ANNAI WOMEN`S COLLEGE

(Arts & Science)

(Affiliated to Bharathidasan University Tiruchirappalli)

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Department of Commerce

Course Material

SUBJECT   : HUMAN RESOURCE MANAGEMENT
Class   : III – B.Com.,
Semester   : VI
 Code   :16MBECM3
"Don't stop when you are tired. STOP when you are done"

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CORE COURSE - XI
HUMAN RESOURCE MANAGEMENT

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OBJECTIVE:

      To develop an understanding of the management of human Resources with reference to various aspects of personnel management.

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UNIT I

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HR–Definition-Characteristics and Objectives –Principles of HRM–Functions of Personnel Department –Managerial and Operative Functions.

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UNIT II

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HR Planning -Basics and needs of –Factors affecting–Steps in HR Planning – Job Analysis, Job Description, Job Specification, -Recruitment -Selection –Interviews and tests and placement of personnel.

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UNIT III

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Training-Objectives-methods- Importance of executive development- methods-Promotion-criteria and types–Transfer -Types -career planning.

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UNIT IV

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Wages –Different methods of wage payments –time and piece rate system –Incentive schemes -fringe benefits.

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UNIT V

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Performance evaluation-Importance-methods–Discipline and Disciplinary procedure– Grievances and Grievance-steps in Grievance Handling.

RECOMMENDED TEXTBOOK:

Human Resource Management-S.S. Khanka-Himalaya publishing House

BOOKS FOR REFERENCE:

Personnel Management –C.B. MAMORIA, Himalaya Publishing House.

Personnel Management –ARUN MONAPPA, MIRZA SAIYADAIN, Tata McGraw Hill.

Personnel Management –K.K. AHUJA, Kalyani Publishers.

Personnel Management and Industrial Relations–K.K. AHUJA, Kalyani Publishers.

Personnel Management and Industrial Relations –P.C. TRIPATHI, Sultan Chand

Dynamics of Industrial Relations –MAMORIA, MAMORIA & GANKAR –HimalayaPublishing House.

UNIT - 1

INTRODUCTION TO HUMAN RESOURCE MANAGEMENT

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

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

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

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

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

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

CHARACTERISTICS OF HUMAN RESOURCE MANAGEMENT (HRM)

1.HRM recruits: Human resource management (HRM) recruits/hires people to fill up the vacant positions of the organization.
Tests and interviews: HRM take various tests and interviews to select people.
2.Communicate with top management: HRM tries to communicate with top management in helping to formulate strategies to achieve organizational goal.
3.Arranges training: HRM gives or arranges training programs to improve the skills of the employees.
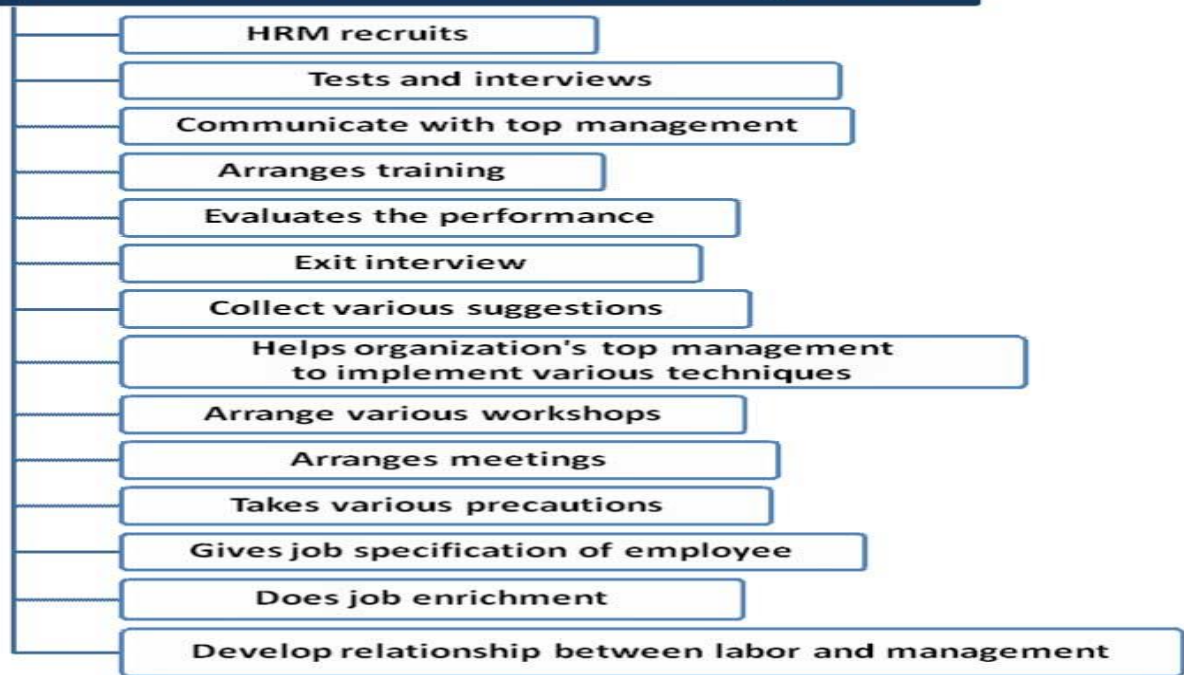Evaluates the performance: HRM evaluates the performance of the employees. On this basis he gives promotion.
4.Exit interview: HRM takes exit interview when an employee quits his job.
5.Collect various suggestions: HRM tries to collect various suggestions from the employees.
6.Helps organization's top management to implement various techniques: HRM helps the organizational top management in implementing various techniques to help the organization to go ahead.

Characteristics of human resource management

- HRM recruits
- Tests and interviews
- Communicate with top management
- Arranges training
- Evaluates the performance
- Exit interview
- Collect various suggestions
- Helps organization's top management to implement various techniques
- Arrange various workshops
- Arranges meetings
- Takes various precautions
- Gives job specification of employee
- Does job enrichment
- Develop relationship between labor and management

9.Arrange various workshops: HRM can arrange various workshops to increase the knowledge of the employees.

10.Arranges meetings: HRM arranges various meetings and seminars to discuss the problems that the employees face in the organization.

11.Takes various precautions: HRM takes various precautions to prevent negligent hiring.

12.Gives job specification of employee: HRM gives the job specification of every employee and the requirements that an employee need to do it.

13.Does job enrichment: HRM does various job enrichment, job rotation, job enlargement and motivates the employees.

14.Develop the relationship between labor and management: HRM gives support to develop and maintain cordial relationship it's between labor and management.

OBJECTIVES OF HRM

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

1.Human capital: assisting the organization in obtaining the right number and types of employees to fulfil its strategic and operational goals.

2.Developing organizational climate: helping to create a climate in which employees are encouraged to develop and utilize their skills to the fullest and to employ the skills and abilities of the workforce efficiently.

3.Helping to maintain performance standards and increase productivity through effective job design; providing adequate orientation, training and development; providing performance-related feedback; and ensuring effective two-way communication.

4.Helping to establish and maintain a harmonious employer/employee relationship

5.Helping to create and maintain a safe and healthy work environment

6.Developing programs to meet the economic, psychological, and social needs of the employees and helping the organization to retain the productive employees

7.Ensuring that the organization is in compliance with provincial/territorial and federal laws affecting the workplace (such as human rights, employment equity, occupational health and safety, employment standards, and labour relations legislation) to help the organization to reach its goals.

8.To provide organization with well-trained and well-motivated employees

9.To increase the employees satisfaction and self-actualization

10.To develop and maintain the quality of work life

11.To communicate HR policies to all employees.

12.To help maintain ethical polices and behaviour.

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

Societal Objectives: seek to ensure that the organization becomes socially responsible to the needs and challenges of the society while minimizing the negative impact of such demands upon the organization. The failure of the organizations to use their resources for the society's benefit in ethical ways may lead to restriction.

Organizational Objectives: it recognizes the role of HRM in bringing about organizational effectiveness. It makes sure that HRM is not a standalone department, but rather a means to assist the organization with its primary objectives. The HR department exists to serve the rest of the organization.

Functional Objectives: is to maintain the department's contribution at a level appropriate to the organization's needs. Human resources are to be adjusted to suit the organization's demands. The department's value should not become too expensive at the cost of the organization it serves.

Personnel Objectives: it is to assist employees in achieving their personal goals, at least as far as these goals enhance the individual's contribution to the organization. Personal objectives of employees must be met if they are to be maintained, retained and motivated. Otherwise employee performance and satisfaction may decline giving rise to employee turnover.

