

HUMAN RESOURCE MANAGEMENT

SUB CODE : 16CCBB13

UNIT –I

HR ROLES AND FUNCTIONS

Introduction:

If an organization is to achieve its goals, it must not only have the required resources, it must also use them effectively. The resources available to a manager are human, financial, physical, and informational. While human resources (HR) have always been critical to the success of any organization, they have assumed an increasingly greater importance that is being recognized inside and outside work organizations.

Human resources departments typically include individuals with a wide variety and range of knowledge, skills, and abilities who are expected to perform job activities in a manner that contributes to the attainment of organizational goals. How effectively employees contribute to the organization depends in large part upon the quality of the HR program (including staffing, training, and compensation) as well as the ability and willingness of management--from the CEO to first-line supervisors--to create an environment that fosters the effective use of human resources.

Why Study Human Resources Management (HRM)?

Anyone who embarks on a course of specialized study typically wonders about its relevance to his or her interests and goals. The answer to the question "Why study HRM?" should become apparent as we explore the importance of HRM and examine the contributions it can make to an organization. Whether you are working in the HRM function of your organization or as a staff professional or line manager, you will definitely need to be aware of the various roles and responsibilities in dealing with employees in your organization.

This goes without saying that human resource is the most important asset of any Organisation and unlike other resources the human resources could be developed and increased to a limitless extent. Human resources mean the energies, skills, knowledge and

physical strength of the people at work. Human resources comprise the value of the productive capacity of entire work force of any Organisation. To be specific and brief, human resource refer to the aggregate of knowledge, skill, experience and health of employees working in any Organisation. And development of human resource accounts for the development of human side of the organisation. The word HUMAN has five letters and each letter speak of a distinct characteristic of human being as under:

- H - Hears
- U - Understands
- M - Moves
- A - Adjusts
- N - Negotiates

Management is absolutely essential in the present times in all organizations, irrespective of their origin, nature and ownership. Every enterprise, established with profit motive or some social, religious or such like other purpose, requires efficient management for its sustained progress. But, management has been viewed differently by various scholars, depending upon their belief and comprehensions. Some regard it as the force that runs a business and is responsible for its success or failure.

What is Human Resource Management?

Human Resource Management is concerned with the "people" dimension in management. Since every organisation is made up of people, acquiring their services, developing their skills, motivating them to high level of performance and ensuring that they continue to maintain their commitment to the Organisation are essential to achieving organizational objectives. This is true regardless of type of Organisation Government, business, education, health, recreation or social action. Those organisation that are able to acquire, develop, stimulate and keep outstanding workers will be both effective, able to achieve their goals, and efficient (expanding the least amount of resources necessary). Those organisation that are inefficient and ineffective risk the hazards of stagnating or going out of business.

According to Thomas G. Spates, HRM is a code of the ways of organizing and treating individuals at work so that they will get the greatest possible realisation of their intrinsic abilities, thus

attaining maximum efficiency for themselves and their group and thereby giving to the enterprise of which they are a part its determining competitive advantage and its optimum results.

The Importance of HRM

For many decades such responsibilities as selection, training, and compensation were considered basic functions of the area historically referred to as personnel management. These functions were performed without much regard for how they related to each other. From this narrow view we have seen the emergence of what is now known as human resources management.

Personnel management basic functions of selection, training, compensation, etc., in the management of an organization's personnel

Human resources management (HRM), as it is currently perceived, represents the extension rather than the rejection of the traditional requirements for managing personnel effectively. An understanding of human behavior and skill in applying that understanding are still required. Also required are knowledge and understanding of the various personnel functions performed in managing human resources, as well as the ability to perform those functions in accordance with organizational objectives. An awareness of existing economic, social, and legal constraints upon the performance of these functions is also essential.

Human resources management (HRM) extension of the traditional requirements of Personnel management, which recognizes the dynamic interaction of personnel functions with each other and with the strategic and planning objectives of the organization.

HRM, as it is practiced today, recognizes the dynamic interaction of personnel functions with each other and with the objectives of the organization. Most important, it recognizes that HR planning must be coordinated closely with the organization's strategic and related planning functions. As a result, efforts in HRM are being directed toward providing more support for the achievement of the organization's goals, whether it be a profit, not for profit, or governmental organization.

HRM: Current Challenges

According to a survey of senior HR executives in *Personnel Journal's* top 100 companies (based on 1992 revenues), the most challenging HR issues are health care costs, reorganizing and downsizing organizations, and mergers and acquisitions. These issues are followed by problems in managing diverse groups of workers who have different attitudes, values, and work behaviors; managing for top-quality performance (TQM); team building; and responding to the needs of the families of employees. Other areas presenting challenges are workers' compensation, labor relations, and management development. International companies face increased global competition.

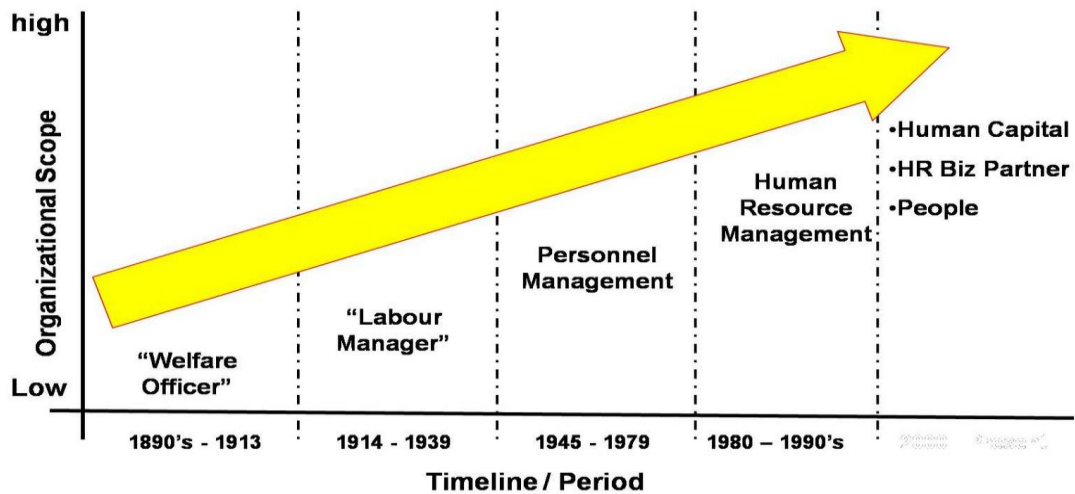
One may expect to see new issues and challenges emerging in the future that require appropriate action. Evolving business and economic factors forge changes in the HR field requiring that preparation for change be an ongoing process.

Evolution of Human Resources Management

HRM, at least in a primitive form, has existed since the first attempts at group effort. Certain HR functions, even though informal in nature, were performed whenever people came together for a common purpose. During the course of this past century, however, the processes of managing people have become more formalized and specialized, and a growing body of knowledge has been accumulated by practitioners and scholars.

An understanding of the events contributing to the growth of HRM can provide a perspective for contemporary policies and practices.

Evolution of HRM ...



<u>USA HISTORICAL DEVELOPMENT OF HRM PRACTICES</u>	
YEAR	EVENT
1796	Earliest authenticated strike in America; Philadelphia printers seek to gain minimum weekly wage of \$6.
1848	Passage of a law in Philadelphia setting a minimum wage for workers in commercial occupations.
1881	Beginning of Frederick W. Taylor's work in scientific management at the Midvale Steel Plant in Philadelphia.
1883	Establishment of the U.S. Civil Service Commission.
1886	Founding of the American Federation of Labor (AFL).
1912	Passage in Massachusetts of the first minimum wage law.

1913	Establishment of the U.S. Department of Labor.
1915	First course in personnel administration, offered at Dartmouth College.
1920	First text in personnel administration, published by Ordway Tead and Henry C. Metcalf.
1924	Point method of job evaluation developed by the National Electric Manufacturers' Association and the National Metal Trades Association.
1927	Hawthorne studies begun by Mayo, Roethlisberger, and Dickson.
1935	Establishment of the Congress of Industrial Organizations (CIO) by several unions previously affiliated with the AFL.
1939	Publication of the first edition of the <i>Dictionary of Occupational Titles</i> .
1941	Beginning of U.S. involvement in World War II, demanding the mobilization of individuals trained in personnel management and the rapid development of personnel programs in the military and in industry.
1955	Merger of the AFL and CIO.
1957	Federal Women's Program established by the U.S. Civil Service Commission to enhance the employment and advancement of women.
1975	Beginning of a professional accreditation (now certification) program by the Personnel Accreditation Institute.
1978	Passage of the Civil Service Reform Act, which established the Office of

	Personnel Management (OPM), the Merit Systems Protection Board (MSPB), and the Federal Labor Relations Authority (FLRA).
1982	Beginning of the erosion of the employment-at-will doctrine, with increasing attention to "just cause" terminations.
1985	Increased emphasis on employee participation in organizational decision making to improve productivity and competitive position.
1990	Heightened awareness of privacy rights of employees as employers monitor employee performance.
1991	Increased emphasis on global HR practices; greater use of temporary employees; observed
1995	Emphasis on sexual harassment; heightened attention to greater diversity in the workforce; increased emphasis on total quality management; and downsizing or "rightsizing" of organizations.

Difference Between Personnel Management And HRM

1. Human resource management is the new version of personnel management. There is no any watertight difference between human resource management and personnel management. However, there are some differences in the following matters.
2. Personnel management is a traditional approach of managing people in the organization. Human resource management is a modern approach of managing people and their strengths in the organization.
3. Personnel management focuses on personnel administration, employee welfare and labor relation. Human resource management focuses on acquisition, development, motivation and maintenance of human resources in the organization.

4. Personnel management assumes people as a input for achieving desired output. Human resource management assumes people as an important and valuable resource for achieving desired output.
5. Under personnel management, personnel function is undertaken for employee's satisfaction. Under human resource management, administrative function is undertaken for goal achievement.
6. Under personnel management, job design is done on the basis of division of labor. Under human resource management, job design function is done on the basis of group work/team work.
7. Under personnel management, employees are provided with less training and development opportunities. Under human resource management, employees are provided with more training and development opportunities.
8. In personnel management, decisions are made by the top management as per the rules and regulation of the organization. In human resource management, decisions are made collectively after considering employee's participation, authority, decentralization, competitive environment etc.
9. Personnel management focuses on increased production and satisfied employees. Human resource management focuses on effectiveness, culture, productivity and employee's participation.
10. Personnel management is concerned with personnel manager. Human resource management is concerned with all level of managers from top to bottom.
11. Personnel management is a routine function. Human resource management is a strategic function.

OBJECTIVES OF HRM

Since HRM is an integral part of management, its main objective is identical with that of latter, survival and growth to help the organisation to achieve its objectives, HRM contributes by assuring a rich, and continuous supply of human resources. Further, to make organisation effective and efficient, HRM aims at coordinated efforts of the competent managers and workers towards the ultimate goal. The general objective of HRM is to contribute towards realization of firms goals. The specific objectives of HRM include the following:

Efficient utilization of people's skills and abilities

HRM aims at utilizing the people's skill and abilities, in order to achieve organizational as well as individual goals. Efficient utilization of manpower is beneficial not only to the Organisation but also to the employees and consumers. Human resource manager should ensure that necessary action is taken to make the fullest utilisation of manpower.

Provision of trained and motivated employees

The human resource manager provides to the Organisation well trained and motivated employees, which is the most valuable asset of an Organisation. The human resource manager, for achieving this objective, creates an environment

which is conducive to the growth of well-trained and well motivated employees. The effectiveness of human resource manager is judged on the basis of right type of person, at right place, at right time for an Organisation.

Increased employees job satisfaction

HRM aims at providing facilities for employees thereby ensures job satisfaction of the individuals. This objective focuses on employees needs rather than organizational needs.

Communicating HRM policies to all concerned

HRM aims at communicating its policies to all concerned in their own language. Effective communication helps in building organisation image among its employees, Government and public in general. Through effective communication, policies, goals of organisation can be achieved.

Development and maintenance of quality of worklife

HRM develops and maintain quality of worklife that makes work environment more meaningful to the employees life. It is a programme of building an ideal work environment to promote maximum employees satisfaction consistent with maximum organisation growth. The premise of quality of work life is having a work environment where an employee's activities become more important. This means implementing procedures that make work less routine and more rewarding for the employee. These policies includes autonomy, recognition, belongingness progress and development and external rewards. Autonomy deals with the amount of freedom that employees can exercise in their job. Recognition involves being value by others in the company. An individual contribution to the organisation is noticed and appreciated.

SCOPE OF HUMAN RESOURCE MANAGEMENT

Following is the scope of human resource management explained by experts in this area.

Human Resources Planning

Human Resources Planning is the process of assessing the organisation's human resources needs in light of organizational goals and making plans to ensure that a competent, stable work force is employed. The planning process includes an analysis of skill levels among employees and in the external labour market, of current and expected job openings, of plans for expanding or reducing staff throughout the organisation, and of the external legal environment. The planning process, then, is, closely related to the staffing process and depends also on the overall strategic plans of the organisation.

The systems designed to control and direct the human resources planning process include such devices and computerised records of employees' skills and qualification, forecasts of the number of employees with certain skills who are likely to leave over the next year, analysis of the extent to which affirmative action goals have been met; and confidential organization charts showing possible candidates for promotion to various executive positions.

Job and Work Design

Job and work design specifies the tasks to be performed by individuals and groups within the Organisation, and establishes the rules, schedules and working conditions under which people perform those tasks. Through careful design, or circumstance, or both, events converge to create jobs to which people are assigned and the conditions surrounding these jobs. Some of the systems used to help manage the process of job design include techniques such as time-and-motion study and work simplification, which aims at making jobs easy to learn and workers more efficient. Other job design systems, such as job enrichment, involve techniques to restructure jobs to make them more interesting and challenging. Periodic discussions within a work team about the allocation of tasks can be considered a job design system.

Job Analysis

Job analysis, an outgrowth of job design, is the process of investigating the tasks and behaviour associated with a particular job. Various systems used in job analysis include observations of

workers as they perform their jobs, interviews and questionnaires. Typically the information obtained from job analysis is used to write job descriptions and to establish what is required of the person who will perform each job. In turn, job descriptions are useful in the staffing process, especially in recruiting, hiring, and training new employees.

Recruitment

An Organisation needs people for its present and future vacancies. Recruitment is the process of exploring the sources of suitable People and taking effective measure for obtaining them. It is designed to attract as many candidates as possible from inside and outside the organisation so that an objective selection of the most talented persons can be done.

Selections and placement

Having identified the candidates eligible for the posts, the management should proceed with the selection of right candidates and their placement. Selection is the process of testing the ability, skill and aptitude of the candidates. It is done to find out those candidates who are best suited to the specific jobs. Placement is the process of assigning a job to an accepted individual for which he is best suited. Selection and placement may or may not occur simultaneously. When candidate are chosen for specific jobs, selection and placement go together, But when a large number of candidates are selected for avoid of jobs, placement is generally done only by importing training.

Socialisation

After an employee has been selected and placed at a specific job, the next logical step is to introduce him to the culture of the organisation, through socialization. It is a process of transmitting the key values, norms, policies and objectives of the company to the employees with a view to shaping their attitudes, thought and behaviour and assimilating them into the dominant culture of the company. It enable a new employee to understand the organisation better and makes him or her feel at home at his work environment. This is extremely important to his motivation and performance in the organisation.

Training and Development Process

Although the two terms are generally put together, they are not identical in meaning. Training is a learning process that seeks to bring about a permanent improvement in the ability and behaviour of employees by enabling them to learn new skill, knowledge, attitude and behaviour so that they can become better performers. It is mostly intended for operating employees. Development is a much broaden concept than training. It is basically an educational process which is directed to

increase the conceptual ability of employees to understand and apply knowledge in terms of cause and effect relationship, in the organizational situation. It is generally intended for managerial, people training and development programmes are essential for enhancing the quality and potential of human resources for improving the standards of performance and productivity of an Organisation.

Performance appraisal and review

It is a process of ascertaining how effectively an employee is performing his job. The object of the appraisal is to determine the present state of efficiency of an employee in order to establish the actual need for training and motivation. It also serves to indicate the areas of weakness in employee performance so that measures for skill improvement and prayer motivation may be taken to remedy the situation.

Although performance appraisal is central to training and development programmes, it provides valuable information to the entire spectrum of HRM. It can offer important feedback information on the effectiveness of recruitment, selection, motivation and compensation systems. Hence appraisal methods should be most carefully chosen and designed to meet the multiple requirements of HRM.

Accommodation

The accommodation process refers to the extent to which management listens and responds to or accommodates the needs, wants, and complaints (or grievances) of organization members. People working in organizations expect to be treated fairly; moreover, they feel they have the right to be heard and to be respected as individuals. Morale is severely affected when there is a sense of unfair treatment or when workers perceive that, management does not care about their feelings, complaints, and suggestions. Systems for managing the accommodation process include questionnaires, suggestion boxes, an "opendoor" philosophy and formal grievance procedures. The effectiveness with which the accommodation process is managed varies within organizations and depends on a number of factors, such as prevailing leadership style and management philosophy.

Fair Compensation System

A fair compensation system for rewarding the employees is the most important prerequisite to attracting and maintaining the employees. Compensation in a narrow sense refers to the wages and salaries which are paid to the employees in return for their services. But its meaning is often extended to include all kinds of payments and benefits offered to the employees in lieu of their services. However, the amount of money paid to an employee is the most important form of

compensation as it enables the receiver to satisfy most of his or her needs. The crucial point about monetary compensation is that it should be fair from the point of view of both the employer and the employee. Although a 'fair compensation' is difficult to define, it should be taken to mean the amount that is adequate for the demands and requirements of the job.

FUNCTIONS OF HRM

HRM functions (also called processes) are carried out by the HR managers to fulfil the goals and objectives of the organization. As illustrated in [Figure 1.1](#), they perform two sets of functions, namely managerial functions and operative functions. The managerial functions are the basic functions performed by the HR managers in their capacity as managers or heads of their own departments. In fact, all managers, irrespective of their departments, perform these functions. The operative functions, on the other hand, are specialized activities performed exclusively by the HR managers, usually for all the departments. We shall first discuss the managerial functions.

MANAGERIAL FUNCTIONS

Functions like planning, organizing, staffing, directing and controlling constitute the core managerial functions of an organization. The specific activities performed under each of these functions are explained as follows:

Planning It is an effective tool to deal with the future. It involves the process of predetermining the personnel programmes that are necessary to attain the organizational goals. In this context, accurate forecasting is vital to the success of any plan. Planning is such a crucial function for an organization that it is the key to all other managerial functions. The steps involved in planning are

- Establishing goals and objectives to be achieved
- Developing rules and procedures
- Determining plans and forecasting techniques

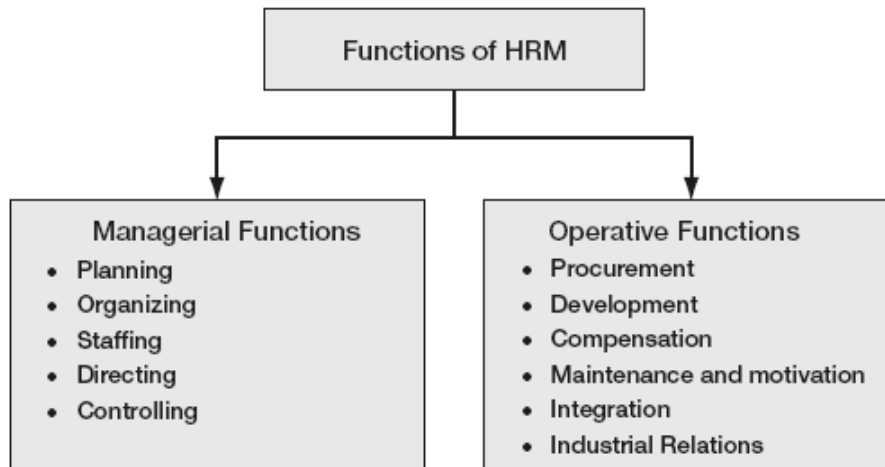


Figure 1.1 Functions of HRM

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Organizing Once the plans are formulated, the next step is to organize the men and material in order to accomplish those plans. Organizing is a process through which the firm establishes its structure and determines the authority, responsibility and accountability of each member in relation to the job. Thus, organizing involves

- Giving each member a specific tasks
- Establishing departments and divisions
- Delegating authority to the members
- Establishing channels of authority and communication
- Creating a system to coordinate the works of the members

Staffing This function deals with the creation and maintenance of human resources through employment, compensation, benefits, training and development, and industrial relations measures. It aims to put in place HR policies in order to deal with wage fixation, working conditions, and promotional opportunities for prospective employees. The steps involved in the staff function are

- Determining the type of people to be hired
- Recruiting prospective employees and selecting the best ones from them

- Compensating the employees
- Training and developing the employees
- Setting performance standards and evaluating the employees' performance
- Counselling the employees

Directing Directing is the sum of several activities like communication, leadership and motivation. Directing, as a function, aims at securing willing cooperation from the individuals and the groups to achieve the predetermined goals. It includes the following activities:

- Getting work done through subordinates
- Ensuring effective two-way communication for the exchange of information with the subordinates
- Motivating subordinates to strive for better performance
- Maintaining the group morale

Controlling Controlling is the process of checking the efficiency of the individuals and the groups in fulfilling the plans and goals through follow-up measures. It is essential for continuous improvement in the managerial activities. The processes involved in controlling are

- Establishment of standard performance
- Measurement of actual performance
- Comparison of actual performance with the standard one to find the deviation
- Initiation of corrective actions, if there are any deviations
- Next, let us look at the operative functions.

