be dissolved through persuasion and even pressure. The factors responsible for conflictful situations need to be resolved through constructive means

vi. Government's Role:

The government influences and shapes industrial relations with the help of laws, rules, agreements, awards of courts and emphasis on usages, customs, traditions, as well as the implementation of its policies and interference through executive and judicial machinery.

vii. Wide Coverage:

The scope of industrial relations is wide enough to cover a vast territory comprising of grievances, disciplinary measures, ethics, standing orders, collective bargaining, participatory schemes, dispute settlement mechanisms etc.

viii. Interactive and Consultative in Nature:

Industrial relations includes individual relations and joint consultation between labour, management, unions, the state etc. It pinpoints the importance of compromise and accommodation in place of conflict and controversy in resolving disputes between labour and management.

➤ IMPORTANCE:

The industrial relations in any country are very significant.

Good industrial relations are necessary for the following reasons:

- (i) Good industrial relations help in the economic progress of a country. The problem of enhancing productivity is necessarily the problem of establishing and maintaining good industrial relation. Because of this, they form an important part of the economic development plan of every civilized nation.
- (ii) Healthy industrial relations are also essential to help establish and maintain true industrial democracy which is a prerequisite for the establishment of a socialist society.
- (iii) In order to help management both in the formulation of informed labor relations policies and in their translation into action.
- (iv) Cordial industrial relations encourage collective bargaining as a means of self- regulation. They consider the negotiation as an educational opportunity, an opportunity both to learn and to teach.
- (v) Peaceful industrial relations assist government in making laws forbidding unfair practices of unions and employers. In a climate of good industrial relations every part works for the solidarity of workers' movement. Unions acquire more strength and vitality. Inter-union rivalry remains no more. Employees give unions their rightful recognition and encourage them to participate in all

decision. Unions divert their efforts from righting to increasing the size of the whole pie and to making their members more informed on important issues relating to them.

(vi) Good industrial relations also help boost the discipline and morale of workers. Maintenance of discipline ensures orderliness, effectiveness and economy in the use of resources. On the other side, absence of discipline means indiscipline, accidents, wastes, loss and confusion.

➤ **INDUSTRIAL RELATION FUNCTIONS:**

- i. Communication is to be established between workers and the management in order to bridge the traditional gulf between the two.
- ii. To establish a rapport between managers and the managed.
- iii. To ensure creative contribution of trade unions to avoid industrial conflicts, to safeguard the interests of workers on the one hand and the management on the other hand, to avoid unhealthy, unethical atmosphere in an industry.
- iv. To lay down such considerations that may promote understanding, creativity and cooperativeness to raise industrial productivity, to ensure better workers' participation.

IMPORTANT QUESTIONS**UNIT-I****➤ SHORT QUESTIONS:**

Q1. Globalization

Q2. HRM practices in India

Q3. Human Resource Planning

Q4. Downsizing

Q5. Voluntary Retirement

Q6. Objectives of HRM

Q7. Exit Policy

➤ LONG QUESTIONS:

Q1. Human resource management plays a vital role in the whole system of Management of an Industrial organization. Explain.

Q2. Write a note on the task and challenges before the HR managers in near future. What role they will have to perform.

Q3. Discuss the factors affecting HRP.

Q4. Explain the steps followed in Human resource Planning.

Q5. Describe the functions and scope of HRM

Q6. Human resource Planning has a great relevance in the present day context of technological revolution than even before. Explain the statement.

UNIT-II**➤ SHORT QUESTIONS**

Q1. Job Description

Q2. Job Specification

Q3. Job Enlargement

Q4. Job Enrichment

Q5. Difference between Job Enlargement and Job Enrichment

Q6. Job Rotation

Q7. Placement and Induction

Q8. Test and Interview

Q9. Difference between Recruitment and Selection

➤ LONG QUESTIONS:

Q1. Define job Analysis. Discuss the methods of job analysis in details.

Q2. What is job design? Explain the methods or techniques of job design in detail.

Q3. Discuss the factors affecting Recruitment.

Q4. Explain the Selection process in details.

Q5. What are the constraints generally faced by an organization in recruiting employees?

Q6. Explain the sources of recruitment. Also explain the merits and demerits of External source of Recruitment.

Q7. What are the recent trends in recruitment? What challenges are faced by Human resource managers of today?

Q8. Discuss the process of Job analysis in detail.

Q9. Discuss the merits and demerits of job enlargement and job enrichment.

UNIT-III

➤ SHORT QUESTIONS:

Q1. Career Planning

Q2. Difference between training and development

Q3. Career Life cycle.

Q4. Off-the-job Training

Q5. Vestibule training

Q6. Just- in- time Training

Q7. What is the need of training?

➤ LONG QUESTIONS

Q1. What do you mean by training? Discuss the various methods used in the training of employees in an industrial concern

Q2. Explain the various steps in training program. How it can be made effective?

Q3. What is vestibule training? Give its advantages and disadvantages.

Q4. Define career planning. Discuss its process in detail.

Q5. Discuss the career life cycle in detail

UNIT-IV**➤ SHORT QUESTIONS**

- Q1. 360 degree appraisal
- Q2. Halo error in performance appraisal
- Q3. Incentives
- Q4. Fringe benefits
- Q5. Critical incident method
- Q6. BARS
- Q7. Industrial relations
- Q8. Elements of wages and salary administration
- Q9. Piece rate and time wage method
- Q10. Debt wage method
- Q11. Compensation management
- Q12. Living and fair wages

➤ LONG QUESTIONS

- Q1. Define performance appraisal. Discuss the traditional and modern methods of performance appraisal.
- Q2. Discuss the process followed in performance appraisal.

Q3. Define compensation management. Explain the various methods of wages and salary administration.

Q4. Write short note on:

(a) Benefits of Incentive plan.

(b) Limitations of fringe benefit.

Q5. What is industrial relations? Discuss its objectives and importance in detail.

Q6. What are the errors or limitations faced by organization while doing performance appraisal.

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SECTION-B

2. Discuss the nature and objectives of Human Resource Management.
3. What is significance of Job Analysis? Explain the process of Job Analysis.
4. Define Recruitment. Explain the external sources of recruitment.
5. What are the steps in designing a training programme ? Explain.
6. Whose responsibility is career planning and management? Discuss.
7. Briefly explain various profit sharing incentive plans.

NOTE : Disclosure of Identity by writing Mobile No. or Making of passing request on any page of Answer Sheet will lead to UMC against the Student.