8 GOLDEN PRINCIPLES OF HUMAN RESOURCES

HR Principles

There are many principles of Human Resources. Here are eight of them to understand and apply appropriately to make HR practices transparent and relevant for the future.

1: Recruitment to retirement.

HR is all about dealing with employees from recruitment to retirement. It includes manpower planning, selection, training and development, placement, wage and salary administration, promotion, transfer, separation, performance appraisal, grievance handling, welfare administration, job evaluation and merit rating, and exit interview. Precisely, it deals with planning, organizing, staffing, directing, and controlling of people.

2: People (men) behind the machine count.

Previously, it was the machine behind the man that counted. Today, people are the real power to drive organizations forward. Machines only assist people. Ultimately, the machine is servant to men, not the other way around.

3: Hire for attitude, recruit for skills.

Attitude is the key to employee engagement and success. Hence, HR leaders must emphasize attitude rather than experience. It is better to hire a new job seeker with high attitude and no experience than one with a rotten attitude and years of experience. If employees possess a good attitude, they will have the ability absorb the knowledge, skills, and abilities that are essential to perform their tasks effectively in the workplace.

4: Appreciate attitude but respect intelligence.

It is true that both attitude and intelligence are essential to improve the organizational bottom line. If HR leaders find it is tough to get both, they should choose attitude over intelligence as it helps accomplish organizational goals and objectives.

5: Hire slow, fire fast.

HR leaders must be slow in hiring the right talent for their organizations. They must look for the right mindset, skill set, and tool set in job seekers during recruitment. If they find that bad apples entered into their basket, they must be removed quickly to contain further damage to their organizations.

6: Shed complexity, wed simplicity.

People today prefer to work in flat organizations rather than tall ones. Tall organizations often have hierarchies with a bureaucratic mindset that doesn't work in the present context. Gen Yers are happy to work with partners rather than with bosses. So shed complexity and wed simplicity to achieve organizational excellence and effectiveness.

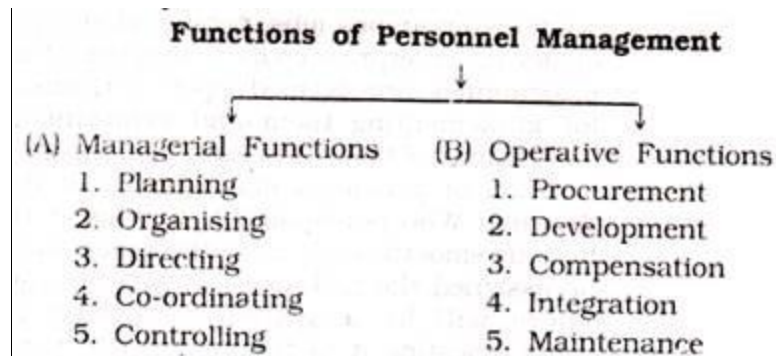### 7: HR leaders are king and queen makers.

Presently, there is an impression globally that HR leaders are king and queen makers. They cannot become kings and queens. They are perceived as people who become ladders for others to climb to higher positions. It is due to the roles and responsibilities they undertake. HR leaders are masters of their trades, not jacks of other trades. They know everything about HR, but they don't necessarily know much about other aspects in the organization. CEOs are masters in their own domains and jacks of other domains. They are masters in their areas and know something about others areas. Thus, HR leaders must acquire knowledge about other areas and acquire technical and business acumen to become kings and queens—the chief executives.

8: To serve is to lead and live.

Mahatma Gandhi once remarked, "The best way to find yourself is to lose yourself in the service of others." HR leaders must serve people with pleasure without any pressure. They must become torchbearers of human capital and knowledge. They must learn, unlearn, and relearn to stay relevant.

FUNCTIONS OF PERSONNEL MANAGEMENT MAY BE DISCUSSED UNDER TWO BROAD CATEGORIES:
Managerial Functions.(B) Operative Functions.

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            Functions of Personnel Management
                            ↓
          ↓                             ↓
(A) Managerial Functions      (B) Operative Functions
    1. Planning                   1. Procurement
    2. Organising                 2. Development
    3. Directing                  3. Compensation
    4. Co-ordinating              4. Integration
    5. Controlling                5. Maintenance
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A. Managerial Functions:

Management aims at getting things done by others. Managerial functions deal with planning, organizing, directing, coordinating and controlling the activities of employees in an enterprise.

These functions are discussed as follows:

1. Planning:

Planning involves thinking in advance. It is the determination of strategies, programmes, policies, procedures to accomplish organizational objectives. Planning is a difficult task which involves ability to think, to predict, to analyze, and to come to decisions. In the context of personnel management, it requires the determination of human resource needs.

Planning would involve:

a. Determining the needs of persons;

b. Deciding the sources of procuring them;

c. Determining training needs of personnel;

d. Selecting motivators for getting good performance from employees.

The first step in planning is the determination of human resource needs. The estimations should be based on the requirements of different departments. There should be sufficient number of persons in the organization so that all jobs are properly performed. Not only present but also future needs of persons should be properly determined.

After determining personnel needs, there should be a decision to employ them. Right type of persons should be employed for getting good performance from them. The training needs of workers should also be pre-determined so that proper steps are taken to improve right type of training. To motivate workers for improving their performance a number of financial and non-financial incentives should be selected.

2. Organizing:

Organization is a process of allocating the task among its members for achieving organizational objectives. This is done by designing the structure or relationship among jobs, personnel and physical factors. For achieving enterprise goals a number of plans, policies and programmes are decided upon. Organization is a channel for implementing them and achieving good results. The assignment of tasks and fixing of responsibilities will be the function of personnel management.

3. Directing:

It is the basic function of managerial personnel. Directing means telling people to do a particular work. It does not mean only issuing orders to employees but also ensures that they perform as per the directions. The employees are also given instructions for carrying out their task. The orders and instructions should be clear and precise so that these are obeyed properly.

Motivating employees to accomplish their task is also a part of directing function.Though all these decisions are taken by the top level management but personnel department is consulted at. every stage. The effectiveness of various plans and policies for motivating employees is also undertaken by personnel department.

4. Coordinating:

Organizational objectives will be achieved only if group activities in the enterprise are coordinated effectively. There may be a problem of each group or department trying to pursue its own goals without bothering about overall objectives. A coordinated approach will help in achieving common goals.Coordination of personnel is required at all levels of management. Personnel department coordinates the task of developing, interpreting and reviewing personnel policies and programmes related to employees. The final decisions may be left to line managers but personnel department makes suggestions for improvements.

5. Controlling:

Controlling is the act of checking, regulating and verifying whether everything occurs as per the standards set and plans adopted. The performance of persons is regularly reviewed to find out whether it is going according to the standards or not. In case, performance is low then steps are taken to improve it in future. Controlling function involves reviewing performance and taking corrective measures.

B. Operative Functions:

These functions are related to the procuring, developing, compensating, integrating and maintaining a work-force for attaining organizational goals. These functions are also known as service functions. Various operative functions are discussed as follows:

1. Procurement:

This function relates to the procuring of sufficient and appropriate number of persons for carrying out business work. The needs of the organization should be assessed to find out the requirements of persons. Besides number, the procurement of suitable persons is also essential. For this purpose, the requirements of various jobs should be studied for fixing the educational and technical experience of persons expected to man those jobs. Only the right type of persons will be able to give satisfactory results.

2. Development:

The development function is concerned with the development of employees by increasing their skill and proficiency in work. The persons are given proper training through various methods so that their performance is better in undertaking the jobs. Proper job description will enable the employees to know their weak points in performing various jobs. Training programmes are made suitable to cover up deficiencies in workers' performance.

3. Compensation:

It is concerned with securing adequate and equitable remuneration to persons working in the organization. Job analysis will enable in fixing the remuneration for various jobs. The needs of the jobs and qualifications of persons who will take up those jobs should be taken into consideration while fixing remuneration. If the employees are paid less than they should have got, they may leave the job at an earliest opportunity. So compensation should be fixed in such a way that it is able to attract and retain suitable persons in the organization.

4. Integration:

Integration is concerned with the attempt to effect reconciliation of individual, organization and social interest. It involves infusing among employees a sense of belonging to the enterprise. The employees should identify their personal interest with that of the organization. They should have a feeling that everything good of the enterprise will also be in their interest. This will bring about harmony of interests both of employees and the organization. There should be proper communication channel at all levels. The grievances of employees should be redressed at the earliest. This will help in creating good industrial relations and will integrate them.