OPERATIVE FUNCTIONS

Staffing is one of the managerial functions. But this function is normally performed by the HR managers for all the departments of the firm. In most organizations, the HR department establishes personnel policies and coordinates the HR functions of all the departments. This function is also called the operative function or HRM function. It includes, amongst others,

the processes of hiring, training, compensating, appraising and retaining employees, and attending to their labour relations, health and safety, and equality concerns (see [Fig. 1.2](#)). Andrews⁸ has carried out a detailed study on the functions of HRM and commented:

In most organizations, the personnel or HR department establishes policies and coordinates functions such as job analysis, personnel planning, the recruitment and selection of employees, training and development, performance appraisal, compensation and employee benefits, labour relations, employee discipline and control, and occupational health and safety.

Procurement Procurement refers to a series of activities undertaken by the HR managers for filling the present and future vacancies of the organization. The activities include job analysis and designing, HR planning, recruitment and, finally, the selection of suitable employees. Here, job analysis refers to both the determination of specific tasks and responsibilities connected to a job and identifying the skills, knowledge and abilities required for the job holder. HR planning involves choosing and placing the right person at the right job and at the right time. Recruitment involves gathering a pool of applicants from which suitable employees may be selected. Lastly, selection involves screening, testing, interviewing and hiring the most suitable employees for the organization.

Development Development here refers to both employees' training and management development. HR managers are responsible for conducting and supervising training and development programmes for employees. The purpose of a training and development programme is to increase the employees' competencies in their job by improving their knowledge, skills and abilities. Training and development is widely accepted as a method for enhancing the employee skills, increasing the individual and organizational performance, improving the employee morale, and achieving the business growth and success.

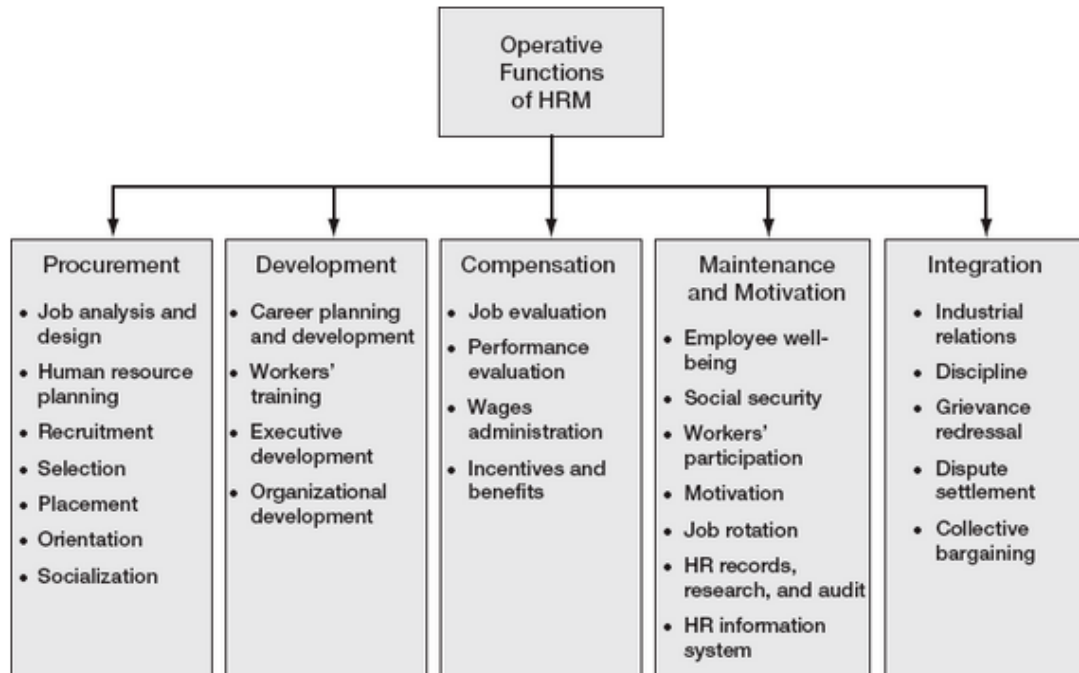


Figure 1.2 Operative Functions of HRM

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Compensation Compensation refers to the determination of the pay scale and other benefits for the employees. Establishing and maintaining the pay system of an organization is one of the principal jobs of the HR managers. They must devise ways to ensure fair and equitable pay rates. In addition, HR managers should regularly manage the performance evaluation system of the organization, and continuously design reward systems such as performance-linked incentive plans and bonus and flexible work schedules.

Maintenance The maintenance function aims at retaining efficient and experienced employees in the organization. This calls for creative HR practices. In this regard, HR managers are responsible for offering a wide range of HR programmes covering occupational safety, health promotion and physical fitness, canteen facilities, recreation activities, transportation programmes, employee suggestion schemes, career counselling and growth for creating a positive work environment.

Integration It consists mainly of industrial relations and aims at ensuring good relations between the management and the employees. HR managers have to implement industrial

relations programmes that would ensure ethical and fair treatment in disciplinary action, grievance redressal, and career management processes. They should also counsel the employees and the management to prevent and, when necessary, resolve disputes over labour agreements or other labour relation issues.

It is to be understood here that the functions of HRM can vary widely from one organization to another, depending upon its nature, size, and objectives. For instance, a smaller organization may follow a shorter HRM process with a greater emphasis on functions like procurement and compensation and little or no priority for activities like training and development and industrial relations maintenance. On the contrary, large organizations may pursue a longer and more comprehensive HRM process to meet the requirements of both the management and the workforce.

Human Resources Management in the Global Environment

Today's job market is rapidly becoming globalized and more companies are entering into international markets in a variety of ways. Some companies are building plants in other countries, some companies are exporting products overseas, and some are entering into alliances with foreign companies. No matter how the involvements begin, the reality is that in today's world, managing global human resources is something that is growing.

Global competition is driving changes in organizations throughout the world. Companies are attempting to gain a competitive advantage and a way to accomplish this is to expand internationally. When a company decides to enter into a foreign market, whether to develop plants or other facilities in other countries, it is no simple task and many human resource issues surface. (Noe, Hollenbeck, Gerhart, and Wright; 534)

Doing business globally requires that adaptations be made to reflect cultural and other factors that differ from each country. Human resource regulations and laws vary among countries in character and detail. Equal employment legislation exists to varying degrees. In some countries, laws address issues such as employment discrimination and sexual harassment. For example, in the United States, Title VII established the Equal Employment Opportunity Commission (EEOC) to administer and enforce the Civil Rights law at work. The commission consists of

five members who have been appointed by the president with the consent and advice of the senate. The main objective of the EEOC is to investigate job discrimination complaints from aggravated individuals. If a complaint is found justified, an agreement is attempted to be made through conciliation. (Dessler, Gary (2011).

The HR Role of Managers and Supervisors

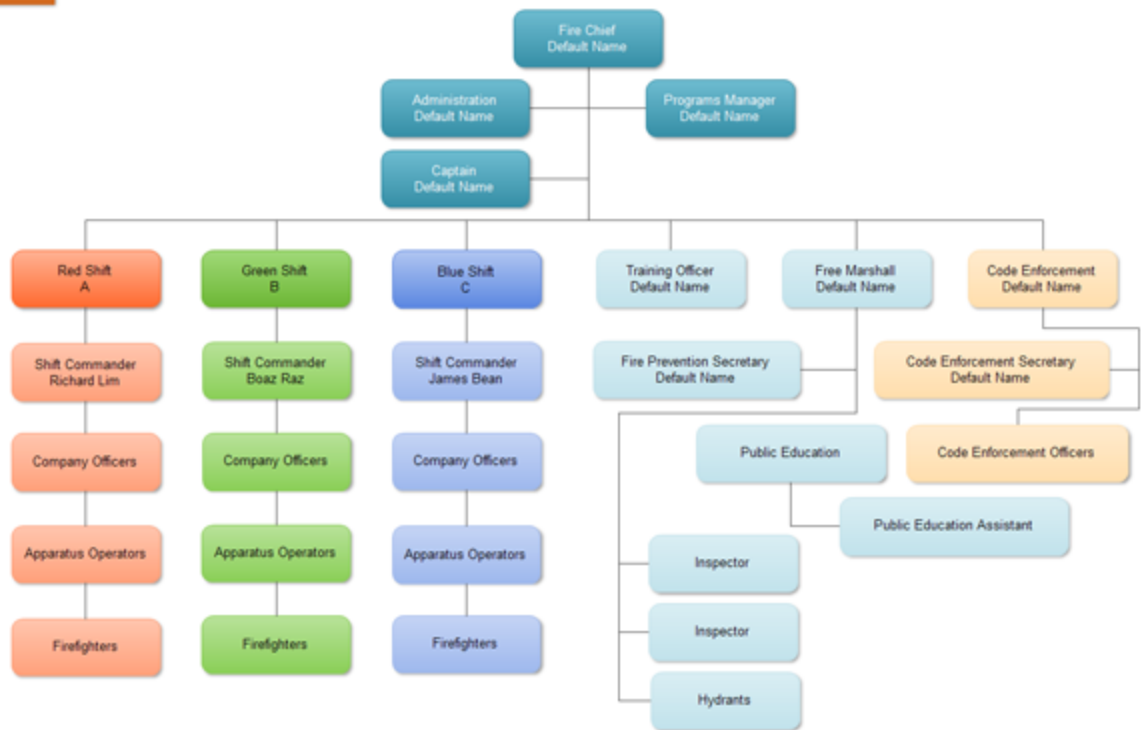
Students who are now preparing for careers in organizations will find that the study of HRM will provide a background of understanding that will be valuable in managerial and supervisory positions. Although HR managers have the responsibility for coordinating and enforcing policies relating to the HR functions, all managers and supervisors are responsible for performing these functions in their relations with subordinates.

It is in such positions of leadership that the majority of students will be employed. HRM is therefore oriented to help you in managing subordinates more effectively, whether you become first-line supervisor or chief executive officer.

Discussions concerning the role of the HR department can serve to provide one with a better understanding of the functions performed by this department. A familiarity with the role of the HR department should help you to cooperate more closely with the department's staff and to utilize more fully the assistance and services available from this resource.

The present status of HRM was achieved only after years of evolutionary development. You need to understand the forces that have contributed to this process and to become more aware of forces acting today that will have an effect on HRM in the future.

Structure of HR DEPARTMENT



Top management generally recognizes the contributions that the HR program can make to the organization and thus expects HR managers to assume a broader role in the overall organizational strategy. Thus HR managers must remember the bottom line if they are to fulfill their role. Investment in sophisticated HR practices contributes to greater financial performance and productivity and to reduced turnover.

In the process of managing human resources, increasing attention is being given to the personal needs of the employees. The HRM Department activities influence both the individual and society.

Increasingly, employees and the public at large are demanding that employers demonstrate greater social responsibility in managing their human resources. Complaints that some jobs are revitalizing the lives and injuring the health of employees are not uncommon. Charges of discrimination against women, minorities, the physically disabled, and the aged with respect to hiring, training, advancement, and compensation are being leveled against some employers.

Issues such as comparable pay for comparable work, the rising costs of health benefits, day care for children of employees, and alternative work schedules are concerns that many employers must address.

All employers are finding that privacy and confidentiality of information about employees are serious matters and deserve the greatest protection that can be provided.

Where employees are organized into unions, employers can encounter costly collective bargaining proposals, strike threats, and charges of unfair labor practices. Court litigation, demands for corrective action by governmental agencies, sizable damage awards in response to employee lawsuits, and attempts to erode the employment-at-will doctrine valued by employers are still other hazards that contemporary employers must try to avoid.

Duties of the Human Resources Manager

1. Ensuring timely initiation and proper compliance of statutory requirements under various labour laws.
2. Recruiting of workmen as per the selection procedure specified [such as site requirement as confirmed by MANAGEMENT, background clearance, skills test & confirmation]
3. Ensuring disbursement of statutory minimum wages, and review of skill grades and wage rates if warranted.
4. Obtaining/generating and maintaining the requisite statutory records relating to attendance, overtime and earnings of all workmen at the site.
5. Ensuring that overtime work and its payment are in accordance with the statutory requirements
6. Arranging, maintaining and rendering medical first aid to workmen of the site, as and when need arises.
7. Arranging hygienic up-keep of labour camp(s), site canteen(s), sanitary facilities and crèche/rest rooms at all times.
8. Displaying the specified statutory notices in accordance with labour laws and updating them, as and when required
9. Implementing all rules, procedures, directives etc. applicable under various statutes including those prescribed by the Management.
10. Installing and operating the internal systems of the company in relation to attendance

recording, overtime work, wages records, statutory deductions and any other specified matters.

11. Reporting the labour strength, attendance, PF Coverage, IR & WC cases, Blacklisted workmen, overtime details, cost information of labour wages and related expenses to MANAGEMENT and to the IR Dept periodically.

12. Liaisoning with labour department, job related government officials, the workmen, sub-contractors and special agencies to maintain good industrial relations and to ensure full statutory compliances

Responsibilities of the Human Resources Manager

Government legislation and court decisions have had a major influence on HR policies and practices. More recently, concern for productivity improvement, employee desires for balancing family and job demands, and desire of workers for more equitable treatment have added to the responsibilities of the HR manager. These influences have thus required HR managers not only to be more knowledgeable about many issues but also to be more versatile in handling several activities.

The major activities for which an HR manager is typically responsible are as follows:

1. ***Policy initiation and formulation.*** The HR manager generally proposes and drafts new policies or policy revisions to cover recurring problems or prevent anticipated problems. Ordinarily, these are proposed to the senior executives of the organization, who actually issue the policy.
2. ***Advice.*** The HR manager generally counsels and advises line managers. The HR staff is expected to be fully familiar with HR policy, labor agreements, past practices, and the needs and welfare of both the organization and the employees in order to develop sound solutions to problems.
3. ***Service.*** The HR manager generally engages in activities such as recruiting, selection, testing, planning of training programs, and hearing employee concerns and complaints.
4. ***Control.*** The HR manager generally monitors performance of line departments and other staff departments to ensure conformity with established HR policy, procedures, and practice.

The HR manager's authority in carrying out these activities is restricted to staff authority (policy initiation and formulation and advice giving) and functional authority (service and control). Within the scope of functional authority, the HR manager generally has the right and is expected to issue policies and procedures for HR functions--i.e., selection, training, performance evaluation, and so on--throughout an organization. The only line authority the HR manager has is over subordinates in his or her department.

HRD Systems:

The part of human resource management that specifically deals with training and development of the employees. Human resource development includes training an individual after he/she is first hired, providing opportunities to learn new skills, distributing resources that are beneficial for the employee's tasks, and any other developmental activities

The Human Resource Development as a Function has evolved in India very indigenously from the year 1975 when Larsen & Toubro Company conceptualized HRD as an integrated system and decided to separate it from Personnel. Since then, in the last 25 years most organizations have started new HR Departments or re-designated their Personnel and other departments as HRD Departments. Today there are high expectations from HRD. Good HRD requires well structured function and appropriately identified HRD systems, and competent staff to implement and facilitate the change process.

In 1975 Larsen & Toubro a prominent Engineering Company in India had appointed two consultants from the Indian Institute of Management, Ahmedabad to study the performance appraisal system and make recommendations for improving it. The two consultants (Pareek and Rao,1975) studied the system through interviews etc, and suggested a new system.

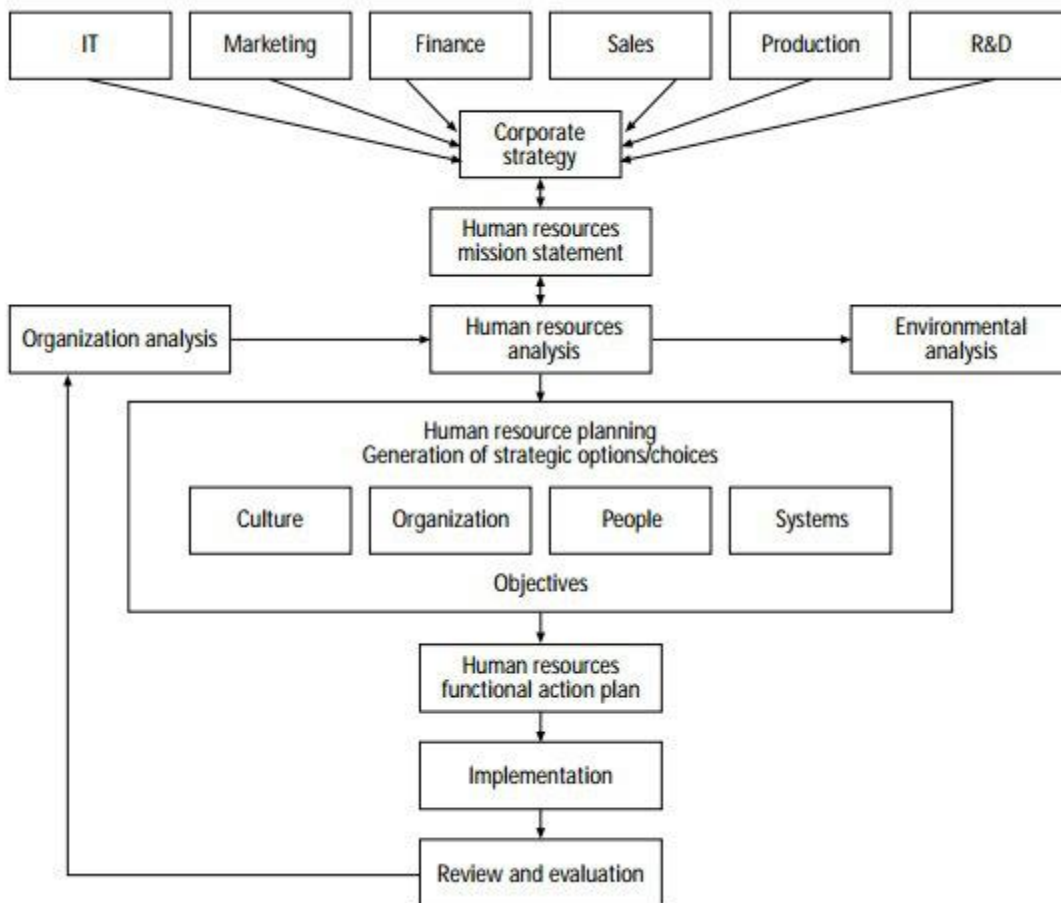
HRD GOALS

Employees and organizations will experience inevitable change. Human resource development (HRD) enhances employee competence in their jobs by increasing knowledge, abilities, and skills. In this environment, the employee will be primarily responsible for career

development but the company will also have responsibilities that include clearly stating the company's corporate strategy, its goals and providing information about its business. The organisations must follow those type of strategies which help in accomplishing organisational goals with an addition to develop the human resource.

What is HR Strategy?

Here you can see a infographic prepared by Maria Lopez & myself about how we understand should be the best way to implement a HR Strategy succesfully in order to get the goals proposed by the Business Strategy.



The Globalization of individual companies and capital markets over the past two decades has changed the business landscape. The most of firms have expanded operations overseas, and even strictly domestic businesses are facing competition from abroad. To respond to global

competition is more necessary than ever to implement a right HR strategy in order **to improve the productivity and effectiveness of the business.**

HR strategy must be aligned with the organization's vision, mission and goals. In developing an HR strategy, the company must analyze the characteristics of its industry, determine its competitive advantage, and identify key processes and key people. Creating different strategies for all groups of people in the organization may be necessary, depending on their skills, knowledge and responsibilities.

In developing any corporate strategy the approach is to begin by addressing three key strategic questions:

1. **Where are we now?**
2. **Where do we want to be?**
3. **How do we get there?**

HR is a critical area to help the organization and all we do must be relevant to our corporate objectives.

That's why the human resources also have to add two others questions in developing such a strategy two critical questions must be addressed:

- **What kinds of people do you need to manage and run your business to meet your strategic business objectives?**
- **What people programs and initiatives must be designed and implemented to attract, develop and retain staff to compete effectively?**

In order to answer these questions four key dimensions of an organization must be addressed.

These are:

- **Culture:** the beliefs, values, norms and management style of the organization
- **Organization:** the structure, job roles and reporting lines of the organization
- **People:** the skill levels, staff potential and management capability
- **Human Resources systems:** the people focused mechanisms which deliver the strategy – employee selection, communications, training, rewards, career development, etc.

Frequently in managing the people element of their business senior managers will only focus on one or two dimensions and neglect to deal with the others. Typically, companies reorganize their structures to free managers from bureaucracy and drive for more entrepreneurial flair but then fail to adjust their training or reward systems.

When the desired entrepreneurial behavior does not emerge managers frequently look confused at the apparent failure of the changes to deliver results. The fact is that seldom can you focus on only one area. What is required is a strategic perspective aimed at identifying the relationship between all four dimensions.

If you require an organization which really values quality and service you not only have to retrain staff, you must also review the organization, reward, appraisal and communications systems.

The pay and reward system is a classic problem in this area. Frequently organizations have payment systems which are designed around the volume of output produced. If you then seek to develop a company which emphasizes the product's quality you must change the pay systems. Otherwise you have a contradiction between what the chief executive is saying about quality and what your payment system is encouraging staff to do.

HR Strategies

The above developments in the field of HRM highlight the contribution it can make towards business success and an emphasis on HRM to become an integral part of business strategy (Lengnick-Hall and Lengnick-Hall, 1988; Brewster and Larsen, 1992; Bamberger and Meshoulam, 2000; Schuler and Jackson, 2007). The emergence of the term 'strategic human resource management' (SHRM) is an outcome of such efforts. It is largely concerned with 'integration' of HRM into the business strategy and 'adaptation' of HRM at all levels of the organisation (Guest, 1987; Schuler, 1992).

What is strategy?

The origin of this concept can be traced in its military orientation, going back to the Greek word 'strategos', for a general who organises, leads and directs his forces to the most advantageous position (Bracker, 1980; Legge, 1995; Lundy and Cowling, 1996). In the world of business it mainly denotes how top management is leading the organisation in a particular direction in order to achieve its specific goals, objectives, vision and overall purpose in the society in a given context / environment. The main emphasis of strategy is thus to enable an organisation to achieve competitive advantage with its unique capabilities by focusing on present and future direction of the organisation (also see Miller, 1991; Kay 1993).

Stages of the evolution of strategy and HRM integration

Greer (1995) talks about four possible types of linkages between business strategy and the HRM function / department of an organisation:

- ‘*Administrative linkage*’ represents the scenario where there is no HR department and some other figurehead (such as the Finance or Accounts executive) looks after the HR function of the firm. The HR unit is relegated here to a paper-processing role. In such conditions there is no real linkage between business strategy and HRM.
- Next is the ‘*one-way linkage*’ where HRM comes into play only at the implementation stage of the strategy.
- ‘*Two-way linkage*’ is more of a reciprocal situation where HRM is not only involved at the implementation stage but also at the corporate strategy formation stage.
- The last kind of association is that of ‘*integrative linkage*’, where HRM has equal involvement with other organisational functional areas for business development.

Purcell (1989) presents a two-level integration of HRM into the business strategy – ‘*upstream or first-order decisions*’ and ‘*downstream or second-order decisions*’:

- First-order decisions, as the name suggests, mainly address issues at the organisational mission level and vision statement; these emphasise where the business is going, what sort of actions are needed to guide a future course, and broad HR-oriented issues that will have an impact in the long term.
- Second-order decisions deal with scenario planning at both strategic and divisional levels for the next 3–5 years. These are also related to hardcore HR policies linked to each core HR function (such as recruitment, selection, development, communication).

Guest (1987) proposes integration at three levels:

- First he emphasises a ‘*fit*’ between HR policies and business strategy.
- Second, he talks about the principle of ‘*complementary*’ (mutuality) of employment practices aimed at generating employee commitment, flexibility, improved quality and internal coherence between HR functions.
- Third, he propagates ‘*internalisation*’ of the importance of integration of HRM and business strategies by the line managers (also see Legge, 1995).

Linking organisational strategy and HRM strategy: Theoretical developments

The literature contains many theoretical models that highlight the nature of linkage between HRM strategies and organisational strategies.

The strategic fit or the hard variant of HRM

Fombrun et al.'s (1984) 'matching model' highlights the 'resource' aspect of HRM and emphasises the efficient utilisation of human resources to meet organisational objectives. This means that, like other resources of organisation, human resources have to be obtained cheaply, used sparingly and developed and exploited as fully as possible. The matching model is mainly based on Chandler's (1962) argument that an organisation's structure is an outcome of its strategy. Fombrun et al. (1984) expanded this premise in their model of strategic HRM, which emphasises a 'tight fit' between organisational strategy, organisational structure and HRM system. The organisational strategy is pre-eminent; both organisation structure and HRM are dependent on the organisation strategy. The main aim of the matching model is therefore to develop an appropriate 'human resource system' that will characterise those HRM strategies that contribute to the most efficient implementation of business strategies.

The matching model of HRM has been criticised for a number of reasons. It is thought to be too prescriptive by nature, mainly because its assumptions are strongly unitarist (Budhwar and Debrah, 2001). As the model emphasises a 'tight fit' between organisational strategy and HR strategies, it completely ignores the interest of employees, and hence considers HRM as a passive, reactive and implementationist function. However, the opposite trend is also highlighted by research (Storey, 1992). It is asserted that this model fails to perceive the potential for a reciprocal relationship between HR strategy and organisational strategy (Lengnick-Hall and Lengnick-Hall, 1988). Indeed, for some, the very idea of 'tight fit' makes the organisation inflexible, incapable of adapting to required changes and hence 'misfitted' to today's dynamic business environment. The matching model also misses the 'human' aspect of human resources and has been called a 'hard' model of HRM (Guest, 1987; Storey, 1992; Legge, 1995). The idea of considering and using human resources like any other resource of an organisation seems unpragmatic in the present world.

Despite the many criticisms, however, the matching model deserves credit for providing an initial framework for subsequent theory development in the field of strategic HRM. Researchers need to adopt a comprehensive methodology in order to study the dynamic

concept of human resource strategy. Do elements of the matching model exist in different settings? This can be discovered by examining the presence of some of the core issues of the model. The main propositions emerging from the matching models that can be adopted by managers to evaluate scenario of strategic HRM in their organisations are:

- Do organisations show a ‘tight fit’ between their HRM and organisation strategy where the former is dependent on the latter? Do specialist people managers believe they should develop HRM systems only for the effective implementation of their organisation’s strategies?
- Do organisations consider their human resources as a cost and use them sparingly? Or do they devote resources to the training of their HRs to make the best use of them?
- Do HRM strategies vary across different levels of employees?

UNIT -II

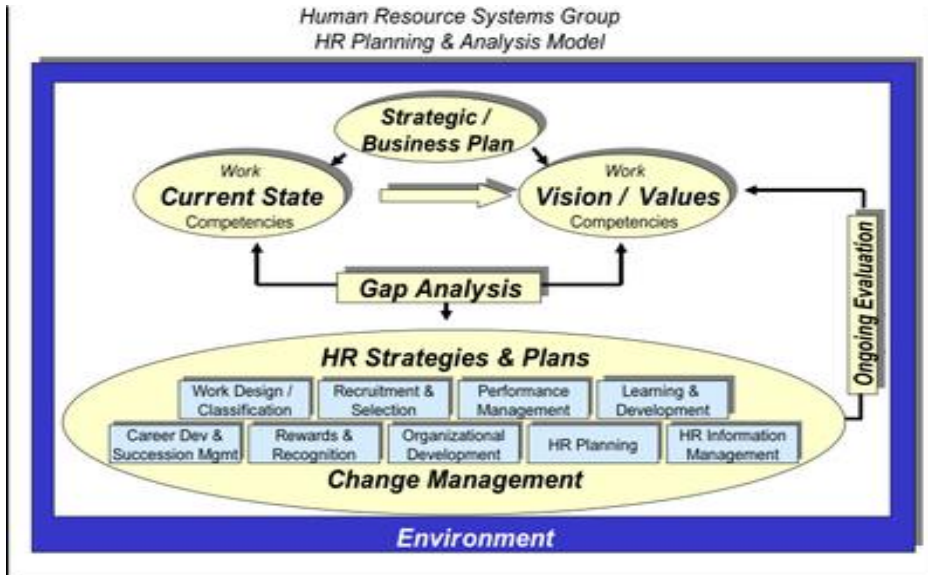
HR PLANNING AND RECRUITMENT

Introduction to strategic HR planning

Human resources planning is a process that identifies current and future human resources needs for an organization to achieve its goals. Human resources planning should serve as a link between human resources management and the overall strategic plan of an organization. Aging worker populations in most western countries and growing demands for qualified workers in developing economies have underscored the importance of effective Human Resources Planning.

As defined by Bulla and Scott, human resource planning is ‘the process for ensuring that the human resource requirements of an organization are identified and plans are made for satisfying those requirements’. Reilly defined workforce planning as: ‘A process in which an organization attempts to estimate the demand for labour and evaluate the size, nature and

sources of supply which will be required to meet the demand.’ Human resource planning includes creating an employer brand, retention strategy, absence management strategy, flexibility strategy, talent management strategy, recruitment and selection strategy.



The overall purpose of strategic HR planning is to:

- Ensure adequate human resources to meet the strategic goals and operational plans of your organization - the right people with the right skills at the right time
- Keep up with social, economic, legislative and technological trends that impact on human resources in your area and in the sector
- Remain flexible so that your organization can manage change if the future is different than anticipated

Strategic HR planning predicts the future HR management needs of the organization after analyzing the organization's current human resources, the external labour market and the future HR environment that the organization will be operating in. The analysis of HR management issues external to the organization and developing scenarios about the future are what distinguishes strategic planning from operational planning. The basic questions to be answered for strategic planning are:

- Where are we going?
- How will we develop HR strategies to successfully get there, given the circumstances?
- What skill sets do we need?

The strategic HR planning process

The strategic HR planning process has four steps:

- Assessing the current HR capacity
- Forecasting HR requirements
- Gap analysis
- Developing HR strategies to support organizational strategies

Assessing current HR capacity

Based on the organization's strategic plan, the first step in the strategic HR planning process is to assess the current HR capacity of the organization. The knowledge, skills and abilities of your current staff need to be identified. This can be done by developing a skills inventory for each employee.

The skills inventory should go beyond the skills needed for the particular position. List all skills each employee has demonstrated. For example, recreational or volunteer activities may involve special skills that could be relevant to the organization. Education levels and certificates or additional training should also be included.

An employee's performance assessment form can be reviewed to determine if the person is ready and willing to take on more responsibility and to look at the employee's current development plans.

Forecasting HR requirements

The next step is to forecast HR needs for the future based on the strategic goals of the organization. Realistic forecasting of human resources involves estimating both demand and supply. Questions to be answered include:

- How many staff will be required to achieve the strategic goals of the organization?
- What jobs will need to be filled?
- What skill sets will people need?

When forecasting demands for HR, you must also assess the challenges that you will have in meeting your staffing need based on the external environment. To determine external impacts, you may want to consider some of the following factors:

- How does the current economy affect our work and our ability to attract new employees?
- How do current technological or cultural shifts impact the way we work and the skilled labour we require?
- What changes are occurring in the Canadian labour market?
- How is our community changing or expected to change in the near future?

To read more about the changing labour force and why it matters to non-profit employers, go to the Diversity at Work section of the HR Toolkit:

- Why diversity at work matters

Gap analysis

The next step is to determine the gap between where your organization wants to be in the future and where you are now. The gap analysis includes identifying the number of staff and the skills and abilities required in the future in comparison to the current situation. You should also look at all your organization's HR management practices to identify practices that could be improved or new practices needed to support the organization's capacity to move forward.

Questions to be answered include:

- What new jobs will we need?
- What new skills will be required?
- Do our present employees have the required skills?
- Are employees currently in positions that use their strengths?
- Do we have enough managers/supervisors?

- Are current HR management practices adequate for future needs?

Manpower planning in HRM

Manpower planning may be defined as strategy for the procurement, development, allocation and utilisation of an enterprise's human resources. One of the functions of personnel management is the procurement of employees in sufficient number. The success of the organisation depends upon the right type of persons placed on the job. It is the responsibility of personnel management to see whether qualified personnel have been placed on the job in sufficient number. This requires planning.

Manpower planning is the planning for manpower resources. Manpower planning ensures adequate supplies, proper quantity and quality, as well as effective utilisation of human resources. Thomas H.Patten defines manpower planning as "the process by which an organisation ensures that it has the right number of people and the right kind of people at the right place at the right time, doing things for which they are economically most useful" In the words of Filippo, "An executive manpower planning programme can be defined as an appraisal of an organisation's ability to perpetuate itself with respect to its management as a determination of measures necessary to provide the essential executive talent."

Manpower planning may be defined as a process by which the management ensures that the right number and the right kind of people are at the right place and time and are doing the right things(for which they are best suited) for the achievement of organisational objectives. It is the process of developing and determining objectives, policies of procurement in relation to manpower. It requires forecasting manpower needs and planning of activities to fulfill those forecast needs. It should also consider the effect of absenteeism and labour turnover. It involves anticipating the present and future requirements of the number and quality of work force in the organisation.

Steps in Manpower Planning

1. **Analysing the current manpower inventory-** Before a manager makes forecast of future manpower, the current manpower status has to be analysed. For this the following things have to be noted-

- Type of organization
- Number of departments
- Number and quantity of such departments
- Employees in these work units

Once these factors are registered by a manager, he goes for the future forecasting.

2. **Making future manpower forecasts-** Once the factors affecting the future manpower forecasts are known, planning can be done for the future manpower requirements in several work units.

The Manpower forecasting techniques commonly employed by the organizations are as follows:

- i. **Expert Forecasts:** This includes informal decisions, formal expert surveys and Delphi technique.
- ii. **Trend Analysis:** Manpower needs can be projected through extrapolation (projecting past trends), indexation (using base year as basis), and statistical analysis (central tendency measure).
- iii. **Work Load Analysis:** It is dependent upon the nature of work load in a department, in a branch or in a division.
- iv. **Work Force Analysis:** Whenever production and time period has to be analysed, due allowances have to be made for getting net manpower requirements.
- v. **Other methods:** Several Mathematical models, with the aid of computers are used to forecast manpower needs, like budget and planning analysis, regression, new venture analysis.

3. **Developing employment programmes-** Once the current inventory is compared with future forecasts, the employment programmes can be framed and developed accordingly, which will include recruitment, selection procedures and placement plans.
4. **Design training programmes-** These will be based upon extent of diversification, expansion plans, development programmes, etc. Training programmes depend upon the extent of improvement in technology and advancement to take place. It is also done to improve upon the skills, capabilities, knowledge of the workers.

Importance of Manpower Planning

1. **Key to managerial functions-** The four managerial functions, i.e., planning, organizing, directing and controlling are based upon the manpower. Human resources help in the implementation of all these managerial activities. Therefore, staffing becomes a key to all managerial functions.
2. **Efficient utilization-** Efficient management of personnels becomes an important function in the industrialization world of today. Setting of large scale enterprises require management of large scale manpower. It can be effectively done through staffing function.
3. **Motivation-** Staffing function not only includes putting right men on right job, but it also comprises of motivational programmes, i.e., incentive plans to be framed for further participation and employment of employees in a concern. Therefore, all types of incentive plans becomes an integral part of staffing function.
4. **Better human relations-** A concern can stabilize itself if human relations develop and are strong. Human relations become strong through effective control, clear communication, effective supervision and leadership in a concern. Staffing function also looks after training and development of the work force which leads to co-operation and better human relations.
5. **Higher productivity-** Productivity level increases when resources are utilized in best possible manner. Higher productivity is a result of minimum wastage of time, money, efforts and energies. This is possible through the staffing and its related activities (Performance appraisal, training and development, remuneration)

Need of Manpower Planning

Manpower Planning is a two-phased process because manpower planning not only analyses the current human resources but also makes manpower forecasts and thereby draw employment programmes. Manpower Planning is advantageous to firm in following manner:

1. Shortages and surpluses can be identified so that quick action can be taken wherever required.
2. All the recruitment and selection programmes are based on manpower planning.
3. It also helps to reduce the labour cost as excess staff can be identified and thereby overstaffing can be avoided.
4. It also helps to identify the available talents in a concern and accordingly training programmes can be chalked out to develop those talents.
5. It helps in growth and diversification of business. Through manpower planning, human resources can be readily available and they can be utilized in best manner.
6. It helps the organization to realize the importance of manpower management which ultimately helps in the stability of a concern.

What is Manpower Planning? Discuss the process and importance of Man Power Planning in an organization .

Manpower planning means planning means deciding the number and type of the human resources required for each job, unit and the total company for a particular future date in order to carry out organizational activities. Manpower planning may be viewed as foreseeing the human resources requirement of an organization and the future supply of human resources and (i) making necessary adjustments between these two and organizational plans and (ii) foreseeing the possibility of developing the supply of manpower resources in order to match it with the requirements by introducing necessary changes in the functions of human resources management.

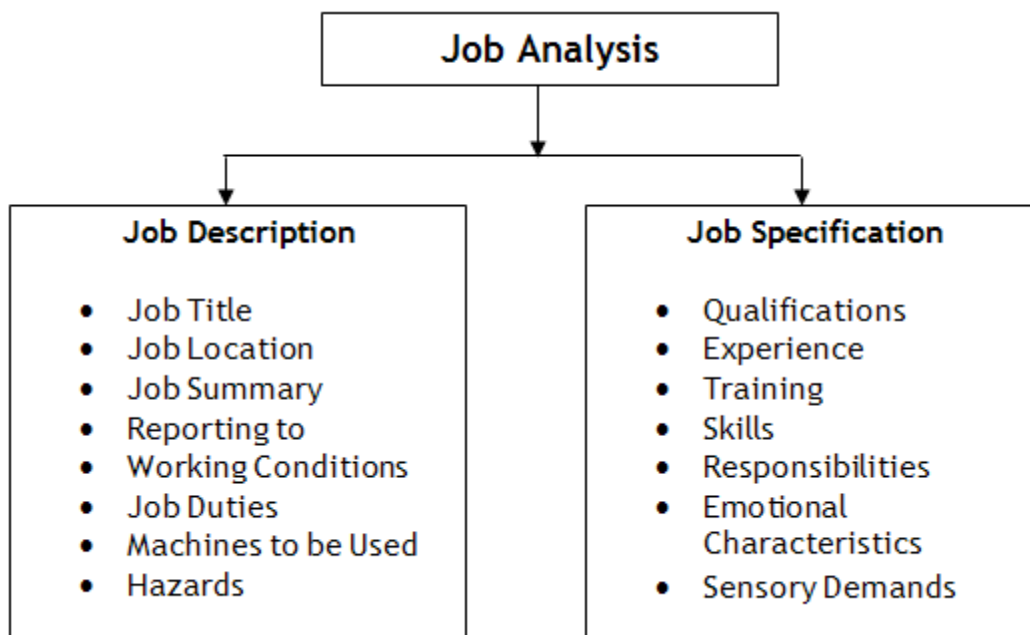
The process of manpower planning in an organization.