5. Maintenance:

This function deals with sustaining and improving conditions that have been established. Better conditions of work should be maintained at all times. The employees will feel happy to work under such conditions. These conditions include establishment of health, sanitation and safety standards. If working conditions deteriorate, then employees will be prompted to leave the enterprise. Personnel department is put in charge of providing and maintaining healthy and conducive working conditions in the enterprise.

H R MANAGEMENT VS. PERSONNEL MANAGEMENT

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

UNIT - II
HUMAN RESOURCE PLANNING

Introduction

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

Definitions of Human Resource Planning:

According to Wikstrom, Human Resource Planning consists of a series of activities, viz.,
Forecasting future manpower requirements, either in terms of mathematical projections of trends in the economic environment and developments in industry, or in terms of judgemental estimates based upon the specific future plans of a company;

Making an inventory of present manpower resources and assessing the extent to which these resources are employed optimally;Anticipating manpower problems by projecting present resources into the future and comparing them with the forecast of requirements to determine their adequacy, both quantitatively and qualitatively; andPlanning the necessary programmes of requirements, selection, training, development, utilisation, transfer, promotion, motivation and compensation to ensure that future manpower requirements are properly met.

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

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

BASIC AND NEEDS OF HUMAN RESOURCE PLANNING

Human resource planning is viewed as foreseeing the human resource needs of an organisation and providing of human resources.
NEED

1. Replacement of Persons:
A good number of employees are to be replaced in the undertaking because of retirement, old age, death etc. So there will be a need to prepare and train persons for taking up vacant jobs in an enterprise.

2. Labour Turnover:
Labour turnover takes place in all enterprises. However, the degree of labour turnover may vary from company to company but it cannot be eliminated altogether. There is always a need to recruit new employees to take up the jobs of those who have left the undertaking.
If the undertaking is able to foresee turnover rate properly then efforts in advance are made to recruit and train employees so that work does not suffer for want of employees.

3. Expansion Plans:
Whenever there is a proposal to expand or diversify the enterprise, more employees will be needed to occupy new jobs. In such situations the human resource planning is necessary.

4. Technological Changes:
With research and new inventions, technological changes are coming rapidly. There may be need to give fresh training to personnel. In addition, there may also be a need to infuse fresh blood into the enterprise. Human resource planning will be helpful in coping to the new demands of the enterprise.

5. Assessing Future Requirements:
Human resource planning is also needed to assess whether there is any shortage or surplus employees in the undertaking. If there is less number of employees than needed, it will badly affect the work. On the other hand, if more persons are working than needed then it will increase labour costs, etc. Human resource planning ensures the employment of right employees.

FACTORS AFFECTING HRP

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

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

2.Organizational Growth Cycles and Planning: All organizations pass through different stages of growth from the day of its inception. The stage of growth in which an organization is determines the nature and extends of HRP. Small organizations in the earlier stages of growth may not have well defined personnel planning. But as the organization enters the growth stage they feel the need to plan its human resource. At this stage organization gives emphasis upon employee development.

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

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

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

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

JOB ANALYSIS

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

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

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

Information provided by Job Analysis

Job analysis provides the following information:

1.Job Identification : Its title, including its code number;

2.Significant Characteristics of a Job: It location, physical setting, supervision, union jurisdiction, hazards and discomforts;

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

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

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

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

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

SOURCES OF INFORMATION FOR JOB ANALYSIS

According to George R. Terry, "the make-up of a job, its relation to other jobs, and its requirements for competent performance are essential information needed for a job analysis".
Information on a job may be obtained from three principal sources:

1.From the employees who actually perform a job;From other employees such as supervisors and foremen who watch the workers doing a job and thereby acquire knowledge about it; and

2.From outside observers specially appointed to watch employees performing a job. Such outside persons are called the trade job analysts.

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METHODS OF JOB ANALYSIS

Four methods or approaches are utilised in analysing jobs. They are:
Personal Observation: The materials and equipment used, the working conditions and probable hazards, and an understanding of what the work involves are the facts which should be known by an analyst.

1.Sending out of Questionnaires: Properly drafted questionnaires are sent out to job-holders for completion and are returned to supervisors.

2.Maintenance of Long Records: The employee maintains a daily record of duties he performs, marking the time at which each task is started and finished.
Critical Incidents: In this method, job holders are asked to describe incidents concerning the job on the basis of their past experience. The incidents so collected are analyzed and classified according to the job areas they describe

3.Personal Interviews: Personal interviews may be held by the analyst with the employees, and answers to relevant questions may be recorded. But the method is time-consuming and costly.
Technical Conference Method: This method utilizes supervisors with extensive knowledge of the job. Here, specific characteristics of a job are obtained from the "experts."

4.Functional Job Analysis: Functional job analysis (FJA) is employee- oriented analytical approach of job analysis. This approach attempts to describe the whole person on the job.
Purposes and Uses of Job Analysis.The information provided by job analysis is useful in almost every phase of employee relations. Its purposes and uses can be understood from the following points:

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

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

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

8.Job Re-engineering: Job analysis provides information which enables us to change jobs in order to permit their being manned by personnel with specific characteristics and qualifications.
Employee Training and Management Development: Job analysis provides the necessary information to the management of training and development programmes.

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

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

PROCESS OF JOB ANALYSIS

Following are the important steps in the process of job analysis:
Determine the Use of the Job Analysis Information: Start by identifying the use to which the information will be put, since this will determine the type of data you collect and the technique you use to collect them.

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

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

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

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

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

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

JOB DESCRIPTION

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

A job description contains the following:
Job identification, which includes the job title, alternative title, department, division, plant and code number of the job. The job title identifies and designates the job properly.

Job Summary serves two important purposes. First it provides a short definition which is useful as additional identification information when a job title is not adequate. Second, it serves as a summary to orient the reader.

Job duties give us a comprehensive listing or the duties together with some indication of the frequency of occurrence or percentage of time devoted to each major duty. It is regarded as the heart of a job.
Relation to other jobs: This helps us to locate the job in the organisation by indicating the job immediately below or above it in the job hierarchy. It also gives us an idea of the vertical relationships of work flow and procedures.

Supervision: Under it is given the number of persons to be supervised along with their job titles, and the extent of supervision involved – general, intermediate or close supervision.
Working conditions usually give us information about the environment in which a job holder must work.

JOB SPECIFICATION

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

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

A Job Specification should include:

Physical characteristics, which include health, strength, endurance, age, height, weight, vision, voice, eye, hand and foot co-ordination, motor co-ordination, and colour discrimination.

Psychological and social characteristics such as emotional stability, flexibility, decision making ability, analytical view, mental ability, pleasing manners, initiative, conversational ability etc.

Mental Characteristics such as general intelligence, memory, judgement, ability to concentrate, foresight etc.

Personal Characteristics such as sex, education, family background, job experience, hobbies, extracurricular activities etc.

JOB DESIGN

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

Principles of Job Design

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

1. To influence skill variety, provide opportunities for people to do several tasks and combine tasks.
2. To influence task identity, combine tasks and from natural work units.
3. To influence task significance, form natural work units and inform people of the importance of their work.
4. To influence autonomy, give people responsibility for determining their own working systems.
5. To influence feedback; establish good relationship and open feedback channels.

METHODS OR TECHNIQUES OF JOB DESIGN

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

1. Job Simplification: In job simplification, the complete job is broken down into small subparts; this is done so that employee can do these jobs without much specialized training. For job simplification, generally time and motion studies are used.

2. Job Rotation: Another technique designed to enhance employee motivation is job rotation, or periodically assigning employees to alternating jobs or tasks.

3. Job Enlargement: Another means of increasing employee's satisfaction with routine jobs is increasing the number of tasks performed (i.e. increasing the scope of the job). This is called job enlargement.

4. Job Enrichment: The concept of job enrichment has been derived from Herzberg's two- factor theory of motivation in which he has suggested that job content is one of the basic factors of motivation. If the job is designed in such a manner that it becomes more interesting and challenging to

the job performer and provides him opportunities for achievement, recognition, responsibility, advancement and growth, the job itself becomes a source of motivation to the individual.

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

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

JOB EVALUATION

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

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

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

Objectives of Job Evaluation
The following are the objectives of job evaluation:

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

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

1.Rate the job and not the man. Each element should be rated on the basis of what the job itself requires.
2.The elements selected for, rating purposes should be easily explainable in terms and as few in number as will cover the necessary requisites for every job without any overlapping.

3.The elements should be clearly defined and properly selected.

4.Any job rating plan must be sold to foremen and employees. The success in selling it will depend on a clear-cut-cut explanation and illustration of the plan.

5.Foremen should participate in the rating of jobs in their own departments.

6.Maximum co-operation can be obtained from employees when they themselves have an opportunity to discuss job ratings.