- Analysing the corporate and unit level strategies.
- Demand Forecasting: Forecasting the overall human resources requirements in accordance with the organisational plans.
- Supply Forecasting: Obtaining the data and information about the present inventory of manpower and forecast the future changes in the human resources inventory.
- Estimating the net manpower requirement.
- In case of future surplus than plan for redeployment.
- In case of future deficit, forecast the future supply of manpower from all sources with reference to plans of other companies.
- Plan for recruitment, development and internal mobility if future supply is more than or equal to net manpower requirements.
- Plan to modify and adjust the organizational plan if future supply will be inadequate with reference to future net requirements.
- Degree of uncertainty and length of planning period.

JOB ANALYSIS

Job analysis is the important process of identifying the content of a job in terms of activities involved and attributes needed to perform the work and identifies major job requirements. Job analysis was conceptualized by two of the founders of industrial/organizational psychology, Frederick Taylor and Lillian Moller Gilbreth in the early 20th century. Job analyses provide information to organizations which helps to determine which employees are best fit for specific jobs. Through job analysis, the analyst needs to understand what the important tasks of the job are, how they are carried out, and the necessary human qualities needed to complete the job successfully. The process of job analysis involves the analyst describing the duties of the incumbent, then the nature and conditions of work, and finally some basic qualifications. After this, the job analyst has completed a form called a job psychograph, which displays the mental requirements of the job. The measure of a sound job analysis is a valid task list. This list contains the functional or duty areas of a position, the

related tasks, and the basic training recommendations. Subject matter experts (incumbents) and supervisors for the position being analyzed need to validate this final list in order to validate the job analysis. Job analysis is crucial for first, helping individuals develop their careers, and also for helping organizations develop their employees in order to maximize talent. The outcomes of job analysis are key influences in designing learning, developing performance interventions, and improving processes. The application of job analysis techniques makes the implicit assumption that information about a job as it presently exists may be used to develop programs to recruit, select, train, and appraise people for the job as it will exist in the future.



Job description

A **job description** is a list that a person might use for general tasks, or functions, and [responsibilities](#) of a position. It may often include to whom the position reports, specifications such as the [qualifications](#) or skills needed by the person in the job, or a [salary](#) range. Job descriptions are usually narrative.

Job Description is an important document, which is basically descriptive in nature and contains a statement of job Analysis. It provides both organizational information's (like location in structure, authority etc) and functional information (what the work is).

It gives information about the scope of job activities, major responsibilities and positioning of the job in the organization. This information gives the worker, analyst, and supervisor with a clear idea of what the worker must do to meet the demand of the job.

A job description is usually developed by conducting a job analysis, which includes examining the tasks and sequences of tasks necessary to perform the job. The analysis considers the areas of [knowledge](#) and [skills](#) needed for the job. A job usually includes several roles. The job description might be broadened to form a [person specification](#) or may be known as Terms Of Reference. The person/job specification can be presented as a stand alone document though in practice, it is usually included within the job.

Contents of Job Description :

Following are the main content of a job description it usually consist of following details or data.,

Job Description: A statement containing items such as

- Job title / Job identification / organization position
- Location
- Job summary
- Duties
- Machines, tools and equipment
- Materials and forms used
- Supervision given or received
- Working conditions
- Hazards

Job Specification

A [statement](#) of [employee characteristics](#) and [qualifications required](#) for satisfactory [performance](#) of defined [duties](#) and [tasks](#) comprising a specific [job](#) or [function](#). Job specification is derived from [job analysis](#).

Job specification is a document or statement which spells out the minimum levels of qualification, skills, physical and other abilities, experience, judgement and attributes required

to perform the efficiently and effectively. Job specification is prepared along with job description statement to explain the minimum acceptable human qualities necessary to perform the task effectively. It specifies the physical, psychological, personal, social and behavioral characteristics of each job-holder.

Contents Of Job Specification Statement

1.Required Education

Required level of education for each post that an incumbent is supposed to hold is listed in job specification statement. It also helps to determine the level or category of job in terms of rank.

2. Health And Physical Fitness

Physical fitness and health is a crucial aspect of good performance. Hence, body structure, physical ability and other aspects of health and fitness is a must in order to perform well in the organization.

3. Appearance

Appearance refers to an outlook of an employee, which must be attractive and good looking. The cleanliness and neatness of an individual shows his/her appearance. Hence, job specification statement defines the employee's appearance.

4. Mental And Other Abilities

The employee must be mentally fit to perform the desired task. If not, the problems may arise at the work floor. Mental fitness is associated with the ability of decision making, managing emotions and sorrows, dealing with different kinds of people etc.

5. Experience

Under it, the required level of experience in doing a particular task is explained, if necessary. An experienced employee will be preferable in comparison to the fresh candidate.

Difference between Job Description and Job Specification?

The difference between a job description and a job specification is simple. A job description is the duties to be performed. A job specification is what requirements are necessary to perform the task. Job specifications are more specific and more in depth.

RECRUITMENT

Recruitment is the process of searching for prospective employees and stimulating them to apply for jobs in the organisation. When more persons apply for jobs then there will be a scope for recruiting better persons. The jobseekers too, on the other hand, are in search of organisations offering them employment opportunities. Recruitment is a linkage activity bringing together those with jobs and those seeking jobs.

In the words of Yoder, “Recruitment is a process to discover the sources of manpower to meet the requirements of the staffing schedule and to employ effective measures for attracting that manpower in adequate numbers to facilitate effective selection of an efficient working force”. Recruitment is the process which prompts people to offer for selection in an organisation. This involves locating sources of manpower to meet job requirements. It is a process of searching for prospective employees and stimulating and encouraging them to apply for jobs in an organisation.

Factors Affecting Recruitment

Every organisation, big or small, has to engage in recruitment of persons.

A number of factors influence this process. Some factors have been discussed as follows:

1. Size of Organisation: The number of persons to be recruited will depend upon the size of an organisation. A big enterprise needs more persons at regular intervals while a small undertaking employs sometimes only. A big business house will always be in touch with sources of supply and shall try to attract more and more persons for making a proper selection. It can afford to spend more amount in locating prospective candidates. So the size of an enterprise will influence the process of recruitment.

2. Employment Conditions: The employment conditions in a country greatly influence recruitment process. In underdeveloped countries, employment opportunities are limited and there is no dearth of prospective candidates. At the same time suitable candidates may not be available because of lack of educational and technical facilities. In India, the availability of persons for white collar jobs is large whereas the supply of technical persons is limited. If the supply of persons is more, then selection from large number becomes easy.

3. Salary Structure and Working Conditions: The wages offered and working conditions prevailing in an enterprise greatly influence the supply of personnel. If higher wages are paid as compared to similar concerns then the organisation will not face any difficulty in making recruitments. A concern offering low wages will always face to problem of labour turnover. The working conditions in an organisation will determine job satisfaction of employees. An enterprise offering good working conditions like proper sanitation, lighting, ventilation, etc. will give more job satisfaction to employees and they may not like to leave their present jobs. On the other hand, if employees leave the jobs due to unsatisfactory working conditions there will be a need for recruitment of more persons.

4. Rate of Growth: The growth rate of an enterprise also influences recruitment process. An expanding concern will require regular employment of new employees. There will also be promotions of existing employees to higher jobs necessitating the filling up of those vacancies. A stagnant enterprise will recruit persons only when present incumbent vacates his position on retirement, etc.

SOURCES OF RECRUITMENT

In general there are two sources of recruitment:

I Internal sources

II External sources

I Internal Sources

Internal source is one of the important sources of recruitment. The employees already working the organisation may be more suitable for higher jobs than those recruited from outside. The present employees may help in the recruitment of new persons also. Internal sources are discussed as follows:

1. Transfers: Transfer involves shifting of persons from present jobs to other similar places. These do not involve any change in rank, responsibility and prestige. The number of persons does not increase with transfers but vacant posts may be attended to.

2. Promotions: Promotions refer to shifting of persons to positions carrying better prestige, higher responsibilities and more salaries. The higher positions falling vacant may be filled up from within the organisation. A promotion does not increase the number of persons in the organisation. A person going to get a higher position will vacate his present position. Promotion avenues motivate employees to improve their performance so that they get promotions to higher positions.

Merits of Internal Sources

1. Improves Morale: The internal sources of recruitment will boost morale of employees. They are assured of higher positions whenever vacancies arise. Existing employees are given preference in promotions. Outsiders are employed only when suitable candidates are not available from within.

2. Proper Evaluation: The management is in a better position to evaluate the performance of existing employees before considering them for higher positions. An outsider employed just on the basis of an interview may not prove suitable later on. The service records of existing employees will be a guide to study their suitability for ensuring vacancies.

3. Economical: The method of internal recruitment is economical also. The cost in selecting a person is saved. Moreover, internal candidates do not require any training since they are well acquainted with various jobs in the organisation.

4. Promotes Loyalty: Internal sources of recruitment promote loyalty among employees. They are preferred to consider at the time of filling up higher positions. They will feel a part and parcel of the organisation and will always try to promote its interests.

Demerits of Internal Sources

1. Limited Options: The recruitment of only internal candidates restricts the choice of management. The present employees may not be suitable to take up positions of higher responsibility but there will be no option. A person will be selected only out of the available

candidates. The outside candidates, even though they may be suitable, will not get a chance to show their talent.

Internal sources may dry up in the meantime and filling up of higher positions will become a problem.

2. Lack of Originality: The present employees may not be able to bring new ideas. They will be accustomed to carry on things in the same old ways. New persons will bring fresh thinking and new methods may be tried.

II EXTERNAL SOURCES

Every enterprise has to use external sources for recruitment to higher positions when existing employees are not suitable.' More persons are needed when expansions are undertaken. External methods are discussed as follows:

1. Advertisement: Advertisement is the best method of recruiting persons for higher and experienced jobs. The advertisements are given in local or national press, trade or professional journals. The requirements of jobs are given in the advertisement. The prospective candidates evaluate themselves against the requirements of jobs before sending their applications. Management gets a wider range of candidates for selection.

2. Employment Exchanges: Employment exchanges run by the government are also a good source of recruitment. Unemployed persons get themselves registered with these exchanges. The vacancies may be notified with the exchanges, whenever there is need. The exchange supplies a list of candidates fulfilling required qualifications. Exchanges are a suitable source of recruitment for filling unskilled, semi-skilled, skilled and operative posts.

The job-seekers and job-givers are brought into contact by the employment exchanges. Private agencies also helping in recruiting qualified and experienced persons. These agencies remain in contact with employees and persons seeking change in jobs for higher posts.

3. Educational Institutions: The jobs in trade and industry are becoming technical and complex. These jobs require certain amount of educational and technical qualifications. The employers maintain a close liaison with universities and technical institutions. The students are spotted during the course of their studies. The students are assured of jobs on the completion of their studies. Junior level executives or managerial trainees may be recruited in this way.

4. Unsolicited Applicants: Persons in search of employment may contact employers through telephone, by post or in person. Generally, employers with good reputation get more and unsolicited applications. If an opening is there or is likely to be there then these persons are considered for such jobs. Personnel department may maintain a record of unsolicited applications. When jobs suitable for those persons are available those are considered for employment.

5. Casual Callers: Management may appoint persons who casually call on them for meeting short-term demands. This will avoid following a regular procedure of selection. These persons are appointed for short periods only. They need not be paid retrenchment or lay off allowance. This method of recruitment is economical because management does not incur a liability in pensions, insurance and fringe benefits.

6. Labour Contractors: It is quite common to engage contractors for the supply of labour, when workers are required for short periods and are hired without going through the full procedure of selection etc. Contractors or jobbers are the best source of getting them. The contractors maintain regular contracts with workers at their places and also bring them to the cities at their own expense. The persons hired under this system are generally unskilled workers.

Merits of External Sources

1. Availability of Suitable Persons: Internal sources, sometimes, may not be able to supply suitable persons from within. External sources will give a wide choice for selection to the management. A large number of applicants may be willing to join the organisation. They will also be suitable as per the requirements of skills, training and education.

2. Brings New Ideas: The selection of persons from outside sources will have the benefit of new ideas. The persons having experience in other concerns will be able to suggest new things and methods. This will keep the organisation in a competitive position. The present employees may not be able to infuse new thinking because their ways of thinking will remain the same.

Demerits of External Sources

1. Demoralisation: When new persons from outside join the organisation then present employees feel demoralised because these positions should have gone to them. There will be a

heart burning among old employees. Some employees may even leave the enterprise to find out better avenues in other concerns.

2. Lack of Co-operation: The old staff may not co-operate with the new employees because they feel that their right has been snatched away by them. This problem will be acute especially when persons for higher positions are recruited from outside.

3. Expensive: The process of recruiting from outside is very expensive. It starts with giving costly advertisements in the media and then arranging written tests and conducting interviews. In spite of all this if suitable persons are not available among the applicants then the whole process will have to be repeated.

4. Problem of Maladjustment: There may be a possibility that the new entrants have not been able to adjust in the new environment. They may not temperamentally adjust with the new persons. In such cases either the persons may leave themselves or management may have to replace them. These things have adverse effect on the working of the organisation.

SELECTION PROCESS

INTRODUCTION

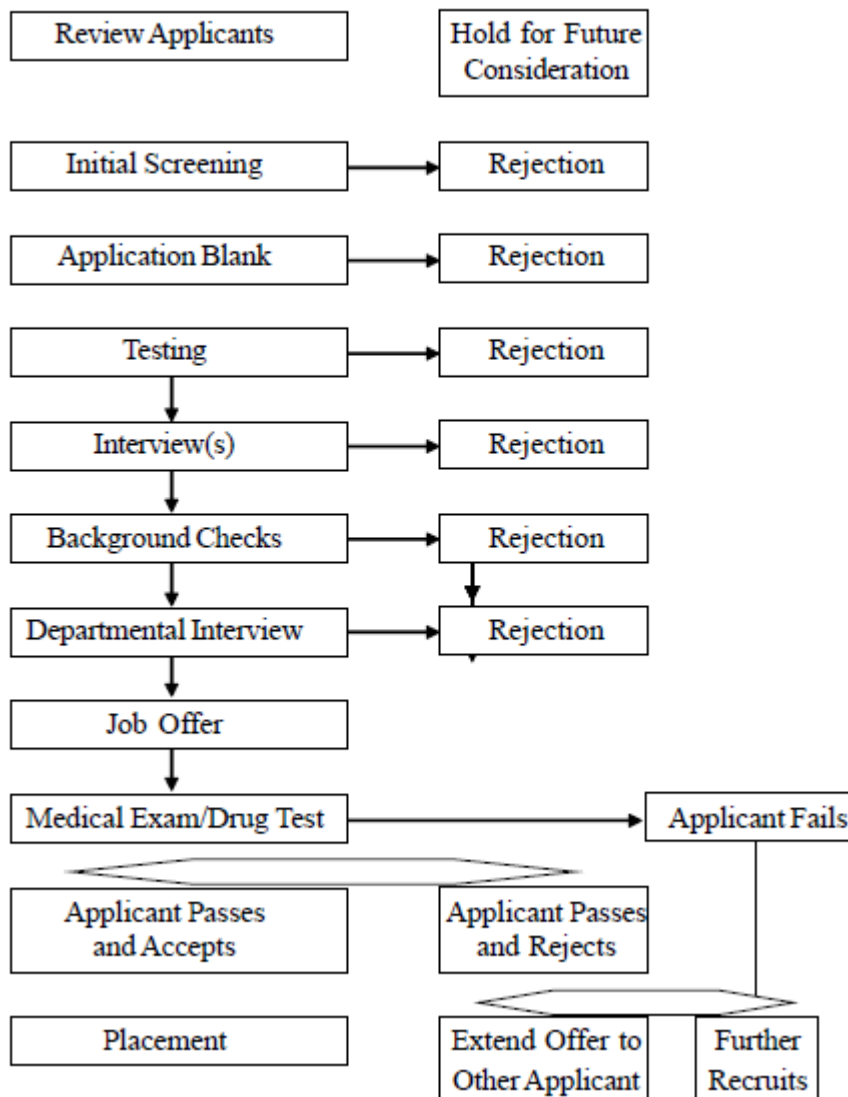
Selection involves screening or evaluation of applicants to identify those who are best-suited to perform the jobs which have fallen vacant in an organisation. It divides the candidates who offer themselves for appointment into two categories, namely those who will be employed and those who will not be employed. It is the process of rejecting unsuitable candidates to choose the few suitable applicants. Therefore, selection is frequently described as a negative process as compared to the positive process of recruitment. Under selection, the qualifications and experience of every candidate are compared with job requirements and with those of other candidates. The basic purpose of selection is to choose the right type of candidates to fill up vacancies in the organisation. Selection involves the matching of the qualities of candidates with the requirements of a job.

Steps in Selection Process:

1. The initial screening interview
2. Completing the application form
3. Employment tests

4. Comprehensive interview
5. Background investigation
6. Conditional job offer
7. Medical or physical examination
8. Permanent job offer

THE STEPS IN THE SELECTION PROCESS



Step 1: The Initial Screening Interview:

- Usually conducted by the front line manager
- Its purpose is to eliminate the unmatched candidates
- Further reduces the no. of short listed candidates and saves time of senior managers conducting the final job interview
- First interaction of the candidate with the organization's people
- The front line managers must be trained in conducting effective job interviews
- The manager must possess some very good communication, observation, and analytical skills

Step 2: Completing the Application Form:

- It is a company specific, printed form
- Its purpose is to obtain the information required by the company
- Typically contains questions on education, skills, previous job history, positions held and past and current achievements
- Sometimes, the candidate may give unnecessary information in his CV or job application and may omit or hide an information which is required
- The question should be carefully formulated to avoid legal complications and social or ethical issues

Step 3: Employment Test:

- The purpose is to assess and test the skills and abilities of the potential job candidates
- May include a written test, psychological tests, market surveys and other assignment related to the job itself or a specific skill required for the job

Employment Test Types:

- Traditional Selection Devices:
 - IQ Test, Psychological testing, Hand writing analysis
- Performance Simulation Test:
 - Performing in a close-to-real work environment

- Written Tests:
- Entry test for admission to BBA

Step 4: Comprehensive Interview:

- Usually conducted by the human resource manager or some senior person from head office
- Its purpose is to get in-depth information about the candidate
- Any possible negotiation on salary is done at this stage
- Gives candidate a second chance to improve upon his first impression
- Senior managers mostly rely upon the feedback and information provided by the front line managers
- Some information provided by the front line managers may be based upon insufficient data and lack of sufficient knowledge and observation about the candidate

Step 5: Background Investigation:

- It is the process of verifying information candidate has provided
- If found correct, a final decision is made
- The HR department can contact the candidate's present or any previous employer for this purpose
- The reference persons can also be contacted
- The most critical stage in selection process
- Helps in making right decisions and avoiding mistakes
- Sometimes, the candidate may:
 - Exaggerate his current position, achievements, and/or salary
 - Hide information like termination from services, criminal record
 - Even make false claims to get the job
- A written consent must be obtained from the candidate for contacting any reference or present or previous employer
- A final decision should be made only after proper reference checking and finding the provided information correct

- In case of any discrepancy, the final decision should be reviewed

Step 6: Condition Job Offer:

□ It is a job offer letter offering to the selected candidate/s a job with some conditions e.g. medical checkup

Step 7: Medical or Physical Examination:

- A check-up to determine an applicant's physical fitness for job performance
- May require taking some medical tests like HIV/AIDS, HCV, HBV, and screening for any serious or chronic disease
- These tests are usually done by some company appointed doctor or approved medical centre
- Organizations spend a lot of money on medical bills of their employees and providing health facilities to their families

Step 8: Permanent Job Offer:

- It is a formal letter offering job to the finalized candidate
- Contains terms and conditions of the service
- Also provide information on job title, salary, reporting line, probation period and major job responsibilities
- Normally two copies are provided
- The selected candidate becomes an employee when he accepts the terms and conditions and signs the job offer letter
- Will keep the original and return a signed copy to the HR department or immediate supervisor

Placement

Placement means arranging or positioning in a specified location or level. Objects, individuals, or activities are usually placed according to a design or plan. Specific meanings and examples include.

The sale of securities to a small number of private investors instead of to the general investing public. A placement is exempt from registration with the Securities and Exchange Commission under Regulation D, as are U.S. government and federal agency issues, municipal and state issues, insurance policies, fixed annuities, and small public offerings. Because of this exemption, a placement can be a simpler and less expensive way for a company to raise capital than a public offering.

An **employment agency** is an organization which matches employers to employees. In all developed countries there is a publicly funded employment agency and multiple private businesses which also act as employment agencies.

Final Placements

This process is usually conducted in the month of February, although recruitment through Pre-Placements Offers (PPO) and lateral process for students with prior work experience can happen till at least a fortnight before the Final Placements.

Stage 1: Members from companies interact with students on campus through Business Thought Leadership Sessions, Guest Lectures, Live Projects, and other Corporate Forums

Stage 2: Student profiles and other relevant details are shared with companies

Stage 3: The companies conduct Pre-Placements Talks to give in-depth information about them including the roles and profiles being offered

Stage 4: Applications are invited and resumes of interested applicants are shared with the companies

Stage 5: Based on factors such as profiles and locations offered, and student's perceptions and areas of interest, companies are ranked and called on campus

Stage 6: Companies conduct their selection process which typically comprises CV based short listing, group discussions, and interviews

Stage 7: Final results are announced by the companies

Induction

Induction comes from the root induce because it refers to an induced voltage. By changing the magnetic flux (field times area) inside a loop of wire, a voltage is induced around the loop. This is the manner in which the power company takes the kinetic energy of moving turbines and changes it into electrical energy.

We will find that it is changing magnetic flux that induces a voltage, and that it can be brought on by either changing the field or the area. We will also introduce a concept of inductance, which will give the induced voltage as a function of the rate of change of current. This will be crucial for understanding AC circuits in the next lecture.

Employee retention

Employee retention refers to the ability of an organization to retain its employees. Employee retention can be represented by a simple statistic (for example, a retention rate of 80% usually indicates that an organization kept 80% of its employees in a given period). However, many consider employee retention as relating to the efforts by which employers attempt to retain employees in their workforce. In this sense, retention becomes the strategies rather than the outcome.

A distinction should be drawn between low performing employees and top performers, and efforts to retain employees should be targeted at valuable, contributing employees. Employee turnover is a symptom of a deeper issue that has not been resolved. These deeper issues may include low employee morale, absence of a clear career path, lack of recognition, poor employee-manager relationships or many other issues . A lack of satisfaction and commitment to the organization can also cause an employee to withdraw and begin looking for other opportunities. Pay does not always play as large a role in inducing turnover as is typically believed.

Tips on Employee Retention

Employee retention starts with the application process. The applicant's first look at the agency, followed by the employee's initial impressions during orientation, as well as subsequent assignments, performance ratings, awards, promotions and overall working conditions, all influence whether an employee stays or leaves. An essential element of successful retention is

for agencies to inform employees and applicants -- as well as the public -- that the agency places high value on EEO and diversity. Following are tips intended to assist agencies in creating a rewarding and diverse work environment in which it can hire and retain employees who strive for excellence.

1. **Demonstrate leadership commitment and accountability.** Agency leadership should create a work environment in which employees want to establish careers rather than merely have jobs. A significant part of developing employee satisfaction and loyalty begins at the top, with senior officials who: (a) clearly communicate that EEO is an integral part of the agency's mission; (b) ensure that employees from all backgrounds feel accepted, respected, and fairly treated; (b) provide on a fair and equal basis the support and opportunities its employees need to reach maximum potential; and (c) hold managers accountable when employees leave the agency due to lack of EEO compliance or the lack of effective EEO management.
2. **Hire and train the right people.** Agencies regularly should review their recruitment policies and practices and collect and analyze applicant flow data to ensure that they are attracting and fairly considering the widest and most diverse possible applicant pool. It also is vital for agencies to recognize the value of having supervisors and managers with sufficient knowledge, skills and attitude to establish a model EEO workplace. As such, EEO and personnel law modules should be included in supervisor and manager training sessions.
3. **Establish Special Emphasis Programs and collaborate with affinity groups.** By establishing and utilizing Special Emphasis Programs and partnering and/or consulting with the affinity groups, agencies can raise employee awareness of the importance of diversity and demonstrate the agency's commitment to a model EEO workplace.
4. **Include the EEO director in strategic planning.** The EEO director can provide senior leaders with important workforce data and analyses of diversity and retention in the total workforce, mission-critical occupations and senior grade levels. Moreover, the EEO director's input on employee advancement opportunities can improve the effectiveness of training, career development and succession plans.
5. **Review agency EEO and personnel data.** MD-715 workforce data tables and EEOC's Annual Report on the Federal Work Force are valuable resources and should be used to

examine retention-related issues. For example, agencies should examine hiring and separation data by EEO group. If an agency sees more employees of a particular EEO group are leaving than being hired, the agency can further investigate whether there is a pattern of discontent among those employees by reviewing exit interviews, its EEO complaint inventory, its anti-harassment program, and its grievance process. In addition, agencies can look for indicators of stress among employees by noting increases in the use of leave or accidents.

6. **Improve advancement opportunities.** Agencies can ensure that all employees have equal opportunities for advancement by creating and funding Individual Development Plans and Career Development Programs. Agencies can include these programs in their succession plans to ensure that they identify and develop well-qualified candidate pools (feeder pools) for their senior grade levels.
7. **Conduct employee opinion (climate) surveys and 360 degree evaluations.** Climate surveys and 360 degree evaluations can help agencies assess the pulse of their workforce and make changes before employees decide to leave. Agencies can use these tools to hold supervisors and managers accountable for low ratings and reward them for high ratings.



Hiring employees is just a start to creating a strong work force. Next, you have to keep them. High employee turnover costs business owners in time and productivity. Try these tactics to retain your employees.

- Offer a competitive benefits package that fits your employees’ needs. Providing health insurance, life insurance and a retirement-savings plan is essential in retaining employees. But other perks, such as flextime and the option of telecommuting, go a long way to show employees you are willing to accommodate their outside lives.

- Provide some small perks. Free bagels on Fridays and dry-cleaning pickup and delivery may seem insignificant to you, but if they help employees better manage their lives, they’ll appreciate it and may be more likely to stick around.

- Use contests and incentives to help keep workers motivated and feeling rewarded. Done right, these kinds of programs can keep employees focused and excited about their jobs.

Merit Rating:

System of rating employees on the basis of factors such as absenteeism, adaptability, attitude, health, length of service, punctuality, and safety record.

Employee rating achieved through a periodic employee evaluation system, often used as the basis for pay increases and/or promotion.

Rating achieved on a standard civil-service type merit examination, signifying the level of achievement on the exam.

Promotion

The advancement of an employee from one job position to another job position that has a higher salary range, a higher level job title, and, often, more and higher level job responsibilities, is called a promotion. Sometimes a promotion results in an employee taking on responsibility for managing or overseeing the work of other employees. Decision making authority tends to rise with a promotion as well.

The criteria for promotion decisions may include the following, though the crux of the issue centres around the dilemma over seniority versus merit:

- Performance-length of service (seniority) or merit and ability
- Educational/technical qualification
- Assessment of potential
- Career and succession plan
- Organization chart based vacancies
- Motivational strategies-job enlargement
- Spacing of the promotion and career span of the individual

Transfers

A transfer is usually a lateral move to a vacant position. A transfer within the department may provide an opportunity for an employee to assume different responsibilities and develop new skills. Transfers to other departments may also provide career development by enhancing skills and learning about other functions of the University. A transfer will not normally result in a change in compensation.

Transfers may be made for reasons such as:

- Correcting misplacement
- Filling vacancies internally
- Meeting skill shortages/job redundancies
- Dealing with problem employees
- Facilitating superior-peer adjustment
- Providing a chance for wider experience
- Job rotation as part of career development
- Accommodating personal needs and convenience of the individual
- Reward or punishment
- Change working conditions (e.g. manual to mechanical operations)
- Humanitarian/compassionate ground (transfer to one's native place to enable the person to look after the sick or old parents).

Job enlargement

Job enlargement is considered a horizontal restructuring method in that the job is enlarged by adding related tasks. Job enlargement may also result in greater workforce flexibility.

Job enlargement means increasing the scope of a job through extending the range of its job duties and responsibilities generally within the same level and periphery. This contradicts the principles of specialisation and the division of labour whereby work is divided into small units, each of which is performed repetitively by an individual worker and the responsibilities are always clear. Some motivational theories suggest that the boredom and alienation caused by the division of labour can actually cause efficiency to fall.

Example: Small companies may not have as many opportunities for promotions, so they try to motivate employees through job enlargement.

Job enlargement can be explained with the help of the following example - If Mr. A is working as an executive with a company and is currently performing 3 activities on his job after job enlargement or through job enlargement we add 4 more activities to the existing job so now Mr. A performs 7 activities on the job.

Advantages of Job Enlargement:

Variety of skills :-Job enlargement helps the organization to improve and increase the skills of the employee due to organization as well as the individual benefit.

Improves earning capacity :- Due to job enlargement the person learns many new activities. When such people apply for jobs to other companies they can bargain for more salary.

Wide range of activities :Job enlargement provides wide range of activities for employees. Since a single employee handles multiple activities the company can try and reduce the number of employee's. This reduces the salary bill for the company.

Increased Work Flexibility: There is an addition to the number of tasks an individual performs. There is thus an increased scope of carrying out tasks that are versatile and yet very similar in certain aspects.

Job enrichment

Job enrichment is an attempt to motivate employees by giving them the opportunity to use the range of their abilities. It is an idea that was developed by the American psychologist Frederick Herzberg in the 1950s. It can be contrasted to job enlargement which simply increases the number of tasks without changing the challenge. As such job enrichment has been described as 'vertical loading' of a job, while job enlargement is 'horizontal loading'. An enriched job should ideally contain:

- A range of tasks and challenges of varying difficulties (Physical or Mental)
- A complete unit of work - a meaningful task
- Feedback, encouragement and communication

According to Robert N.Ford, Job enrichment means to make jobs which:-

- Have a greater variety.
- Requires higher level of knowledge and skills.
- Give workers more autonomy.
- Give workers more responsibility.

- Give workers opportunities for personal growth, and
- A meaningful work experience.

Difference Between Job Enlargement and Job Enrichment

The difference between job enrichment and job enlargement is quality and quantity. Job enrichment means improvement, or an increase with the help of upgrading and development, whereas job enlargement means to add more duties, and an increased workload. By job enrichment, an employee finds satisfaction in respect to their position and personal growth potential, whereas job enlargement refers to having additional duties and responsibilities in a current job description.

Job enlargement is a vehicle employers use to put additional workload on employees, perhaps in economical downtime. Due to downsizing, an employee might feel lucky to have a job at all, despite the fact that his duties and responsibilities have increased. Another approach is that by adding more variety and enlarging the responsibilities will provide the chance of enhancement and more productivity. Job enrichment involves organizing and planning in order to gain more control over their duties and work as a manager. The execution of plans and evaluation of results motivates workers and relieves boredom. Job enlargement and job enrichment are both useful for motivating workers to perform their tasks enthusiastically.

Although job enlargement and enrichment have a relationship with each other, they also possess some distinct features that differentiate them, such as area of expansion, mutual reliance, allocation of duties and responsibilities, motivation and profundity. Job enrichment is largely dependent on job enlargement, whereas job enlargement has no such dependency. Job enlargement expands horizontally when compared to job enrichment, which expands vertically. Vertical growth of job or augmentation is helpful to obtain managerial rights.

JOB ROTATION

Job rotation is a management technique that assigns trainees to various jobs and departments over a period of a few years. Surveys show that an increasing number of companies are using job rotation to train employees. There are both positive and negative effects involved with job

rotation that need to be taken into consideration when a company makes the decision to use this technique.

Job rotation is also a control to detect errors and frauds. It reduces the risk of collusion between individuals. Organizations dealing with sensitive information or system (e.g. bank) where there is an opportunity for personal gain can benefit by job rotation. Job rotation also helps in business continuity as multiple people are equally equipped to perform a job function. If an employee is not available other can handle his/her position with similar efficiency.

UNIT -III

TRAINING AND DEVELOPMENT

Training And Development

Human Resource Management, training and development is the field which is concerned with organizational activity aimed at bettering the performance of individuals and groups in organizational settings. It has been known by several names, including human resource development, and learning and development.

What is Training and Development?

Training is an educational process. People can learn new information, re-learn and reinforce existing knowledge and skills, and most importantly have time to think and consider what new options can help them improve their effectiveness at work. Effective trainings convey relevant and useful information that inform participants and develop skills and behaviors that can be transferred back to the workplace.

The goal of training is to create an impact that lasts beyond the end time of the training itself. The focus is on creating specific action steps and commitments that focus people's attention on incorporating their new skills and ideas back at work.

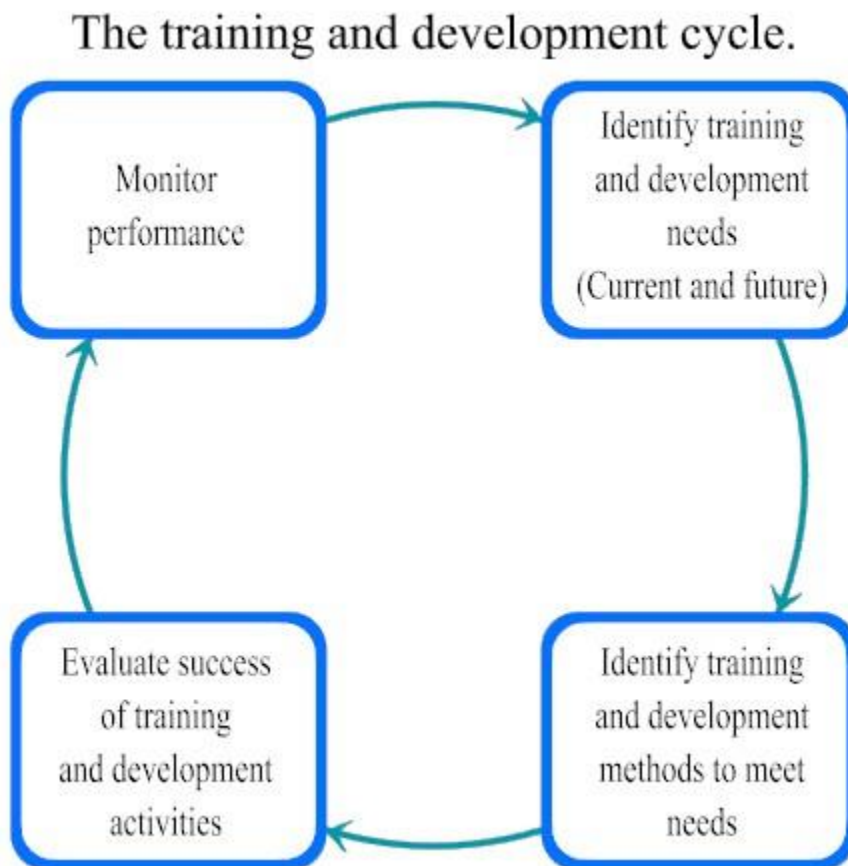
Training can be offered as skill development for individuals and groups. In general, trainings involve presentation and learning of content as a means for enhancing skill development and improving workplace behaviors.

Organizational Development is a process that “strives to build the capacity to achieve and sustain a new desired state that benefits the organization or community and the world around them.” (from the Organizational Development Network website) OD work implies creating and sustaining change.

An OD perspective examines the current environment, the present state, and helps people on a team, in a department and as part of an institution identify effective strategies for improving performance. In some situations, there may not be anything “wrong” at the present time; the group or manager may simply be seeking ways to continue to develop and enhance existing

relationships and performance. In other situations, there may be an identifiable issue or problem that needs to be addressed; the OD process aims to find ideas and solutions that can effectively return the group to a state of high performance.

These two processes, Training and Organizational Development, are often closely connected. Training can be used as a proactive means for developing skills and expertise to prevent problems from arising and can also be an effective tool in addressing any skills or performance gaps among staff. Organizational Development can be used to create solutions to workplace issues, before they become a concern or after they become identifiable problem.



Training Process Or Steps Involved For Conducting Training

A training is not a one sort affair; rather it is a step-by-step process that will completed only after successful completion of given sequential activities.

1. Identifying Training Needs

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

2. Establish Specific Objectives

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

3. Select Appropriate Methods

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

4. Implement Programs

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

5. Evaluate Program

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

6. Feedback

Finally, a feedback mechanism is created in order to identify the weak areas in the training program and improve the same in future. For this purpose, information relating to class room,

food, lodging etc. are obtained from participants. The obtained information, then, tabulated, evaluated, and analyzed in order to mark weak areas of training programs and for future improvements.

Training Methodology

We believe that adult learning is most effective when presented in a relevant context so that the skills, strategy, and knowledge are meaningful to participants and can be applied directly in the training. Therefore, our design philosophy is to customize our core programs using our effective and efficient proprietary customizing process and tools. We incorporate participants' real-world challenges, sales tools, and processes into developing cases/exercises.

Our training methodology is based on the premise that participants/adults are not blank slates, and we utilize a process of questioning and generating a dialogue before presenting concepts and models. By doing this vs. lecturing, we gain participant involvement and buy-in before we build models and teach learning points.

We use a "learning by doing" training methodology to support behavior change through highly interactive training. Using our customized cases and exercises, we ensure that participants apply the skills and strategies learned and receive intensive coaching and feedback. We utilize role plays, drills, in-the-action feedback, and other application techniques. We supplement learning by doing with some other teaching strategies, including small group discussion, drills, flip chart development to capture participant opinions and ideas, and limited PowerPoint slides. For Train-the-Trainer workshops, we not only provide Leader's Guides, but we also provide in-depth Leader Notes for every case and exercise that provide additional insights and best practices.

One of the unique training/coaching methodologies we use is called "redirect." This is a process in which the trainer stops the action and gives real-time feedback so participants are not only supported in the role play, but it also fosters behavior change by allowing participants

to experience the impact of applying the new skills, models, and strategies as they increase their effectiveness.

NEED OF TRAINING

Systematic and scientific training is the cornerstone of sound management. In the absence of a formal training programme workers learn by trial and error or by observing others. This process involves a lot of time and money. Moreover, the workers are likely to pick up wasteful methods and practices that may cause accidents. The need for formal training has increased due to rapid technological changes which make the methods and techniques of production obsolete. New skills and aptitudes are required to operate effectively the new techniques and equipment. Workers have to be trained for new jobs and for handling the present jobs more effectively. New employees must be trained properly so that they may become efficient. Existing employees have to be trained for taking up higher level jobs. Training is useful not only for the organizations but also for advancement to the employees. Money spent on training is an investment in human assets. A skill acquired through training is an asset for both the enterprise and the employee. In fact, in modern business, “no organization can choose whether or not to train employees, the only choice left to management is whether training shall be haphazard, casual and possibly misdirected or whether it shall be made a carefully planned part of an integrated programme of personnel administration”.

OBJECTIVES OF TRAINING

The major objectives of training are as follows:

1. To train the employee in the company culture pattern.
2. To train the employee to increase his quantity and quality of output. This may involve improvement in work methods or skills.
3. To train the employee for promotion to higher jobs.
4. To train the bright but dronish employee in the formation of his goals. This may involve instructions in initiative and drive.
5. To train the employee towards better job adjustment and high morale.
6. To reduce supervision, wastage and accidents.

TRAINING PROCEDURE

- A well-planned and well-executed training programme result in:
- reduction in waste and spoilage;
- improvement in methods of work;
- reduction in learning time;
- reduction in supervisory burden;
- reduction in machine breakage and maintenance cost;
- reduction in accident rate;
- improvement in quality of products;
- improvement in production rate;
- improvement of morale and reduction in grievances;
- improvement of efficiency- and productivity;
- reduction in manpower obsolescence;
- enabling the Organisation to provide increased financial incentives, opportunity for internal promotion and raising of pay rates;
- wider awareness among participants, enlarged skill; and
- personal growth.