7.In talking to foremen and employees, any discussion of money value should be avoided. Only point values and degrees of each element should be discussed.

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

METHODS OF JOB EVALUATION:

The following are the methods of Job Evaluations:

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

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

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

Advantages of Job Evaluation

Job evaluation enjoys the following advantages:

(i) Job evaluation is a logical and to some Extent an objective method of ranking jobs relative to one another. It may help in removing inequalities in existing wage structures and in maintaining sound and consistent wag differentials a plant or industry.

(ii) In the case of new jobs, the method often facilitates fitting them into the existing wage structure.

(iii) The method helps in removing grievances arising out of relative wages; and it improves labour-management relations.

(iv) The method replaces the many accidental factors, occurring in less systematic procedures, of wage bargaining by more impersonal and objective standards, thus establishing a clear basis for negotiations.

(v) The method may lead to greater uniformity in wage rates, thus simplifying wage administration.

Job Evaluation Vs. Merit Rating

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

Limitation of Job Evaluations:

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

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

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

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

RECRUITMENT

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

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

Factors affecting Recruitment

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

The internal factors are:

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

The external factors are:

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

Sources of Recruitment

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

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

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

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

1. **Direct Recruitment:** An important source of recruitment is direct recruitment by placing a notice on the notice board of the enterprise specifying the details of the jobs available. It is also known as recruitment at factory gate.
2. **Casual Callers or Unsolicited Applications:** The organisations which are regarded as good employers draw a steady stream of unsolicited applications in their offices. This serves as a valuable source of manpower.
3. **Media Advertisement:** Advertisement in newspapers or trade and professional journals is generally used when qualified and experienced personnel are not available from other sources.
4. **Employment Agencies:** Employment exchanges run by the Government are regarded as a good source of recruitment for unskilled, semi-skilled and skilled operative jobs. In some cases, compulsory notification of vacancies to the employment exchange is required by law.
5. **Management Consultants:** Management consultancy firms help the organisations to recruit technical, professional and managerial personnel they specialise middle level and top level executive placements.
6. **Educational Institutions or Campus Recruitment:** Big organisations maintain a close liaison with the universities, vocational institutes and management institutes for recruitment

to various jobs. Recruitment from educational institutional is a well - established practice of thousand of business and other organisations.

7. **Recommendation:** Applicants introduced by friends and relatives may prove to be a good source of recruitment.

8. **Labour Contractors:** Workers are recruited through labour contractors who are themselves employees of the organisation. Recruitment through labour contractors has been banned for the public sector units.

9. **Telecasting:** The practice of telecasting of vacant posts over T.V. is gaining importance these days. Special programmes like 'Job Watch', 'Youth Pulse', ' Employment News', etc. over the T.V have become quite popular in recruitment for various types of jobs.

10. **Raiding:** Raiding is a technical term used when employees working elsewhere are attracted to join organisations. The organisations are always on the lookout for qualified professionals, and are willing to offer them a better deal if they make the switch.

Merits of External Source of Recruitment

The merits of external sources of recruitment are as under:

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

2. **Wider choice:** When vacancies are advertised widely a large number of applicants from outside the organisation apply. The management has a wider choice while selecting the people for employment.

3. **Fresh Talent:** The insiders may have limited talents. External sources facilitate infusion of fresh blood with new ideas into the enterprise. This will improve the overall working of the enterprise.

4. **Competitive Spirit:** If a company can tap external sources, the existing staff will have to compete with the outsiders. They will work harder to show better performance.

Demerits of External Sources

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

1. Dissatisfaction among Existing Staff: External recruitment may lead to dissatisfaction and frustration among existing employees. They may feel that their chances of promotion are reduced.

2. Lengthy Process: Recruitment from outside takes a long time. The business has to notify the vacancies and wait for applications to initiate the selection process.

3. Costly Process: It is very costly to recruit staff from external sources. A lot of money has to be spent on advertisement and processing of applications.

Uncertain Response: The candidates from outside may not be suitable for the enterprise. There is no guarantee that the enterprise will be able to attract right kinds of people from external sources

SELECTION:

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

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

Difference between Recruitment and Selection

1. Difference in Objective: The basic objective of recruitment is to attract maximum number of candidates so that more options are available. The basic objective of selection is to choose best out of the available candidates.

2. Difference is Process: Recruitment adopts the process of creating application pool as large as possible and therefore. It is known as positive process. Selection adopts the process through which more and more candidates are rejected and fewer candidates are selected or sometimes even not a single candidate is selected. Therefore, it is known as negative process or rejection process.

3. Technical Differences: Recruitment techniques are not very intensive, and not require high skills. As against this, in selection process, highly specialised techniques are required. Therefore, in the selection process, only personnel with specific skills like expertise in using selection tests, conducting interviews, etc., are involved.

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

Selection Procedure

1. **Application Pool:** Application pool built-up through recruitment process is the base for selection process. The basic objective at the recruitment level is to attract as much worthwhile applications as possible so that there are more options available at the selection stage.

2. **Preliminary Screening and Interview:** It is highly noneconomic to administer and handle all the applicants. It is advantageous to sort out unsuitable applicants before using the further selection steps. For this purpose, usually, preliminary interviews, application blank lists and short test can be used. All applications received are scrutinised by the personnel department in order to eliminate those applicants who do not fulfil required qualifications or work experience or technical skill, his application will not be entertained. Such candidate will be informed of his rejection.

3. **Application Blank or Application Form:** An application blank is a traditional widely accepted device for getting information from a prospective applicant which will enable the management to make a proper selection. Information is generally taken on the following items:

    (a) Biographical Data: Name, father's name, data and place of birth, age, sex, nationality,

height, weight, identification marks, physical disability, if any, marital status, and number of dependants.

(b) Educational Attainment: Education (subjects offered and grades secured), training acquired in special fields and knowledge gained from professional/technical institutes or through correspondence courses.

(c) Work Experience: Previous experience, the number of jobs held with the same or other employers, including the nature of duties, and responsibilities and the duration of various assignments, salary received, grades, and reasons for leaving the present employer.

(d) Salary and Benefits: Present and expected.

(e) Other Items: Names and addresses of previous employers, references etc. An application blank is a brief history sheet of an employee's background and can be used for future reference, in case needed.

4. **Selection Tests:** Many organisations hold different kinds of selection tests to know more about the candidates or to reject the candidates who cannot be called for interview etc. Selection tests

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

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

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

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

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

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

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

Achievement Tests: Whereas aptitude is a capacity to learn in the future, achievement is concerned with what one has accomplished. When applicants claim to know something, an

achievement test is given to measure how well they know it.

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

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

Principles of Interviewing

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

 Provide proper surroundings. The physical setting for the interview should be both private and comfortable.

 The mental setting should be one of rapport. The interviewer must be aware of non-verbal behaviour.

 Plan for the interview by thoroughly reviewing job specifications and job descriptions.

 Determine the specific objectives and the method of the interviewing.

 Inform yourself as much as possible concerning the known information about the interviewee.

 The interviewer should possess and demonstrate a basic liking and respect for people.

 Questions should be asked in a manner that encourages the interviewee to talk.

 Put the applicant at ease.

 Make a decision only when all the data and information are available. Avoid decisions that are based on first impressions.

 Conclude the interview tactfully, making sure that the candidate leaves feeling neither too elated nor frustrated.

 Maintain some written record of the interview during or immediately after it.

 Listen attentively and, if possible, protectively.

 Questions must be stated clearly to avoid confusion and ambiguity. Maintain a balance between open and overtly structured questions.

 'Body language' must not be ignored.

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

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

 Whether the candidate's physical measurements are in accordance with job requirements or not?

 Whether the candidate suffers from bad health which should be corrected?

 Whether the candidate has health problems or psychological attitudes likely to interfere with work efficiency or future attendance?

 Whether the candidate is physically fit for the specific job or not?

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

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

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

PLACEMENT

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

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

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

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

 While introducing the job to the new employee, an effort should be made to develop a sense of loyalty and cooperation in him so that he may realise his responsibilities better towards the job and the organisation.

 The employee should be made conversant with the working conditions prevailing in the industry and all things relating to the job. He should also be made aware of the penalties if he commits a wrong.

 Man should be placed on the job according to the requirements of the job. The job should not be adjusted according to the qualifications or requirements of the man. Job first; man next, should be the principle of placement.

 The placement should be ready before the joining date of the newly selected   person.

 The placement in the initial period may be temporary as changes are likely after   the completion of training. The employee may be later transferred to the job   where he can do better justice.