DIFFERENT METHODS OF TRAINING

(A) On the Job Training Methods

On the job training methods are by far the most commonly used in training for all levels of personnel. The object of on the job training is to bring the employees to at least a minimum acceptable standard of performance in the shortest possible time. The worker by these methods learns to master the operations involved on the actual job situation under the supervision of his immediate boss who has to carry the primary burden of conducting this training. Various methods of on the job training are as follows:-

(1) On specific Job—The most common or formal on the job training programme is training for specific job. Current practice in job training has been strongly influenced by the war time

training within industry which was first designed to improve the job performance through job instruction training. There are following methods of training:

(A) Experience—This is the oldest method of on-the- job training. But as a sole approach, it is wasteful, time consuming and inefficient. It has been observed that it should be followed by other training methods to make it more effective. In a survey, it was found that they kept up to date through a variety of activities which were largely unrelated to formal continuing education courses. On the job, problem-solving and colleague interactions were prompted as being most important for professional growth by 62 per cent respondents.

(B) Coaching-On-the-job coaching by a superior is an important and potentially effective approach if superior is properly trained and oriented. The technique involves direct personnel instruction and guidance, usually, with extensive demonstration and continuous critical evaluation and correction. The advantage is increased motivation for the trainee and the minimisation of the problem of learning transfer from theory to practice. The danger in this method lies in the possible neglect of coaching by superior.

© **Understudy**—The understudy method is considered a somewhat different approach from those described above, that a certain person is specifically designated as the heir-apparent. The understudy method makes the trainee an assistant to the current job holder. The trainee learns by experience, observation and imitation. If decisions are discussed with the under study, he can become informed the policies and theories involved. The advantage of this method is that training is conducted in a practical and realistic situation. However disadvantages are many. The method tends to perpetuate mistakes and deficiencies of existing managerial practices. Moreover, the understudies are frequently neglected by those they assist.

(2) Position 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. The main advantages are: it provides a general background to the trainee, training takes place in actual situation, competition can be stimulated among the rotating trainees, and it stimulates a more co-operative attitude by

exposing a man to other fellow's problems and viewpoints. There are certain disadvantages of this method. The productive work can suffer because of the obvious disruption caused by such changes. Rotations become less useful as specialisation proceeds, for few people have the breadth of technical knowledge and skills to move from one functional area to another.

(3) Special Projects—This is a very flexible training device. Such special project assignments grow ordinarily out of an individual analysis of weaknesses. The trainee may be asked to perform special assignment; thereby he learns the work procedure. Sometime a task force is created consisting of a number of trainees representing different functions in the organisation. Trainees not only acquire knowledge about the assigned activities, but also learn how to work with others.

(4) Selective Reading—Individuals in the organisation can gather and advance their knowledge and background through selective reading. The reading may include professional journals and books. Various business organisations maintain libraries for their own executives. Many executives become members of professional associations and they exchange their ideas with others. This is a good method for assimilating knowledge; however, some executives claim that it is very difficult to find time to do much reading other than absolutely required in the performance of their jobs.

(5) Apprenticeship—Apprentice training can be traced back to medieval times when those intended on learning trade skill bound themselves to a master craftsman to learn by doing the work under his guidance. In earlier periods, apprenticeship was not restricted to artisans, but was used in training for the professions, including medicine, law, dentistry, and teaching. Today's industrial organisations require large number of skilled craftsmen who can be trained by this system. Such training is either provided by the organisations or it is also imparted by governmental agencies. Most States now have apprenticeship laws with supervised plans for such training. Arrangements usually provide a mixed programme of classroom and job experience.

(6) Vestibule Schools—Large organisations frequently provided what are described as vestibule schools, a preliminary to actual shop experience. As far as possible, shop conditions are duplicated, but instructive, not output, are major objective, with special instructors provided. Vestibule schools are widely used in training for clerical and office jobs as well as for factory production jobs. Such training is usually shorter and less complex than that adaptable to the apprenticeship system. Vestibule training is relatively expensive, but these costs are justified if the volume of training is large, or if uniform, high-standard results are important.

Off-the-job Training Methods

In these methods, trainees have to leave their workplace and devote their entire time to the development objective. In these methods development of trainees is primary and any usable work produced during training is secondary. Following training techniques are used off-the-job:

1. Special course and lectures—Lecturing is the most traditional form of formal training method. Special courses and lectures can be established by business organisations in numerous ways as a part of their development programmes. First, there are courses which the organisations themselves establish to be taught by members of the organisation. Some organisations have regular instructors assigned to their training and development departments such as Tata and Hindustan Lever in private sector, Life Insurance Corporation, State Bank of India and other nationalised commercial banks, Reserve Bank, Hindustan Steel, Fertilizer Corporation and many others in public sector. A second approach to special courses and lectures is for organisations to work with universities or institutes in establishing a course or series of % courses to be taught by instructors of these institutes. A third approach is for the organisations to send personnel to programmes established by the universities, institutes and other bodies, Such courses are organised for a short period ranging from 2-3 days to a few weeks. The first such programme was the Sloan Fellowship Programme, established in 1931 at Massachusetts Institute of Technology, U.S.A. In India, such courses are organised frequently by the Institute of Management, Administrative Staff College of India, National Productivity

Council, NITIE, All India Management Association and some other organisations and universities. ,

2. Conferences -This is also an old method, but still a favourite training method. In order to escape the limitations of straight lecturing many organisations have adopted guided-discussion type of conferences in their training programmes In this method, the participants pool their ideas and experience in attempting to arrive at improved methods of dealing with the problems which are common subject of discussion) Conferences may include buzz sessions that divide conferences into small groups of four or five for intensive discussion. These small groups then report back to the whole conference with their conclusions or questions. Conference method allows the trainees to look at the problem from a broader angle. These conferences, however, have certain limitations. Unless the discussion is directed to the fell needs of the participants that may well feel that the whole session is useless.

3. Case studies—This technique, which has been developed and popularised by the Harvard Business School, U.S.A. is one of the most common form of training. Acase is a written account of a trained reporter or analyst seeking to describe an actual situation. Some cases are merely illustrative, others are detailed and comprehensive demanding extensive and intensive analytical ability. Cases are widely used in a variety of programmes) This method increases the trainee's power of observation, helping him to ask better questions and to look for a broader range of problems. A well chosen case may promote objective discussion, but the lack of emotional involvement may make it difficult to effect any basic change in the behaviour and attitude of trainees.

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 than 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 experts into it will reduce the originality and practicability of

the group contributions. Brainstorming frankly favours divergence, and this fact may be sufficient to explain why brainstorming is so little used as yet in developing countries where new solutions ought to carry the highest premium. It is virtually untried even though its immediate use is limited to new ideas only, not change in behaviour.

5. Laboratory Training—Laboratory training adds to conventional training by providing situations in which the trainees 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. It is generally more successful in changing job performance than conventional training methods. There are two methods of laboratory training—simulation and sensitivity training.

A. Simulation—An increasingly popular technique of management development is simulation of performance. In this method, instead of taking participants into the field can be simulated in the training session itself. Simulation is the presentation of real situation of organisations in the training session. It covers situations of varying complexities and roles for the participants. It creates a whole field organisation, relates participants through key roles in it, and has them deal with specific situations of a kind they encounter in real life. There are two common simulation methods of training: role-playing is one and business game is the other.

(i) Role-Playing—Role-Playing is laboratory method which can be used rather easily as a supplement to conventional training methods. Its purpose is to increase the trainee's skill in dealing with other people. One of its greatest uses is 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 class room situations. Dialogue spontaneously grows out of the situation, as it is developed by the trainees assigned to it. Other trainees in the group serve as observers or critics. Since people take roles every day, they are somewhat experienced in the art, and with a certain amount of imagination they can project themselves into roles other than their own. Since a manager is regularly acting roles in his relationship with others, it is essential for him to have role awareness and to do role thinking so that he can size up each relationship and develop the most effective interaction possible. Role-playing has

many advantages. By this method, a trainee can broaden his experience by trying different approaches, while in actual situation; he often has only one chance. In evaluation of role-playing in sue firms, it was found that such sessions resulted in an increase in sensitivity and improved quality of actions of a work sample involving a human relations difficulty. Role-playing also has weaknesses which partly offset its values. It is time consuming and expensive. It requires experienced trainers because it can easily turn sour without effective direction.

(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 levels, from the top executives to 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 tends to emphasise mostly feeling and tone between people in interaction. Gaming involves several teams, each of which is given a firm to operate for a number of periods. Usually the period is a short one, one year or so. In each period, each team makes decisions on various matters such as fixation of price, level of production, inventory level, and so forth'. Since each team is competing with others, each firm's decisions will affect the results of all others. All the firm's decisions are fed into a computer which is programmed to behave somewhat like a real market. The computer provides the results, and the winner is the team which has accumulated largest profit. In the light of such results, strengths and weaknesses of decisions are analysed.

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. As a result of criticism and experience, a somewhat revised approach, often described as 'team development' training, has appeared. It was first used by National Training Laboratories at Bethel, U.S.A. The training groups themselves called 'T Group'. Since then its use has been extended to other organisations, universities, and institutes.

Sensitivity training is a small-group interaction under stress in an unstructured encounter group which requires people to become sensitive to one another's feelings in order to develop

reasonable group activity. T-group has several characteristic features: (i) the T-group is generally small, from ten to twenty members; (ii) the group begins its activity with no formal agenda; (iii) the role of trainer is primarily to call attention from time to time to the on going process within the group; (iv) the procedure tends to develop interspection and self-examination, with emotional levels of involvement and behaviour and the possibility of colleagues and some breakdown of established insulation and self-defence on the part of individuals. The objectives of such training are increased openness with others, more concern for others, increased tolerance for individual differences, less ethnic prejudice, understanding of a group process, enhanced listening skills, and increased trust and support.

TRAINING AIDS/TOOLS

1. That they are evil
2. That they can fix any problem.

Now, let me start by saying that IMO unless you are experienced in using training aids or tools then you shouldn't use them. You should only begin using them under professional instruction, and only when you need to use them. You also must be competent enough in deciding if the horse really needs them and will he benefit from them.

Training aids/tools are frequently seen to be very used and abused, and therefore many of them have a bad name. However, it is the people that abuse and misuse them that give them this undeserved name.

I have and do use whips, spurs, draw reins, side reins, market harboroughs, running martingales. Do I use them all the time? No. Do I use them just for the sake of it? No. Do I use them to get me over hurdles, to help train my horses? Yes.

Spurs: IMO, I won't use spurs with a lazy horse. I believe in most cases it will only make him less responsive to the legs in the long run. I believe that a whip is best used on a lazy horse

where no amount of leg is simply not enough. I find that it reinforces the leg aid better and encourages the horse to use his hindquarters more.

Spurs are fantastic for refining aids...especially when you hit the higher levels of dressage and there are so many difficult movements that require preciseness and the executions of movements at exact moments etc. It also makes it clear to the horse to differentiate between similar aids.

I find dressage whips great for lazy horses, or horses that lag along on the forehand. Also great for getting a horse to move his hindquarters in lateral work when leg is just not clear enough to him...great to use when training in lateral work.

Stages of Training Evaluation

Five Stages of Training Evaluation

This model has five stages and is illustrated in the Training Evaluation Model diagram. Each stage corresponds to specific data categories:

1.Describe the outputs. Outputs are descriptive data about the training programs and participants, including demographic data.

2.Pre-training assessment. This step uncovers the participants' past experience as well as current competencies, learning needs, and expected application of learning.

3.Post-assessment (reactions). This addresses participants' reactions to the training experience— for example, their learning environment, format and instructor methods, general satisfaction.

4.Post-assessment (learning). This piece is a self-assessment of knowledge or skills gained and the participants' expected application of learning.

5.Follow-up. This process may include several methods to assess the outcomes and effect of training programs over time.

Our model draws from principles in Donald Kirkpatrick's four-level model, in which evaluation questions fall into the following categories:

Reaction: How was the training overall? What did participants like and dislike?

Learning: What knowledge and abilities did participants learn at the training?

Behavior: How have participants applied the skills they learned?

Results: What was the effect on the agency or organization?

Career Planning

The word career refers to all types of employment ranging from semi-skilled through skilled, and semi professional to professional. The term careers has often been restricted to suggest an employment commitment to a single trade skill, profession or business firm for the entire working life of a person. In recent years, however, career now refers to changes or modifications in employment during the foreseeable future.

There are many definitions by management scholars of the stages in the managerial process. The following classification system with minor variations is widely used:

1. Development of overall goals and objectives,
2. Development of a strategy (a general means to accomplish the selected goals/objectives),
3. Development of the specific means (policies, rules, procedures and activities) to implement the strategy, and
4. Systematic evaluation of the progress toward the achievement of the selected goals/objectives to modify the strategy, if necessary.

UNIT -IV

COMPENSATION MANAGEMENT

Compensation Management is more than just the means to attract and retain talented employees. In today's competitive labor market, organizations need to fully leverage their human capital to sustain a competitive position. This requires integrating employee processes, information and programs with organizational processes and strategies to achieve optimal organizational results.

Compensation Management is an organized practice that involves balancing the work-employee relation by providing monetary and non-monetary benefits to employees. Compensation includes payments such as bonuses, profit sharing, overtime pay, recognition rewards and sales commission. Compensation can also include non-monetary perks such as a company-paid car, company-paid housing and stock options. Compensation is an integral part of human resource management which helps in motivating the employees and improving organizational effectiveness.

Concept of Compensation Management

A good compensation is must for every business organization and helps in the following way:

It tries to give proper return to the workers for their contributions to the organization.

It imparts a positive control on the efficiency of employees and encourages them to perform better and achieve the specific standards.

It forms a basis of happiness and satisfaction for the workforce that minimizes the labour turnover and confers a stable organization.

It augments the job evaluation process which in turn helps in setting up the more realistic and achievable standards.

It is designed to comply with the various labour acts and therefore does not result in disputes between the employee union and the management. This builds up a peaceful relationship between the employer and the employees.

It arouses an environment of morale, efficiency and cooperation among the workers and provides satisfaction to the workers.

It stimulates the employees to perform better and show their excellence.

It provides growth and advancement opportunities to the deserving employees.

Types of Compensations

Direct Compensation is typically made up of salary payments and health benefits. The creation of salary ranges and pay scales for different positions within the company are the central responsibility of compensation management staff. Direct compensation that is in line with industry standards provides employees with the assurance that they are getting paid fairly. This helps the employer avoid the costly loss of trained staff to a competitor.

Indirect Compensation focuses on the personal motivations of each person to work. Although salary is important, people are most productive in jobs where they share the company's values and priorities. These benefits can include things like free staff development courses, subsidized day care, the opportunity for promotion or transfer within the company, public recognition, the ability to effect change in the workplace, and service to others.

Components of Compensation

Wages and Salary: Wages represent hourly rates of pay, and salary refers to the monthly rate of pay, irrespective of the number of hours put in by an employee. These are subject to annual increments.

Allowances: Several allowances are paid in addition to basic pay. Some of these allowance are given below:

Dearness Allowance: This allowance is given to protect real income against inflation. Generally, dearness allowance (DA) is paid as a percentage of basic pay.

House Rent Allowance: Employers who do not provide living accommodation pay house rent allowance (HRA) to employees. This allowance is calculated as a percentage of basic pay.

City Compensatory Allowance: This allowance is paid generally to employees in metros and other big cities where cost of living is comparatively high. City compensatory allowance

(CCA) is generally a fixed amount per month (30 per cent of basic pay in case of government employees).

Transport Allowance/Conveyance Allowance: Some employers pay transport allowance (TA) to their employees. A fixed sum is paid every month to cover a part of traveling charges

Incentives: Incentive compensation is performance-linked remuneration paid with a view to inspire employees to work hard and do better. Both individual incentives and group incentives are used. Bonus, profit-sharing, commissions on sales are some examples of incentive compensation

Fringe Benefits/Perquisites: These include employee benefits such as provident fund, gratuity, medical care, hospitalization, accident relief, health and group insurance, canteen, uniform, recreation and the likes.

Wages

Meaning of Wages

‘Wages’ are the payments made to the employees as compensation for the services rendered by them to the organization. In other words, the share of the total cost of production, which can be attributed to labour, may be known as wages from employee’s point of view. According to Dale Yoder and Heneman, “Wages are the compensation of wage earner, the numerous employers who use the tools and equipments of their employers to produce goods and services that are sold by their employers”. Wages include salaries also.

Difference between Wage and Salary

Wage is a compensation to the employees for services rendered to the organization. In case the quantum of services rendered is difficult to measure, then the payment is called salary. Normally the wage period is shorter than the salary period.

Payment made to labour is generally referred as wages. Money paid periodically to persons whose output cannot be easily measured, such as clerical staff as well as supervisory staff, is generally referred to as salaries. Salaries are paid uniformly generally on monthly basis and at times the element of incentive is introduced in the form of commission. Incentives are paid to salaries persons in addition to their salaries. However, it is in the area of labour that there are several types of methods of wage payment.

PRINCIPLES OF FIXATION OF WAGES AND SALARY

Salary or wage” means all remuneration (other than remuneration in respect of over-time work) capable of being expressed in terms of money. Wages are defined broadly as any economic compensation paid by the employer to his labourers under some contract for the services rendered by them. In its actual sense which is prevalent in the practice, wages are paid to workers which include basic wages and other allowances which are linked with the wages like dearness allowances, etc. , but does not include-

- (i) Any other allowance which the employee is for the time being entitled to;
- (ii) the value of any house accommodation or supply of light, water, medical attendance or other amenity or of any service or of any concessional supply of food grains or other articles;
- (iii) Any traveling concession;
- (iv) Any Bonus (including incentive, production and attendance bonus);
- (v) Any contribution paid or payable by the employer to any pension fund or provident fund or for the benefit of the employee under any law for the time being in force;
- (vi) Any retrenchment compensation or any gratuity or other retirement benefit payable to the employee or any ex gratia payment made to him;
- (vii) Any commission payable to the employee.

Principles of Wage Determination

The basic principle of wage and salary fixation is that it should be based on the relative contributions of different jobs and not on the basis of who the job holders are. If this principle is adopted, the first requirement is to identify the likely contributions of different jobs. This is what job evaluation precisely does. It provides the information about what is the worth of a job in terms of its contributions to the achievement of organizational effectiveness.

Overcoming Anomalies

Job evaluation, if carried on periodically and objectively, helps in overcoming various anomalies which may develop in an organization over the period of time with regard to compensation management. Knowles and Thomposon have identified that there are following

anomalies and evils which may develop in an organization and may be overcome by job evaluation:

1. Payment of high wages and salaries to persons who hold jobs and Positions not requiring great skill, effort and responsibility;
2. Paying beginners less than that they are entitled to receive in terms of What is required of them?
3. Giving a raise to persons whose performance does not justify the raise;
4. Deciding rates of pay on the basis of seniority rather than ability;
5. Payment of widely varied wages and salaries for the same or closely Related jobs and positions; and
6. Payment of unequal wages and salaries on the basis of race, sex, religion, or political differences.

As the major production cost, wages affect profits, business investment, competitiveness, and are a cost push inflationary factor. As the major income in the economy, wages affect standard of living, income distribution and poverty, and demand pull inflation. As the source of wage disputes is the employer treating wages as their major cost, and the employee viewing wages as their major income.

Norms for fixation of wages in industry.

1. While computing the minimum wages, the standard working class family should be considered as consisting of four consumption units and the earnings of women, children and adolescents should be excluded.
2. The minimum food requirements should be determined on the grounds of a net intake of 2700 calories as laid down by Akroyd for a normal adult in India.
3. Clothing needs should be established on the basis of a per capita consumption of 16.62 meters per year.
4. As regards housing, the minimum wages should be determined from the standpoint of the rent corresponding to the minimum area specified under the government Industrial Housing Scheme.

5. Miscellaneous expenditure on items such fuel, lighting etc. should from 20 per cent of the total minimum wage. The resolution further prescribes that the authorities involved in the issue should justify any deviation from these norms.

The following principles have always been the bases of the wage determination process.

All are economically valid. At different stages they have collectively, and singularly, been used to determine wage increases.

1. Preserving real income: This is the argument used by employees and Unions viewing wages as an income. Following this principle usually results in wages being indexed to inflation. In periods of rising inflation, indexation becomes a problem of an institutionalized wage-price spiral. Underlying aspects that have also impacted on real wage preservation arguments have been a "basic" minimum wage, and comparative wage justice.

2. Labour productivity: A valid economic theory connects wages to labour productivity. Conflict arises over the measurement of productivity. Rewarding labour with a wage increase when technology, and/or capital investment, increases labour efficiency may not be justified.