Significance of placement

The significances of placement are as follows: -

1. It improves employee morale.

2. It helps in reducing employee turnover.

3. It helps in reducing absenteeism.

4. It helps in reducing accident rates.

5. It avoids misfit between the candidate and the job.
It helps the candidate to work as per the predetermined objectives of the organization.

UNIT - III
TRAINING OF EMPLOYEES

Introduction

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

Objectives of Training

(i) To impart to new entrants the basic knowledge and skill they need for an intelligent performance of definite tasks;

(ii) To assist employees to function more effectively in their present positions by exposing them to the latest concepts, information and techniques and developing the skills, they will need in their particular fields;

(iii) To build up a second line of competent officers and prepare them to occupy more responsible positions;

(iv) To broaden the minds of senior managers by providing them with opportunities for an inter-change of experiences within and outside with a view to correcting the narrowness of the outlook that may arise from over-specialisation;

(v) To impart customer education for the purpose of meeting the training needs of Corporations which deal mainly with the public. In a nutshell, the objectives of training are ―to Bridge the gap between existing performance ability and desired performance.

Need and Importance of Training

1. **Increasing Productivity:** Instruction can help employees increase their level of performance on their present job assignment. Increased human performance often directly leads to increased operational productivity and increased company profit.

2. **Improving Quality:** Better informed workers are less likely to make operational mistakes. Quality increases may be in relationship to a company product or service, or in reference to the intangible organisational employment atmosphere.

3. **Helping a Company Fulfil its Future Personnel Needs:** Organisations that have a good internal educational programme will have to make less drastic manpower changes and adjustments in the event of sudden personnel alternations. When the need arises, organisational vacancies can more easily be staffed from internal sources if a company initiates and maintains and adequate instructional programme for both its non-supervisory and managerial employees.

   4.Improving Organisational Climate: An endless chain of positive reactions results from a well-planned training programme. Production and product quality may improve; financial incentives may then be increased, internal promotions become stressed, less supervisory pressures ensue and base pay rate increases result.

5.Improving Health and Safety: Proper training can help prevent industrial accidents. A safer work environment leads, to more stable mental attitudes on the part of employees.

6.Obsolescence Prevention: Training and development programmes foster the initiative and creativity of employees and help to prevent manpower obsolescence, which may be due to age, temperament or motivation, or the inability of a person to adapt himself to technological changes.

7.Personal Growth: Employees on a personal basis gain individually from their exposure to educational experiences. Again, Management development programmes seem to give participants a wider awareness, an enlarged skin, an enlightened altruistic philosophy, and make enhanced personal growth possible.

Distinction between Training and Development

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

Methods of training

The following methods are generally used to provide training :

On-the-Job Training Methods:

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

1. **On Specific Job:** On the job training methods is used to provide training for a specific job such as electrical, motor mechanic, pluming etc.

   (a) **Experience :** This is the oldest method of on-the-job training. Learning by experience cannot and should not be eliminated as a method of development, though as a sole approach; it is a wasteful, time consuming and inefficient.

    (b) **Coaching:** On-the-Job coaching by the superior is an important and potentially effective approach is superior. The technique involves direct personnel instruction and guidance, usually with extensive demonstration.

2.   **Job Rotation:** The major objective of job rotation training is the broadening of the background of trainee in the organisation. If trainee is rotated periodically from one job to another job, he acquires a general background.

3.   **Special Projects:** This is a very flexible training device. The trainee may be asked to perform special assignment; thereby he learns the work procedure.

4.   **Apprenticeship:** Under this method, the trainee is placed under a qualified supervisor or instructor for a long period of time depending upon the job and skill required. Wages paid to the trainee are much less than those paid to qualified workers.

5.   **Vestibule Training:** Under this method, actual work conditions are created in a class room or a workshop. The machines, materials and tools under this method is same as those used in actual performance in the factory.

6.   **Multiple Management:** Multiple management emphasizes the use of committees to increase the flow of ideas from less experience managers and to train them for positions of greater responsibility.

Off-the-job Training Methods:

Following are the off the job training techniques:

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

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

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

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

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

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

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

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

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

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

EXECUTIVE DEVELOPMENT

Executive development is very important part of the human resource development. In every organization there required well educated and trained executives.

Developing the executives and managers is the most important positive feature of the human resources development. Executives and managers play an imperative role in organizations so their development is very precious to organization. It has been well standard now that well skilled executives and managers considered necessary in the industry.

Good organizations always select the talented employees and trained them to have sufficient catalog of management skill for use so that the desire objectives of an organization might be achieved. The process by which the executives attain not only the skills and experience in their current job position but also capability for the future decision making tasks of increasing difficulty and scope is known as the executive development. We can say that this development is the premeditated attempt to get better the current performs as well as the future managerial performance of employees.

The importance of the executive development can be analyzed by the following points.

1.Technological changes – Now a days the technology is getting change very rapidly. Many advanced and automatic machines have been bringing in present organization. So the managers should have high-quality working knowledge of the use of modern technological machines and equipment. It can be possible by developing the managers for the use of new opened machines
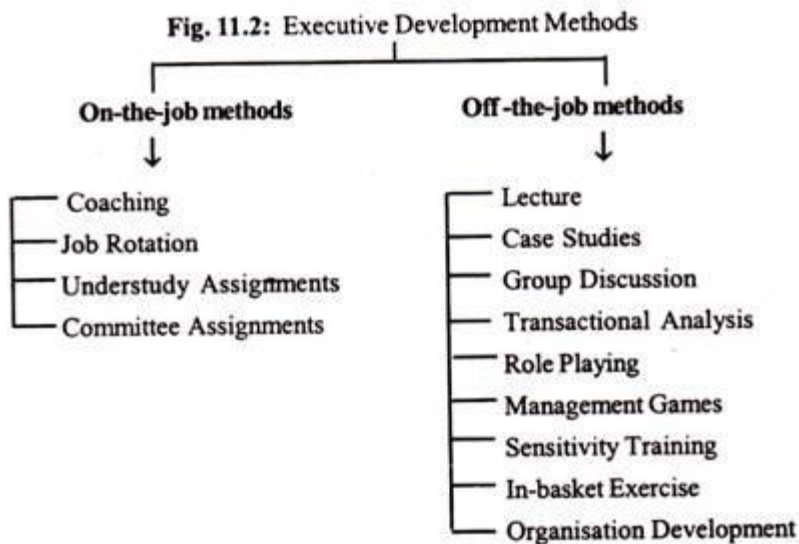
2.Increase in size of organizations - The size of the organizations is increasing day by day. With the increase in size the complexity is also increasing. So the executives or managers need to be developed to deal with the troubles of the bulky and complex organizations.

3.Lack of trained managers – There is scarcity of the trained managers and it is quite difficult to recruit the experienced and qualified managers. As a result it is very important to developed the brilliant employees by a disciplined development process.

4.Social and cultural changes - The social and cultural environment is getting changed rapidly. The managers must have brought up to date the knowledge of the sociology-cultural background to understand the people intentions and actions towards you.

METHODS:

Since no single development programme can be adequate for managers, it is undertaken in a variety of methods. Various methods/ techniques of executive/management development may be classified into two broad categories as shown in the following figure 11.2.

Fig. 11.2: Executive Development Methods

On-the-job methods
— Coaching
— Job Rotation
— Understudy Assignments
— Committee Assignments

Off-the-job methods
— Lecture
— Case Studies
— Group Discussion
— Transactional Analysis
— Role Playing
— Management Games
— Sensitivity Training
— In-basket Exercise
— Organisation Development

1. Sensitivity Training: This is the technique of bringing about a change in behaviour of the executives through group processes. According to Edwin B. Flippo the objective of this technique is the "development of awareness of and sensitivity to behavioural patterns of one self and others."
This technique is also referred to as laboratory training. The trainee executives participate and influence each other through unstructured group interaction. The participants here are provided open environment where they discuss freely among themselves.

2. Case Study:

Under this technique the cases based on actual business situations are prepared and given to the trainee managers for discussion and arriving at a proper decision. Managers are given opportunity to find out the latent problems and suggest alternatives to tackle them. The selection of the best-alternative solution trainees have to suggest. This technique helps in improving the decision-making skills by making analytical judgment. Case study was made popular at the Harvard Business School.

3. Simulation Exercises:

Simulations are popular techniques of management development. In this technique a duplicate work situation similar to the actual job situation is created and the trainee is given a particular role to find out solutions to the problem and take decision. He gets a feedback of his performance. It sharpens the decision making quality of the trainee. It is a costly method of management development.

4. Management Games:

Under these techniques the trainee executives are divided into rival groups assuming the management of simulated companies. Each rival group has to discuss a given subject relating to production, marketing, pricing etc. and arrive at a decision. The groups react to the decision of each other. They get immediate feedback on their performance. This technique helps in building team spirit among executives. This is followed in many Indian companies.