3. The capacity of business to afford wage increases: This emphasizes wages as a cost of production, and the threat of wage increases to squeeze profits. This "capacity" argument is that followed by business owners.

4. The capacity of the Economy to absorb wage increases: This "capacity" argument views the macro impact of wage increases on inflation, competitiveness, and other aspects of internal and external balance; as well as the affect on business profits and investment from 3. This is the main argument of the Federal Government recognizing the macro policy potential of an Incomes Policy to address external and internal balance goals to supplement demand management policies, and the effects on income distribution.

5. Supply and Demand of labour: The labour market conditions or supply and demand forces operated at the national, regional and local levels, and determine organizational wage structure and level. If the demand for certain skills and the supply are low, the result is a rise in the price to be paid for these skills. The other alternative is to pay higher wages if the labour supply is scarce, and lower wages when it is excessive.

6. Prevailing Market rate: This is also known as the 'comparable wage' or 'going wage rate' and is most widely used criterion. An organization's compensation policies generally tend to conform to the wage –rates payable by the industry and the community. It is observed: Some Companies pay on the high side of the market in order to obtain goodwill or to insure adequate supply of labour, while other organizations pay lower wages because economically they have to, or because by lowering hiring requirements they could keep jobs adequately manned.

7. Living wage: This means that wages paid should be adequate to enable an employee to maintain himself and his family at a reasonable level of existence. However, employers do not generally favor using the concept of a living wage as a guide to wage determination because they

prefer to base the wages of an employee on his contribution rather on his need.

8. Managerial Attitudes: Top management's desire to maintain or enhance the company's prestige is a major factor in the wage policy of a number of firms. Desires to improve or maintain morale, to attract high caliber employees, to reduce turnover, and to provide a high living standard for employees as possible also appear to be factors in management's wage policy decisions.

9. Psychological and social factors: these determine in a significant measure how hard a person will work for the compensation received or what pressures he would exist to get his compensation increased. Psychologically, persons perceive the level of wages as a measure of success in life, people might feel secure, has an inferiority complex, seem inadequate or feel the reverse of all these. Sociologically and ethically, people feel that "equal work should carry equal wages" that 'wages should be commensurate with their efforts' that they are not exploited and "that no distinction is made on the basis of caste, color, sex or religion." To satisfy the conditions of equity, fairness and justice, a management should take these factors into consideration.

PRINCIPLES OF WAGE AND SALARY ADMINISTRATION

The government of India provides many regulations for regulating the wages and salary administration such as,

Ø The minimum wages act 1998

Ø The equal remunerations act 1976

- Ø The companies act 1956
- Ø The industrial dispute act 1956
- Ø The payment of wages act 1936 etc.

The following guidelines should be followed in the administration of wages and salary,

1. Wage policy should be developed keeping in view the interests of the employer, the employees, the consumers and the community.
2. Wage policy should be stated clearly in writing to ensure uniform and consistent application.
3. Wage and salary administration should be consistent with the overall plans of the company. Compensation planning should be an integral part of the financial planning.
4. Wage and salary plans should be sufficiently flexible or responsive to changes internal and external conditions of the organization.
5. Management should ensure that employees know and understand the wage policy of the company.
6. All wages and salary decisions should be checked against the standards set in advance in the wage policy.
7. Wage and salary plans should simplify and expedite administrative process.
8. An adequate database and proper organizational setup should be developed for compensation determination and administration.
9. Wage policy and programme should be reviewed and revised periodically in conformity with changing needs.

Thus, by following the above mentioned principles of determination and administration of wages and salary the objectives such as- to establish fair and equitable remuneration, to attract competent personnel, to retain present employees, to improve productivity, to control costs, to establish job sequences and lines of promotion wherever applicable, to improve union management relations, to improve public image of the company can be effectively met.

Job Evaluation

A job evaluation is a systematic way of determining the value/worth of a job in relation to other jobs in an organization. It tries to make a systematic comparison between jobs to assess their relative worth for the purpose of establishing a rational pay structure.

Job evaluation needs to be differentiated from job analysis. Job analysis is a systematic way of gathering information about a job. Every job evaluation method requires at least some basic job analysis in order to provide factual information about the jobs concerned. Thus, job evaluation begins with job analysis and ends at that point where the worth of a job is ascertained for achieving pay equity between jobs.

Objectives of Job Evaluation

I. The main objective of job evaluation is to find out the value of work, but this is a value which varies from time to time and from place to place under the influence of certain economic pressures, not least of which is the worth of money itself. Nevertheless, the value of work at a specific time and place is absolute, governed by supply and demand, and related to the value of all other work. The aim of job evaluation is not to create a rate, but to discover what that rate is at that time and in that place.

II. Another objective of job-evaluation is to have external and internal consistency in wage structure. The aim is to provide equal pay for jobs of equal value. The salary should be proportional to the job difficulty and the responsibility associated with it.

III. The systematic evaluation of jobs and fixation of wages on that basis helps in solving wage controversies. It removes subjectiveness and simplifies union management negotiations on wages.

IV. Wages are always under pressure of one kind or another and some job wages are influenced more than others by such pressures resulting in anomalies in rates of pay. It is the function of job evaluation to reveal these anomalies, rather than create them.

V. It aims at conducting wage surveys and comparing wage systems of different organizations/firms. Its aim is to fix minimum and maximum wages throughout the organization for each position.

VI. It is helpful and it provides a basis for recruitment, selection, training, promotion and transfer of an employee. It has been considered as a good instrument to 'promote good relationship between employer and employee.

Principles of Job Evaluation

The following principles should be kept in mind before putting the job evaluation programme into practice.

1. Rating of the job should be done rather than the rating of man doing the job. 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 well cover the necessary requisites for every job without any overlapping. Each factors should be precisely defined and properly selected.
3. The job-evaluation plan must be acceptable to employees. Any job rating plan must be sold to foremen and employees by explaining its advantages and objectives.
4. The value or weightage given to the factors should not be disclosed to the foreman or supervisor while discussing with them job evaluation plan.
5. Maximum co-operation can be obtained from employees when they themselves have an opportunity to discuss job ratings.
6. Foremen should participate in the rating of jobs in their own department.
7. There should be limited number of occupational wages i.e., there should be few categories of job and they should be arranged in terms of their value to the firm.

JOB EVALUATION METHODS

There are several jobs in the organization which are to be filled up for their performance but before that they are to be evaluated and salary and wages are to be fixed for them. Some jobs are quite difficult to perform and some are quite easy to perform. Difficult jobs have more worth. The skill, competence and knowledge required for performance of certain jobs is not available easily because of scarcity. Such jobs also have more worth. Jobs having more worth carry higher salary. Whatever the nature of jobs, they are to be evaluated. There are five basic methods of job evaluation. They are:

1. Ranking method.
2. Grading method.
3. Point method,
4. Factor comparison method and

5. Computerized method

Out of these five methods, the first two i.e. ranking and grading methods are non quantitative methods and the other two methods i.e. point and factor comparison methods are quantitative or analytical methods. Non quantitative methods do not use detailed classified data of job factors. They are quite simple in evaluating. These methods utilized job specification for rating of jobs. Point method and factor comparison method used more detailed information as a basic tool and not only job description. Under these methods job factors are chosen and measured.

1. Ranking Method

It is a simple method of job evaluation. Under ranking method a committee is constituted. The committee composed of executives and representatives of employees. The committee evaluates the job and ranks them according to their relative importance. Attempts are not made to break the jobs by specific criteria. Jobs are rated as a whole. Jobs are compared as difficult and simple and then they are ranked and arranged in the ascending order of sequence. Ranking of the jobs takes place in the way given below. Each rater is given the job description for each job separately. Rater studies the job description and makes analysis and then he notes down the point of differences between each job compare them and rank them in ascending order to their importance. The committee of raters sits together and discusses the ranking of jobs. Differences are resolved and final ranking of jobs is prepared. It may be decided by majority votes or taking averages of rankings. For comparing jobs rater take into consideration some of the factors as supervision of subordinates, cooperation with the staff of other departments, minimum educational qualifications, experience and training and likelihood of errors while doing job.

The simplest job evaluation method ranks each job relative to all other jobs, usually based on some overall factor like “job difficulty”. There are several steps in the job ranking method.

1. Obtain job information. Job analysis is the first step: Job descriptions for each job are prepared, and the information they contain about the job’s duties is usually the basis for ranking jobs. Sometimes job specifications are also prepared. However, the ranking method usually ranks jobs according to the whole job, rather than a number of compensable factors. Therefore, job specifications-which list the job’s demands in terms of problem solving,

decision making, and skill, for instance-are not as necessary with this method as they are for other job evaluation methods.

2. Select and group jobs: It is often not practical to make a single ranking for all jobs in an organization. The usual procedure is to rank jobs by department or in clusters (such as factory workers or clerical workers). This eliminates the need for direct comparison of, say, factory jobs and clerical jobs.

3. Select compensable factors: In the ranking method, it is common to use just one factor (such as job difficulty) and to rank jobs based on the whole job. Regardless of the number of factors you choose, it is advisable to explain the definition of the factor(s) to the evaluators carefully so that they evaluate the jobs consistently.

4. Rank jobs: For example, give each rater a set of index cards, each of which contains a brief description of a job. Then they rank these cards from lowest to highest. Some managers use an "alternation ranking method" for making the procedure more accurate. Here you take the cards, first choosing the highest and the lowest, then the next highest and lowest, and so forth until you have ranked all the cards.

5. Combine ratings: Usually, several raters rank the jobs independently. Then the rating committee (or the employer) can simply average the rankings.

Merits of Ranking Method

1. The method is quite simple and easy to understand. Employees can understand it easily.
2. It is the most suitable method for small size organizations.
3. It does not require much cost. Hence less expensive.
4. It is less time consuming. Few forms are to be filled up by the rater. So less work involved.

Demerits

1. Ranking is done on subjective judgement.
2. There is every likelihood of bias judgement in ranking of jobs.
3. It is silent on how the one job is different from another.
4. It only gives rank but does not specify the degree of importance.

2. Grading Method

Grading method is also a non-quantitative method. It is also known as job classification. This method is improvement over ranking method. Under this method predetermined scale or

grade is provided. These grades or classification determined in advance by an authorized body or a committee appointed for the purpose. Grades or scale are determined on the basis of information supplied by job analysis. The committee after studying the job description carefully compares each job and weigh in the light of skill, competence, knowledge, and experience required. The committee then assigns class or grade to each job. The classification is used as a standard for fixing pay scales.

Jobs can be classified into several grades or classes such as skilled, unskilled, general clerk, accounts clerk, clerk cum typist, steno typist, office superintendent, laboratory assistant, foreman, workshop superintendent etc. or class I, II, III, IV etc. This system of job evaluation is quite simple.

Merits of Grading Method

1. This method is quite simple and can be easily understood by the employees.
2. It is flexible method.
3. It can be applied to large number a variety of jobs.
4. It is used in grading of government services. The government jobs are divided into different classes as class I, class II, class III and class IV.
5. The various jobs are grouped into classes or grades. This simplifies salary administration.
6. If there is a growth in number if jobs, they can be easily fit in the grades that already exist.

Demerits: The method has several demerits.

1. The method is not free from personal bias. Personal bias of the committee members plays a major role in matching grade with job.
2. It is less flexible hence not suited for large organizations having multiplicity of jobs.
3. With the increase in jobs, their grading becomes difficult.
4. The method relies heavily on job title instead of detailed verification of job contents.

3. Point Method

This is widely used method of job evaluation. Under this system a manual is prepared highlighting the various factors such as education, skill, competence, knowledge, training

responsibility, job conditions, complexity, hazards, coordination, physical and mental efforts, mechanical ability etc. The jobs are rated on the basis of these factors which work as yardstick for evaluation. In all the jobs some of these factors are inherent. The comparative weighing of these factors against each other determines the degree of their importance. The suitable point value is then assigned to each factor. The job is then evaluated on the basis of sum total of these points contained in it. The point value is assigned to each degree. The mechanism of the system works in the following manner.

1. Determination of jobs to be evaluated: The first step in the process is that all the jobs right from top executives to the peons in the organization that are to be evaluated should be determined. Each job requires some skill, technical, managerial, conceptual, physical etc. All these jobs are grouped or clustered according to functions, characteristics or the same kind of work. There can be separate evaluation for executive jobs, professional, technical and non technical.

2. Number of factors: The number of factors used to evaluate job is a difficult exercise as they vary according to the job, rater and organization. The factors are many to perform a job. They include skill, competence, education, physical ability, mental ability, responsibility, job condition, hazards, mechanical ability, complexity of experience, training etc. For evaluating job some of the factors are taken into account that are sufficient for better judgement. Using too many factors become burdensome, using too less factors will be unfair. The rater must take into account a sufficient number of factors that are essential to make fair job evaluation which will fulfill the needs of the organization.

3. Division of factors into degrees: The factors are broken down into degrees and point value is assigned to each degree. Before breaking them into degree.

4. Assigning point values degree: Assigning point values to degree is the job to be carried out by a committee appointed for the purpose. It weighs the factors in terms of percentage. The percentage of the factor becomes the points to be distributed among the degrees of the factor according to their relative importance. The scale is now prepared and jobs can be evaluated.

5. Job evaluation: Jobs can now be evaluated after going through job analysis thoroughly and assigning the points and taking the sum total of them. This gives us relative worth of jobs.

After job is evaluated wage structure is fixed.

Merits of Point Method: The method has the following merits.

1. It provides numerical base for determining wage differentials. Analysis of job factors make it possible have a measure of value of job.
2. It is a systematic method of job evaluation. Workers of the organization favour the system.
3. It is less manipulative and free from human bias.
4. It makes possible to place jobs in different categories.
5. The scales developed in the process can be used for long time.
6. Assigning points to the factors make it possible to assign money value to the points.
7. It is more suitable method where large number of jobs exists i.e. in large organizations.

Demerits

1. It is very expensive method and hence it is not suitable for small organizations.
2. It is time consuming. To determine job factors and their comparative advantage consume lot of time.
3. Assigning point value to the factors is also difficult.
4. It is not simple to understand.
5. A lot of clerical work is involved in recording rating scales.

In spite of its demerits the point methods is widely used by the organizations because of its precision.

4. Factor Comparison Method

This method is mostly used in evaluating professional and managerial practices. It is a combination of ranking and point methods. It rates the jobs by comparing them like that in ranking method and it makes analysis by subdividing jobs into compensable factors like than in point method. The relative rank of the jobs evaluated assigning money value. Under this method each job is ranked for each compensable factor separately. Each job factor is broadly defined. The most common factor used in job evaluation includes skills, physical and mental requirements, working conditions and responsibilities. The mechanism for evaluating jobs under this system involves following steps:

1. The job factors are selected and defined precisely.
2. Key jobs are selected. Key jobs include those which belong to the range of jobs under consideration. These jobs are the standard jobs against which all jobs are evaluated. The

selection of key jobs is made to cover the entire range including low and high level and paid jobs. The care is also taken that range does not include disputed jobs or those jobs over which there is disagreement between employees and management.

3. Members of the committee rank the jobs on each factor. Factors are five, viz, skill, physical requirement, mental requirement, work conditions and responsibility.
4. Wages are fixed for various compensable factors of each key job.
5. All the jobs are compared with key jobs and evaluated factor by factor.
6. A wage structure is prepared, designed and implemented.

Merits of Method: This system has following merits:

1. It is systematic method of evaluating manual, clerical and supervisory positions.
2. It is more objective method of job evaluation because arbitrary weightage is not given
3. It is a comparative process of rating the jobs against numerical benchmark.
4. It is easy to understand.
5. It facilitates determining the relative worth of different jobs.
6. This method facilitates association of new jobs introduce in the organization with the grade or class.
7. The validity of this system is greater than any other system.

Demerits

1. It is highly expensive system of job evaluation since experts are to be employed.
2. The employees find it difficult to understand.
3. The jobs are evaluated on the basis of comparative analysis of five factors only which are inappropriate.
4. Under this method the job evaluation is done by expert. The top management has to rely on them.
5. It is quite difficult to assign weightage to each factor.

5. Computerized Method

Using quantitative job evaluation methods such as the point or factor comparison plans can be time consuming. Accumulating the information about “how much” of each compensable factor the job contains traditionally involves a tedious process in which evaluation committees debate the level of each compensable factor in a job. They then write down their consensus judgments and manually compute each job’s point values.

CAJE-computer-aided job evaluation-can streamline this process. Computer aided job evaluation, says one expert, can simplify job analysis, help keep job descriptions up to date, increase evaluation objectivity, reduce the time spent in committee meetings, and ease the burden of system maintenance. CAJE includes electronic data entry, computerized checking of compensable factor questionnaire responses, and automated output of job evaluations and of a variety of compensation reports.

PRINCIPLES OF SUCCESSFUL JOB EVALUATION PROGRAMME

We have seen various methods of job evaluation. Each method has some merits and limitations. No method is completely full of proof. Each method suffers from several demerits. Even though point method is widely used it also has certain weaknesses. No method is suitable for all types and kinds of organization. The organisation should adopt a mixture of all the methods. Those who are common with job evaluation programme should thoroughly know each and every detail about all the methods. They should be well conversant with the techniques of job evaluation. They should also know the defects in the system. However the following principles can be followed for successful job evaluation programme.

1. Job evaluation should rate the job and not the job holder.
2. Accurate and unambiguous job analysis, job description and job specification should be done.
3. Job factors under evaluation should be clearly defined and group under proper heads.
4. Pay scales should not be too many in an organization. This can be avoided through proper grading of jobs.
5. First line supervisor should be included in the committee of job evaluation because he is the person who is well conversant with job conditions, skill required and other job factors and also the weightage to be given to each job factor.
6. Supervisors should have the complete knowledge of the evaluation system. They should be able to explain and convince the employees about the job evaluation system. They should be able to explain and convince the employees about the job evaluation plan. Supervisors should be trained accordingly.
7. Job evaluation programme should be given greater publicity using all possible channels of communication available in the organization.

8. Each group, class and cadre should have separate salary structure.
9. Maximum transparency in preparation and implementation of job evaluation programme should be maintained. This can be easily done if participation from all is encouraged and practically effected.
10. The intentions of the management in relating with the programme should be made clear. There should not be any hidden agenda.
11. All the relevant internal and external factors should be taken into account before arriving at a final programme.
12. Job evaluation programme should have green signal from the management of the organization and support from the employees unions.
13. Job evaluation is the technique of rating the job but it helps in determining the wages to be paid to the job holder who is a valuable human resource of the organization. An utmost care should be taken that injustice is not done by way of wrong and inconsistent fixation of salary.
14. It should be decided at the first instance whether the job evaluation programme is undertaken with the help of specialists from within the organization or the services of experts from outside are to be hired.

Wages and Salary Surveys

Job evaluation determines the relative worth of job. This leads to the fixation of wages and salaries. Wages and salaries are fixed after making salary surveys in the region or in country and of various organizations. These surveys enable the organization to know the salary structure of various organisations and the benefits they are paying to their employees of various grades. These surveys help organizations to fix the wages and salaries of their employees on par with the others and reduce the gap between wages.

Some organizations pay high wages and less benefit to their employees while some other large organizations pay low wages and appreciably more benefits to their employees.

Survey may be conducted by visiting the organizations or by mailed questionnaire, telephone or personal interviews or by banking over the job to an agency. Under survey only the crucial jobs should be covered because it is difficult, time consuming and costly affair to cover all the jobs. A requisite care should be taken in respect of organizations to be surveyed. The organization so selected should be from the same industry and from the same region.

Wage surveys provide vital information about wage differences in various organizations in various occupations. This helps in devising a uniform wage policy. It also helps the organization whether it can pay equal wages or more or less than the normal wage structure followed in the industry by other organizations or firms. It helps in keeping the width in the wages of different grades.

Wage curve: The wage curve represents the relationship between the value of the job and the average wage rates of these jobs.

Salary or wages are paid along wage line is depicted in the above diagram. The wide deviation from the normal salary is shown by the points A, B, C, D, E and F. The points A, B and C lie below the wage line are an indication of under payment of wages and the points D, E and F shows the over-payment of wages in the organization. They need to be corrected. The wages of underpaid grade need immediate revision. Such wage curves can be drawn for all grades of employees in every organization or industry so that valid comparison of wages can be done and suitable wage policy be adopted which is essential for organizational effectiveness and smooth working.