5. Managerial Grid:

It is a multi-phased programme ranging from three to five years. It improves managerial skills, intergroup relations and develops leadership styles.

6. Role Playing:

It is also a simulated exercise. The participants have to assume a role of a person in the simulated situation. They have to react to one another in the similar manner as they would be doing a job as manager in real situation. Participants are given a list of learning points which they have to use during executive subordinate encounter. They can take the help of videos for improvement in management skills. Through this technique the human relations skills, marketing and sales management, interviewing skills are acquired.

7. Incident Method:

Under this technique the incidents based on real situations are prepared. Each participant is asked to study the incident and make decisions. Afterward, the group of participants makes discussion and arrives at a decision. This method develops the intellectual level, judgment of the participant. This technique was developed by Paul Pigors.

8. In Basket Method:

Under this method a basket containing various kinds of correspondences such as reports, letters, replies, applications each involving some problems is given to the trainee and within a specified time limit he has to sort out all the correspondence by passing orders, recommendations, delegating authority to his subordinates and distributing work etc. This resembles to real life situation. Through this method trainee learns the decision-making abilities. This is less expensive method.

9. Conference:

Under this technique a group of executives meet as per plan and discuss a problem of common interest. The members of the group learn through others viewpoint and develop their knowledge by comparing their opinion with others. It is the most effective method when a problem is to be analyzed and tested

through different angles or viewpoints.The conference has a leader who leads the discussion and takes due care that the participating members are not moving away from the main problem under discussion. The executives learn how to motivate people through discussion. Every participant is given an opportunity to express his opinion freely. This is a very common method of developing executives.

10. Lectures:
It is very popular and simple method. The concepts, ideas, theories, principles are explained through lectures. The speaker is an expert who collects the material and delivers a lecture to the trainee executives. It is a direct, time saving, low in cost method of explaining and presenting a viewpoint on any problem or subject to the trainees.

PROMOTIONS: DEFINITION

Definition:
Promotion is vertical movement of an employee within the organisation. In other words, promotion refers to the upward movement of an employee from one job to another higher one, with increase in salary, status and responsibilities. Promotion may be temporary or permanent, depending upon the needs of the organisation.

PROMOTION CRITERIA:
Promotion strategies should be carefully crafted at workplace as these depend upon a number of factors other than just performance. Every organization has different strategies of employee promotion. Here are some commonly used criteria which many of the Indian organization follow:

Length of service – it is important for an employee to spend a considerable amount of time in the organization before he or she is recommended for promotion so that he or she is acclimatized with the working environment, policies and overall culture of the organization. Usually this time ranges from 1 – 2 years.

Performance – Performance plays a crucial role but is not the only deciding factor for promotion. In most of organization policies, usually 4 or 5 raters only are eligible for promotion.

Potential – Employee's potential to take up higher roles and responsibilities are significant criteria in deciding whether the employee should be promoted or not. Many companies opt for identifying high pot employees through assessment centers and psychometric tools to identify high pots and hence, recommend them for taking up higher roles in the organization.

Organization Structure – Employee may deserve a promotion but unless there is a vacancy in organization hierarchy for the new role, he or she may not clear through. Organizations which are highly structured have an approved position and budget for each role in the hierarchy, unless there is a vacancy at a position, the next in line employee may not to be able to succeed to the position. However, in developing organizations and start-ups, the structures are open and flexible and this factor may not be a constraint.

Tenure in a particular role/ position – Unless an employee justifies his existence in a role which he or she is currently in, promoting him to next level wouldn't make sense and he or she would need time to stay and perform at a particular position before hopping on to next role. The range of tenure varies from 2 – 3 years in organization.

TYPES OF PROMOTION:
Promotion given to employees in an organisation can be classified into three types:

1. Horizontal promotion:
When an employee is shifted in the same category, it is called 'horizontal promotion'. A junior clerk promoted to senior clerk is such an example. It is important to note that such promotion may take place when an employee shifts within the same department, from one department to other or from one plant to another plant.

2. Vertical Promotion:
This is the kind of promotion when an employee is promoted from a lower category to lower category involving increase in salary, status, authority and responsibility. Generally, promotion means 'vertical promotion'.

3. Dry Promotion:
When promotion is made without increase in salary, it is called 'dry promotion'. For example, a lower level manager is promoted to senior level manager without increase in salary or pay. Such promotion is made either there is resource/fund crunch in the organisation or some employees hanker more for status\orauthoritythanmoney.

4.Seniority-Based Job Promotion
Seniority denotes to the relative duration of service or length of service in the same post and in the same company. In some situations, the most senior employee gets the promotion. The reason is, there is a positive connection between service, talent and the knowledge obtained by the employees. It is based on the convention that the first should be given the first opportunity in all rights.

5.Merit-Based Job Promotion (Merit as a Sole Basis for Job Promotion)
Merit refers to knowledge, skill, talent, competence, and capability as different from education, training, and past service record. Merit-based promotions occur when an employee is promoted because of superior performance in the current job.

TRANSPER

"A transfer involves the shifting of an employee from one job to another without changing the responsibilities or compensation".

TYPES:
Employee transfers may be classified into following types:

1. Production Transfer:
Such transfers are made when labour requirements in one division or branch is declining. The surplus employees from such division are transferred to those divisions or branches where there is shortage of employees. Such transfers help avoid lay off and stabilize employment.

2. Remedial Transfer:
Such transfers are affected to correct the wrong selection and placement of employees. A wrongly placed employee is transferred to more suitable job. Such transfers protect the interest of the employee.

3. Replacement Transfer:
Replacement transfers are similar to production transfers in their inherent, i.e. to avoid layoffs. Replacement transfers are affected when labour requirements are declining and are designed to replace a new employee by an employee who has been in the organisation for a sufficiently long time. The purpose of these transfers is to retain long service employees in the organisation and also give them some relief from the heavy pressure of work.

4. Versatility Transfer:
These transfers are also known as 'job rotation? In such transfers, employees are made move from one job to another to gain varied and broader experience of work. It benefits both the employee and organisation. It reduces boredom and monotony and gives job enrichment to the employee. Also, employees' versatility can be utilized by the organisation as and when needed.

5. Shift Transfers:
These transfers are affected in the organisations where work progresses for 24 hours or in shifts. Employees are transferred from one shift to another usually on the basis of mutual understanding and convenience.

6. Penalty Transfer:
Management may use transfer as an instrument to penalize employees' involved in undesirable activities in the organisation. Employee transfer from one's place of convenience to a far-flung and remote area is considered as a penalty to the employee.

CAREER PLANNING

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

Objectives of Career Planning

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

Career Development Process

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

Step 1: Self-Assessment

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

Step 2: Research (Career Exploration)

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

Step 3: Decision-Making

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

Step4: Search (Taking Action)

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

Step5: Acceptance

You have completed all of the steps above and you've been accepted into a new and exciting or different job. According to the Bureau of Labour Statistics, 64.1% of people change jobs between 5 and 14 times in their lifetime. Consequently, learning the skills above will increase your chances of gaining meaningful and satisfactory work as well as help you to avoid many of the stresses that occur with changing jobs.

UNIT: I V

COMPENSATION MANAGEMENT AND GRIEVANCE REDRESSEL

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

Meaning of Compensation

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

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

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

Objectives of Compensation Planning

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

A sound compensation structure tries to achieve these objectives:

- To attract manpower in a competitive market.
- To control wages and salaries and labour costs by determining rate change and

   frequency of increment.

- To maintain satisfaction of employees by exhibiting that remuneration is fair

   adequate and equitable.

- To induce and improved performance, money is an effective motivator.

a) To Employees:

i. Employees are paid according to requirement of their jobs i.e highly skilled jobs are paid more compensation than low skilled jobs. This eliminates inequalities.

ii. The chances of favouritism are minimised.

iii. Jobs sequence and lines of promotion are established wherever they are applicable.

iv. Employee's moral and motivation are increased because of the sound compensation structure.

b) To Employers:

i. They can systematically plan for and control the turnover in the organization.

ii. A sound compensation structure reduces the likelihood of friction and grievance over remunerations.

iii. It enhance an employee morale and motivation because adequate and fairly administrative incentives are basis to his wants and need.

iv. It attracts qualified employees by ensuring and adequate payment for all the jobs.

v. In dealing with a trade union, they can explain the basis of their wages programme because it is based upon a systematic analysis of jobs and wages facts.

Principles of Wages and Salary Administration

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

1) There should be a definite plan and system to ensure that differences in pay for jobs are based upon variations in job requirements, means maintaining equity in the distribution of wages and salaries in the organization.

2) Maintaining competitiveness in the wage market means the general level of wage and salary should be reasonably in line with that prevailing in the market.

3) Matching employees' expectations and it should avoid unjustified discrimination by providing equal pay for equal work.

4) Reinforcing positive employee behavior and contribution to the organization, differences in the compensation package should be based on contribution, productivity, job performance, achievement etc.

5) Devising a system that is the most efficient for the organization, as far as possible it must eliminate any discrepancies or exploitation of the employees.

6) The compensation system should formulate and define rules and regulations for determining, changing, adjusting wages in the organization.

7) The compensation package must ensure fairness, should maintain harmonious relationship between the employee and employer.

8) Compensation system should be flexible enough so that future changes can be incorporated.

9) The wage and salary administration should take care of and comply all the rules and regulations laid down by the legislator for protecting the employees' interest.

10) Optimization of management and employee interests.

Methods of Wage Payments

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

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

The fundamental plans of wage payment are:

I. Time Rate Wage System: It is the oldest and the simplest form of wage fixing. Under this system, workers are paid according to the work done during a certain period of time at a rate of per hour, per day, per week, per fortnight, or per month or any other fixed period of time. According to the section4 of the Payments of Wages Act,1936, not more than one month must elapse between two wage period. Time wage system adopts time as the basis of worker remuneration without taking in to account the units produced. The worker is guaranteed a specified sum of money for a fixed period of his time taking no account of the quality or quantity of the work done.

Merits:

- It is simple and understandable and easy for calculation of wages, since wages under this system is equal towage per hour* numbers of hours worked by an employee.
- There is no time limit for completion of job, workman are not in hurry to finish it and this may mean that they may pay p enough attention to the quality of work, effective handling of machinery and utilization of resources in an optimum manner.
- All workers are given same treatment in terms of equal wage payment, so grievances, ill will; jealousy can be avoided among them.

Time rate system provides regular and stable income to workers, so they can adjust and manage their budget accordingly.

 It requires less administrative attention as this system provide good faith and mutual understanding and trust between employer and employee.

Demerits:

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

 Time rate system is unrelated to the productivity and does not provide extra motivation for extra efforts by the workers.

 The labor charges for a particular job do not remain constant. This put the management in a difficult position in the matter of quoting rates for a particular piece of work.

 There is a possibility of systematic evasion of work by the workers, since there is no specific target or demand for specific quantity of work by the management.

 Time rate system does not ask for maintaining individual workers record, it becomes difficult for the employer to determine his relative efficiency for the purpose of performance evaluation for future promotion or rewards. Thus it does injustice to the outstanding employees.

Suitability:

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

II. Piece Rate Wage System:

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

Merits:

 The main advantage of this system is recognition of merit, as efficient is rewarded, It is therefore more equitable then time rate system.

 It pays workers as per their efficiencies, ability, capacity or performance, so it gives direct stimulus and motivation to the employees for extra efforts, which may result into more productivity.

 It requires less managerial supervision as total remuneration depends upon units produced, and not on time spent in an organization.

Being interested in continuity of his work, a workman is likely to take greater care to prevent breakdown in the machinery or in the work shop. It is a gain to the management since it reduces maintenance expenditure in an organization.

 As the direct labor cost per unit of production remains fixed and constant, calculation of cost while filling tenders and estimates becomes easier.

 It results in to not only increase in the output and wages ,but the methods of production too are also improved, as workers demand material and tools free from defects and machinery in perfect operating condition.

Demerits:

 If rates of wages are not scientifically fixed and acceptable to the workers, would result into workers exploitation and may prove counterproductive.

 As workers are interested in completion of the job with a greatest speed, may damage the machinery, quality of output or may increase rate of hazards in an organization.

 Trade unions generally do not like this system of wage payment; they may not have full support and acceptance. It may be the major issue for industrial dispute.

Suitability:

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

Various Modes of Compensation

Various modes of compensation are as follows:

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

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

a) Individual incentive schemes.

c)Group incentive schemes.

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

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

Incentives

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

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

Kinds of Incentives

Incentives can be classified under the following categories:

1. Individual and Organizational Incentives

2. Financial and Non-Financial Incentives

3. Positive and Negative Incentives

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

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

I) Individual Incentive System is of two types:

a) Time based System- It includes Halsey Plan, Rowan Plan, Emerson Plan and Bedeaux Plan

b) Production based System- it includes Taylor's Differential Piece Rate System, Gantt's Task and Bonus Plan

II) Group Incentive System is of following types

a) Scalon Plan

b) Priestman's Plan

c) Co-Partnership Plan

d) Profit Sharing

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

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

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

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

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

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

Bedeaux Plan: It provide comparable standards for all workers. The value of time saved is divided both to the worker and his supervisor in the ratio of ¾ and ¼ respectively. A supervisor also helps a worker in saving his time so he is also given some benefit in this method. The standard time for each job is determined in terms of minutes which are called Bedeaux points or B's. Each B represents one minute through time and motion study. A worker is paid time wages up to standard B's or 100% performance. Bonus is paid when actual performance exceeds standard performance in terms of B's.

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

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

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

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

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

FRINGE BENEFITS

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

Kinds of Fringe Benefits

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

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

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

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

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

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

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

PERFORMANCE APPRAISAL

Introduction

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

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

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

Characteristics of Performance Appraisal

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

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

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

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

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

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

Purposes of Performance Appraisal

The following are the main purposes of performance appraisal:

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

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

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

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

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

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

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

Uses of Performance Appraisal

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

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

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

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

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

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

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

Essentials of an Effective Performance Appraisal System

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

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

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

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

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

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

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

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

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

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

Process of Performance Appraisal

Various steps in appraising performance of employees are as follows:

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

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

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

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

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

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

Methods or Techniques of Performance Appraisal

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

Traditional Methods:

1. **Ranking Method:** Ranking method is the oldest and simplest method of rating. Here, each employee is compared with all others performing the same job and then he is given a particular rank i.e. First Rank, Second Rank etc. This method ranks all employees but it does not tell us the degree or extent of superiority. In this method, the performance of individual employee is not compared with the standard performance. Here, the best is given first rank and poorest gets the last rank.

2. **Paired Comparison:** In method is comparatively simpler as compared to ranking method. In this method, the evaluator ranks employees by comparing one employee with all other employees in the group. The rater is given slips where, each slip has a pair of names, the rater puts a tick mark next those employee whom he considers to be the better of the two. This employee is compared number of times so as to determine the final ranking.

3. **Grading Method:** Under this method of performance appraisal, different grades are developed for evaluating the ability of different employees and then the employees are placed in these grades. These grades may be as follows: (i) Excellent; (ii) very good; (iii) Good; (iv) Average; (v) Bad; (vi) Worst.

4. **Man-to-Man Comparison Method:** This method was first used in USA army during the 1st World War. Under this method, few factors are selected for analysis purposes. These factors are: leadership, dependability and initiative. After that a scale is designed by the rate for each factor.

5. **Graphic Rating Scale Method:** This is the very popular, traditional method of performance appraisal. Under this method, scales are established for a number of fairly specific factors. A printed form is supplied to the rater. The form contains a number of factors to be rated. Employee characteristics and contributions include qualities like quality of work, dependability, creative ability and so on. These traits are then evaluated on a continuous scale, where the rater places a mark somewhere along the scale. The scores are tabulated and a comparison of scores among the different individuals is made. These scores indicate the work of every individual.

6. **Check-list Method:** The main reason for using this method is to reduce the burden of evaluator. In this method of evaluation the evaluator is provided with the appraisal report which consist of series of questions which is related to the appraise. Such questions are prepared in a manner that reflects the behavior of the concerned appraise.

7. **Critical Incidents Method:** This method is very useful for finding out those employees who have the highest potential to work in a critical situation. Such an incidence is very important for organization as they get a sense, how a supervisor has handled a situation in the case of sudden trouble in an organization, which gives an idea about his leadership qualities and handling of situation. It is also said to be a continuous appraisal method where employees are appraised continuously by keeping in mind the critical situation. In this method, only the case of sudden trouble and behaviour associated with these incidents or trouble are taken for evaluation.

8. **Essay Method:** In this method, the rater writes a detailed description on an employee's characteristics and behavior, Knowledge about organizational policies, procedures and rules, Knowledge about the job Training and development needs of the employee, strengths, weakness, past performance, potential and suggestions for improvement. It is said to be the encouraging and simple method to use. It does not need difficult formats and specific training to complete it.

MODERN METHODS:

1. Management by Objective (MBO)

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

Essential Characteristics of MBO:

1. A Philosophy: Management by objective is a philosophy or a system, and not merely a technique.

2. Participative Goal Setting: It emphasises participative goal setting.

3. Clearly Define Individual Responsibilities: Management by objective (MBO) clearly defines each individual's responsibilities in terms of results.

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

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

The Process of MBO:

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

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

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

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

Advantages of MBO:

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

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

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

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

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

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

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

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

Disadvantages of MBO:

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

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

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

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

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

2. Assessment Centres:

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

3. 360 Degree Performance Appraisals:

This method is also known as 'multi-rater feedback', it is the appraisal in a wider perspective where the comment about the employees' performance comes from all the possible sources that are directly or indirectly related with the employee on his job. In 360 degree performance appraisal an employeecan be appraised by his peers, managers (i.e. superior), subordinates, team members, customers, suppliers/ vendors - anyone who comes into direct or indirect contact with the employee and can provide necessary information or feedback regarding performance of the employee the "on-the-job". The four major component of 360 degree performance appraisal are:

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

4. Cost Accounting Method:

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

1. Interpersonal relationship with others.
2. Quality of product produced or service given to the organization.

3. Wastage, damage, accidents caused by the employee.

4. Average value of production or service by an employee.

5. Overhead cost incurred.

5. Behaviorally Anchored Rating Scales (BARS):

This method is a combination of traditional rating scales and critical incidents methods. It consists of preset critical areas of job performance or sets of behavioural statements which describes the important job performance qualities as good or bad (for e.g. the qualities like inter personal relationships, flexibility and consistency, job knowledge etc).

Limitations of Performance Appraisal

The main limitations of Performance Appraisal are explained below :

1. Time Consuming : Performance appraisal is a time taking affair. It is a very lengthy process under which different forms are to be filled in and various observations are required to be noted in a careful manner.

2. Lack of Reliability : Reliability implies stability and consistency in the measurement. Lack of consistency over time and among different raters may reduce the reliability of performance appraisal.

3. Incompetence : Raters may fail to evaluate performance accurately due to lack of knowledge and experience. Post appraisal interview is often handled ineffectively.

4. No Uniform Standards : The standards used for appraisal purpose are not uniform within the same organisation. This makes the rating unscientific. Similarly, the rating is done on the basis of an overall impression, which is not proper.

5. Absence of Effective Participation of Employees : In performance appraisal effective participation of concerned employee is essential. In many methods of appraisal he is given a passive role. He is evaluated but his participation or self evaluation is rather absent.

6. Resistance of Employees to Appraisal : Employees oppose the system as they feel that the system is only for showing their defects and for punishing them. The managers resist the system as they are not willing to criticise their subordinates or have no capacity to guide them for self improvement or self development.

7. Paperwork : Some supervisors feel that performance appraisal is paperwork. They make such complaints because many a times, performance appraisal reports are found only in the files rather than rendering any practical use.

8. Fear of Spoiling Relations : Performance appraisals may also affect superior-subordinate relations. As appraisal makes the superior more of a judge rather than a coach, the subordinate may look upon the superior with a feeling of a suspicion and mistrust.

9. Stereotyping : This implies forming a mental picture of a person on the basis of his age, sex, caste or religion. It results in an over-simplified view and blurs the assessment of job performance.

10. Negative Approach : Performance appraisal loses most of its value when the focus of management is on punishment rather than on development of employees. **11. Multiple Objectives :** Raters may get confused due to two many objectives or unclear objective of performance appraisal.

MEANING AND DEFINITION OF GRIEVANCE

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

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

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

1. A Grievance may be unvoiced or expressly stated by an employee.
2. It may be written or verbal
3. It may be valid and legitimate, untrue or completely false, or ridiculous; and
4. It may arise out of something connected with the organization or work.

Causes or sources of Grievances

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

1. Grievance arising out of working conditions:

1. Poor physical circumstances of work environment

2. Non-availability of appropriate tools and machines

3. Failure to maintain good discipline

4. Mismatch of worker with job

5. Very high production targets

6. Poor relationship with the supervisor

2. Grievance arising from Management Policy:

1. Wage rates and method of wage payment

2. Overtime and incentive schemes

3. Seniority

4. Transfers

5. Promotion, Demotion and Discharge

6. Penalties imposed for misconduct

7. Leave

8. Lack of opportunities for career development

3. Grievances arising from Violation

1. Violation of collective bargaining agreement

2. Violation of company rules and regulations

3. Violation of past practice

4. Violation of Central and State Governments Laws

5. Violation of Responsibilities of Management

Grievance Handling Procedure

A standardised grievance handling procedure consists of the following steps:

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

Essentials of Good Grievance Handling Procedure

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

1.Procedural Fairness: The process of grievance handling should be fair and impartial. The grievant should be informed about the process and the implications of making a formal complaint before proceeding.

2.Substantive Fairness: The grievance handler should not assume guilt. They should determine that the complaint is substantiated only after hearing from both sides, checking other relevant evidences and taking into account any mitigating circumstances.

3.Confidentiality: A grievant should be able to raise a complaint and get advice in confidence.
4.Timeliness: Delays in any stage of the grievance handling procedure can result in a denial of procedural fairness.
5.Record keeping: It is also necessary to keep records about details of allegations, responses and actions.
6.Transparency: There must be sufficient scope for transparency in the effective implementation of policies and procedures.
7.Openness, Honesty and Fair dealing: Openness, honesty, fair and accurate reporting should be ensured.

MEANING & DEFINITION OF DISCIPLINE

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

Definition of Discipline

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

Aspects of Discipline

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

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

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

Main Characteristics of Discipline

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

(i) To guarantee successful fulfilment of organizational goals it motivates workers to abide by the instructions issued by the management or superiors.

(ii) It is a negative approach in the sense that it discourages employees in under taking some activities while encouraging undertaking the few others.

(iii) On Violation or disobedience of organization rules it imposes fine or reprimand, therefore, it is also called as punitive or big stick approach.

Aims & Objectives of Discipline

The aims and objectives of discipline are as follows:-

(i) For the achievement of organizational goals it tries to earn the willing approval of employees.

(ii) To introduce the component of uniformity and assurance despite the numerous organization.

(iii) For improving the quality of production by enhancing the morale and working efficiency of the employees.

(iv) To generate respect for human relations in the organization.

Importance of Discipline in Industry

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

Indiscipline

Disciplined employers will assist in creation of pleasant industrial environment which Indiscipline may be expressed as non – compliance to formal and informal rules and regulations of an organization. Indiscipline may prove to have detrimental effects on the morale and motivation of the employees as well as on the organization as a whole.

Factors Responsible for Indiscipline

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

1. Unfair labour practices

2. Wage differentials

3. Wrong work assignments

4. Defective grievance procedure

5. Payment of very low wages

6. Poor communication

7. Victimisation by management

8. Ineffective leadership.

Misconduct

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

Categories of Misconduct

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

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

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

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

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

Misconduct Stated In Model Standing Orders

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

(i) Refusal to work on a job or a machine which has been assigned to him.

(ii) Refusal to accept or reply to a charge sheet within the prescribed period of time.

(iii) Theft , fraud , or dishonesty in connection with the property of the company.

(iv)   Theft of another employee's property inside the industrial area or company premises.

(v) Causing willful damage to , or loss of , the employer's goods or property.

(vi) Causing damage to a product in process or to any property.

(vii) Interference with , safety devices.

(viii) Non-observance of safety precautions and rules.

(ix)   Taking or giving a bribe or any illegal gratification.

(xii) Acceptance of gifts from subordinates.

(xiii) Habitual late coming.

(xiv) Absence from duty without leave.

(xv) Overstay when on leave without prior authorized permission.

(xvi) Entering or leaving , or attempting to enter or leave , the work premises except through authorized entrance and exits.

Causes & Approaches Towards Disciplinary Action

Causes Related To the Worker

(a) Illiteracy and low intellectual level of workers.

(b)Workers personal problems like their fears, hope, aspirations etc.

(c) Inborn tendencies of workers to flout rules.

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

(a) Misunderstanding and rivalry among workers.

(b) Discrimination based on caste, colour, sex, place in imposing penalties.

(III) Causes Related To the Work Environment –

(a)Bad working conditions.

(b)Defective supervision

(c)Non-placement of right person on the right job.

(IV) Causes Related To the Management Practices –

(a) Lack of clarity in rules & regulation as laid out by the top management.

(b) Faulty performance appraisal systems leading to favoritism thereby generating indiscipline.

(c)Absence of sympathetic and scientific management

Procedure for Disciplinary Action

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

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

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

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

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

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