Fringe Benefits. Fringe benefits that are actually paid or credited as part of an established policy are eligible. Because certain items in a benefit package are not dependent on hours worked, such as health insurance, the fringe benefit rate will be different for regular and overtime hours. The overtime fringe benefit rate is usually significantly lower.

Employee benefits and (especially in British English) benefits in kind (also called fringe benefits, perquisites, perks or perks) are various non-wage compensations provided to employees in addition to their normal wages or salaries.[1] In instances where an employee exchanges (cash) wages for some other form of benefit is generally referred to as a 'salary packaging' or 'salary exchange' arrangement. In most countries, most kinds of employee benefits are taxable to at least some degree.

Examples of these benefits include: housing (employer-provided or employer-paid), group insurance (health, dental, life etc.), disability income protection, retirement benefits, daycare,

tuition reimbursement, sick leave, vacation (paid and non-paid), social security, profit sharing, funding of education, and other specialized benefits.

Objectives of Fringe Benefits

The important objectives of fringe benefits are:

1. To create and improve sound industrial relations.
2. To boost up employee morale.
3. To motivate the employees by identifying and satisfying their unsatisfied needs.
4. To provide qualitative work environment and work life.
5. To provide security to the employees against social risks like old age benefits and maternity benefits.
6. To protect the health of the employees and to provide safety to the employees against accidents.
7. To promote employee's welfare by providing welfare measures like recreation facilities.
8. To create a sense of belongingness among employees and to retain them. Hence, fringe benefits are called golden handcuffs.
9. To meet requirements of various legislations relating to fringe benefits.

Employee Welfare - What Is Employee Welfare

Employee welfare is a term including various services, benefits and facilities offered to employees by the employers. The welfare measures need not be monetary but in any kind/forms. This includes items such as allowances, housing, transportation, medical insurance and food. Employee welfare also includes monitoring of working conditions, creation of industrial harmony through infrastructure for health, industrial relations and insurance against disease, accident and unemployment for the workers and their families. Through such generous benefits the employer makes life worth living for employees.

Importance of Employee Welfare

As a business, you have to provide various benefits to ensure your employees' welfare. While this may increase your business expense and negatively affect your bottom line, looking after your employees will benefit you in other ways.

Compliance:

As an owner, you are required by law to provide certain benefits for the welfare of your employees. You may have to match the Social Security taxes your employees pay and obtain a worker's compensation insurance policy. If you terminate an employee, you may have to fund to extend his health insurance.

Hiring and Retention:

The benefits an employee receives from his employer for his welfare are often a significant reason why he decides to accept a job offer. As such, providing employee benefits allow you to compete with other businesses to recruit and retain qualified employees. If other employers offer better benefits, good employees may choose to go there.

Employees Motivation:

By providing a plan that's good for employees' welfare, you show them that you value them. This can help make them feel welcome and happy in your company, motivating them to work harder. If your health plan has wellness coverage and preventative care, employees are more likely to stay healthy, cutting down on absenteeism and sick days.

Employees' Well-Being:

For companies that have a large base of employees working under stressful conditions or living away from family, it is important to look at fostering personal happiness and professional growth. Investing in employees pays dividends in terms of higher productivity and greater loyalty.

Company Image:

Providing a good employee welfare plan reflects well on your business, building a good company image. It may even earn you some press coverage, giving you free publicity to improve awareness among potential customers. This may boost your sales and increase your profits.

Features of Employee Welfare

- Employee welfare is a comprehensive term including various services, facilities and amenities provided to employees for their betterment.
- Welfare measures are in addition to regular wages and other economic benefits available to employees under legal provisions and collective bargaining.

- The basic purpose of employee welfare is to improve the lot of the working class and thereby make a worker a good employee and a happy citizen.
- Employee welfare is an essential part of social welfare. It involves adjustment of an employee's work life and family life to the community or social life.
- Welfare measures may be both voluntary and statutory.

How to Develop an Effective Employee Welfare Program

- Conduct employee surveys to understand their needs and expectations
- Identify key areas of building skills and engagement and facilitating trainings for the same
- Propose solutions for personal upkeep, family uplifting and future security
- Create opportunities for greater synergies between the management and employees
- Conduct impact assessments and feedback surveys

Retirement

Retirement is the point where a person stops employment completely. A person may also semi-retire by reducing work hours.

Many people choose to retire when they are eligible for private or public pension benefits, although some are forced to retire when physical conditions no longer allow the person to work any more (by illness or accident) or as a result of legislation concerning their position. In most countries, the idea of retirement is of recent origin, being introduced during the late 19th and early 20th centuries. Previously, low life expectancy and the absence of pension arrangements meant that most workers continued to work until death. Germany was the first country to introduce retirement, in 1889.

Nowadays most developed countries have systems to provide pensions on retirement in old age, which may be sponsored by employers and/or the state. In many poorer countries, support for the old is still mainly provided through the family. Today, retirement with a pension is considered a right of the worker in many societies, and hard ideological, social, cultural and political battles have been fought over whether this is a right. In many western countries this right is mentioned in national constitutions.

Kinds of Retirement

Disability

Considerations when applying for disability retirement.

Early Retirement

Early retirement outlines Minimum Retirement Age (MRA) and annuity computations as well as Discontinued Service.

Voluntary Retirement

Voluntary Retirement eligibility is based on your age and the number of years of creditable service and any other special requirements.

Deferred Retirement

If you are a former Federal employee who was covered by the Civil Service Retirement System (CSRS), you may be eligible for a deferred annuity at age 62. Use OPM Form 1496A, Application for Deferred Retirement, to apply for deferred retirement benefits under the Civil Service Retirement System.

Resignation

A resignation is the formal act of giving up or quitting one's office or position. A resignation can occur when a person holding a position gained by election or appointment steps down, but leaving a position upon the expiration of a term is not considered resignation. When an employee chooses to leave a position it is considered a resignation, as opposed to termination, which occurs when the employee involuntarily loses a job. Whether an employee resigned or was terminated is sometimes a topic of dispute, because in many situations, a terminated employee is eligible for severance pay and/or unemployment benefits, whereas one who voluntarily resigns may not be eligible. Abdication is the equivalent of resignation of a reigning monarch or pope, or other holder of a non-political, hereditary or similar position.

Difference between "Discharge" & "Dismissal"

Discharge- Separation on mutual understanding between employee & employer which is in line with the procedures of the organisation. Example: Resignation

Dismissal- Removal of the person from the organisation as a punishment for his doing.
Example: Termination.

Discharge and Dismissal, both are forms of punishment resulting in termination of Employment of an employed person by an action of the Employer. Both can be on grounds of In-Discipline/ acts of Misconduct for which a fair & proper Domestic Inquiry as per laid down procedure been held. Dismissal is a punishment for severe/grave acts of misconduct when the Employers may /can withhold settlement payments like Gratuity whereas in Discharge cases by way of punishment, the Employers releases all of settlement dues. It is true that Discharge from Company's Service also mean termination on account of Acceptance of (Voluntary) Resignation, on Medical Unfitness for Long Period, Superannuation etc.

Suspension:

Suspension is a common practice in the workplace for being in violation of an organization's policy, or major breaches of policy. Work suspensions occur when a business manager or supervisor deems an action of an employee, whether intentional or unintentional, to be a violation of policy that should result in a course of punishment, and when the employee's absence during the suspension period does not affect the company. This form of action hurts the employee because s/he will have no hours of work during the suspended period and therefore will not get paid, unless the suspension is with pay, or is challenged and subsequently overturned. Some jobs, which pay on salary, may have paid suspensions, in which the affected worker will be prevented from coming to work but will still receive pay. Generally, suspensions are deemed most effective if the affected worker remains unpaid. Suspensions are usually given after other means of counseling statements have been exhausted, but some violations may result in immediate suspension. Suspensions are tracked, and any number of them, even one may prevent one from receiving raises, bonuses or promotions, or could cause dismissal from the company.

Suspension clauses are common components of collective bargaining agreements. Suspensions may be challenged by employees in unionized organizations through the filing of a grievance.

Suspension on full pay can also be used when an employee needs to be removed from the workplace to avoid prejudicing an investigation. This is used not as a punishment, but in the employer's best interest. For example, a police officer who shoots a person while on duty will be given a suspension with pay during the investigation, not to punish, but to enable the department to carry out its investigation. Most officers involved in such shootings end up receiving no punishment.

Lay off

Layoff (in British and American English), also called redundancy in the UK, is the temporary suspension of an employee or (more commonly) a group of employees for business reasons, such as when certain positions are no longer necessary or when a business slow-down occurs.

Originally the term layoff referred exclusively to a temporary interruption in work, as when factory work cyclically falls off. The term however nowadays usually means the permanent elimination of a position, requiring the addition of "temporary" to specify the original meaning.

Many synonyms such as downsizing exist, most of which are euphemisms or doublespeak and more abstract descriptions of the process, most of which can also be used for more inclusive processes than that of reducing the number of employees. Downsizing is defined as the "conscious use of permanent personnel reductions in an attempt to improve efficiency and/or effectiveness". Since the 1980s, downsizing has become increasingly common. Indeed, recent research on downsizing in the U.S., UK, and Japan suggests that downsizing is being regarded by management as one of the preferred routes to turning around declining organisations, cutting costs, and improving organisational performance, most often as a cost-cutting measure.

Voluntary retirement scheme – (VRS)

Definition: Voluntary retirement scheme is a method used by companies to reduce surplus staff. This mode has come about in India as labour laws do not permit direct retrenchment of unionized employees.

Description: VRS applies to an employee who has completed 10 years of service or is above 40 years of age. ? It should apply to all employees (by whatever name called), including workers and executives of a company or of an authority or of a co-operative society, excepting directors of a company or a co-operative society.

It has to result in an overall reduction in the existing strength of employees. ? The vacancy caused by voluntary retirement is not to be filled up. The retiring employee shall not be employed in another company or concern belonging to the same management. The amount receivable on account of voluntary retirement of the employee does not exceed the amount equivalent to three months' salary for each completed year of service, or salary at the time of retirement multiplied by the balance months of service left before the date of retirement on superannuation of the employee. It is the last salary drawn which is to form the basis for computing the amount of payment. Most large public and private sector companies have implemented VRS in recent years.

Separation Schemes

A Traffic Separation Scheme or TSS is a traffic-management route-system ruled by the International Maritime Organization or IMO. The traffic-lanes (or clearways) indicate the general direction of the ships in that zone; ships navigating within a TSS all sail in the same direction or they cross the lane in an angle as close to 90 degrees as possible.

TSSs are used to regulate the traffic at busy, confined waterways or around capes. Within a TSS you normally see at least one traffic-lane in each main-direction, turning-points, deep-water lanes and separation zones between the main traffic lanes. In most cases you can find an "inshore traffic zone" between the traffic-lanes and the coast.

Golden Handshake

A golden handshake is a clause in an executive employment contract that provides the executive with a significant severance package in the case that the executive loses his or her job through firing, restructuring, or even scheduled retirement. This can be in the form of cash, equity, and other benefits, and is often accompanied by an accelerated vesting of stock options.

According to Investopedia, golden handshake is similar to, but more generous than a golden parachute because it not only provides monetary compensation and/or stock options at the termination of employment, it includes the same severance packages executives would get at retirement.

The term originated in Britain in the mid-1960s. It was first coined by the city editor of the Daily Express, Frederick Ellis. It later gained currency in New Zealand in the late 1990s over the controversial departures of various state sector executives.

Typically, "golden handshakes" are offered only to high-ranking executives by major corporations and may entail a value measured in millions of dollars. Golden handshakes are given to offset the risk inherent in taking the new job, since high-ranking executives have a high likelihood of being fired and since a company requiring an outsider to come in at such a high level may be in a precarious financial position. Their use has caused some investors concern since they do not specify that the executive had to perform well. In some high-profile instances, executives cashed in their stock options, while under their stewardship their companies lost millions of dollars and thousands of workers were laid off.

UNIT -V
PERFORMANCE APPRAISAL

SCOPE OF SERVICES - INDUSTRIAL RELATIONS

- ❑ Assisting with or chairing disciplinary and grievance hearings
- ❑ Facilitating poor performance / incapacity counselling meetings
- ❑ Facilitating mutual agreement terminations and terminations arising from incompatibility
- ❑ Drafting and negotiating disciplinary and workplace codes
- ❑ Negotiating recognition / access and procedural agreements
- ❑ Negotiating wage and substantive agreements
- ❑ Assistance in preparing for / or representation in Mediation and Arbitration proceedings (CCMA and Bargaining Councils)
- ❑ Guiding employers through organisational restructuring exercises (retrenchments / redundancies mergers, acquisitions, retrenchments, redundancies, changing conditions of employment) and assisting with / leading the consultation / negotiation processes
- ❑ Guiding employers through strikes, go-slows, work-to-rule, lockouts, picketing and other industrial action
- ❑ Contract Administration & Interpretation
- ❑ Grievances
- ❑ Managing and Monitoring Union Relations
- ❑ Workplace Forums
- ❑ IR Policy Development

SOLUTIONS

We provide an integrated solution to day-to-day industrial relations and employee management concerns. We ensure the transfer of essential IR skills and knowledge to supervisors, management and employees / shop stewards. Each client's needs are evaluated individually and appropriate interventions costed and agreed to by client. Clients have the option of using our consultants or independently through Perrott Van Niekerk and Woodhouse Inc. for Labour Court, CCMA litigation and legal opinions.

Industrial Relations Solutions

Description

- 1. *Employer Association Membership*** □ Membership of registered national independent employer association, promoting employer interests and effective implementation of labour legislation.
- 2. *Industrial Relations Corporate Compliance Audit*** □ Comprehensive industrial relations audit focusing on compliance with labour laws and accepted industrial relations practices. Ensuring IR strategies are aligned with corporate goals / business objectives.
- 3. *Supervisory and Shop Steward IR Training*** □ On-site training of key employees on essential IR practices, ensuring effective transfer of skills into the organisation. Focusing on managing employee conduct, performance, incapacity and grievances.
- 4. *Bi-annual seminars on labour developments*** □ Labour law seminars conducted by in-house consultants and recognised labour attorneys on key developments in labour laws, case law and workplace practices.
- 5. *Industrial Relations Management Manual*** □ Development of customised and practical IR manual addressing significant and most common IR interventions, from strikes and industrial action to initiating disciplinary action & monitoring time and attendance.
- 6. *Employee communication - Line Ups*** □ Implementation of daily / weekly

communication strategy ensuring corporate goals, key business indicators, and essential skills, knowledge and behaviours are transferred to employees.

SUPPORT SERVICES

In addition to the IR Solutions offered by Workplace Performance Technologies we provide a range of ongoing onsite support services. Our services may either be retained through membership of the employers association or on an ad hoc basis. Designated Regional Account Managers provide support services.

1. *Chairing of Disciplinary / Appeal / Dispute hearings* □
2. *Wage Negotiations* □ Preparation for and facilitating of annual wage negotiations. Strike preparation and representation in collective dispute proceedings.
3. *Pre-hearing preparation (internal hearings, conciliation and arbitrations). Representation at CCMA proceedings.* □
4. *Designated regional consultant / account manager* □ Regional Account Managers providing on-site and telephonic support services. Assist in all legal and trade union disputes, and drafting appropriate documentation.
5. *Free Monthly e-newsletters & legislative updates* □ Comprehensive free monthly e-newsletter covering key HR / IR issues (Skills training, Employment Equity,

IR, Labour court awards, and emerging
HR issues)

6. *Telephonic support*

- 24/7 Telephonic support

METRICS & MEASUREMENTS OF SUCCESS

In consultation with the client, specific performance indicators are determined to ensure that industrial relations outcomes are being achieved. Aside from meeting legislative requirements, critical industrial relations outcomes are identified in accordance with corporate goals and objectives.

- Litigation costs
- Dispute Settlement Fees
- Awareness of Company rules and regulations, parameters for acceptable performance and conduct
- Transference of IR skills to supervisors
- Improved employee productivity
- Reduced staffing requirements
- Comparative salary / wage costs
- Employee grievances and disputes (employee satisfaction)
- Limited third party intervention

Trade union

A trade union (British English – trades union and amalgamation are also used), labour union (Canadian English) or labor union (American English) is an organization of workers who have banded together to achieve common goals such as protecting the integrity of its trade, achieving higher pay, increasing the number of employees an employer hires, and better working conditions. The trade union, through its leadership, bargains with the employer on behalf of union members (rank and file members) and negotiates labour contracts (collective bargaining) with employers. The most common purpose of these associations or unions is "maintaining or improving the conditions of their employment". This may include the negotiation of wages, work rules, complaint procedures, rules governing hiring, firing and promotion of workers, benefits, workplace safety and policies.

Objects of Trade Unions

The main object of the trade unions development was to protect the interest of its members against the exploitation of employers. Now they are not only the safeguards of the interests of the members against any industrial hazards but they are also the representative spokesmen of organized labour and may be organized to achieve several objects of their members.

Usually they organize to achieve the following objects:

- (1) Better Wages - The main object of trade unions is to secure the better wages for the workers in keeping with the prevailing standards and the cost of living in the country. They strive to obtain a part of the increased prosperity of industry for the members in the form of bonus.
- (2) Better Working Conditions - Trade union, strive for better working conditions for the workers by procuring shorter work, hours, leave with pay, social security benefits and other welfare facilities.
- (3) Protection Against Victimization - Trade unions not only minimize the helplessness of the individual workers by making them stand collectively and increasing their resistance power through collective bargaining but also protect their members against victimization or injustice of the employers.

Role of Trade Unions

The basic function of unions is to protect and promote the interest of the workers and conditions of their employment. The other factors are:

- i) achieving higher wages and better working and living conditions for the members;
- ii) Acquiring the control of industry by workers;
- iii) Minimizing the helplessness of the individual workers by making them stand collectively and increasing their resistance power through collective bargaining; protecting the members against victimization and injustice of the employers;
- iv) Raising the status of the workers as partners of industry and citizens of society by demanding increasing share for the workers in the management of industrial enterprises;
- v) Providing a worker self-confidence and a feeling that he is not simply a cog in the machine;
- vi) Imbibing-sincerity and discipline in workers; and

vii) Taking up welfare measures for improving the morale of the workers.

Collective bargaining

Collective bargaining is a process of negotiations between employers and a group of employees aimed at reaching agreements that regulate working conditions. The interests of the employees are commonly presented by representatives of a trade union to which the employees belong. The collective agreements reached by these negotiations usually set out wage scales, working hours, training, health and safety, overtime, grievance mechanisms, and rights to participate in workplace or company affairs.

The union may negotiate with a single employer (who is typically representing a company's shareholders) or may negotiate with a group of businesses, depending on the country, to reach an industry wide agreement. A collective agreement functions as a labor contract between an employer and one or more unions. Collective bargaining consists of the process of negotiation between representatives of a union and employers (generally represented by management, in some countries such as Austria, Sweden and the Netherlands by an employers' organization) in respect of the terms and conditions of employment of employees, such as wages, hours of work, working conditions, grievance-procedures, and about the rights and responsibilities of trade unions. The parties often refer to the result of the negotiation as a collective bargaining agreement (CBA) or as a collective employment agreement (CEA).

WORKERS PARTICIPATION IN MANAGEMENT

Workers' participation in management is an essential ingredient of Industrial democracy. The concept of workers' participation in management is based on Human Relations approach to Management which brought about a new set of values to labour and management. Traditionally the concept of Workers' Participation in Management (WPM) refers to participation of non-managerial employees in the decision-making process of the organization. Workers' participation is also known as 'labour participation' or 'employee participation' in management. In Germany it is known as co-determination while in Yugoslavia it is known as self-

management. The International Labour Organization has been encouraging member nations to promote the scheme of Workers' Participation in Management.

Workers' participation in management implies mental and emotional involvement of workers in the management of Enterprise. It is considered as a mechanism where workers have a say in the decision-

The philosophy underlying workers' participation stresses:

- democratic participation in decision-making;
- maximum employer-employee collaboration;
- minimum state intervention;
- realisation of a greater measure of social justice;
- greater industrial efficiency; and
- higher level of organisational health and effectiveness.

It has been varyingly understood and practised as a system of joint consultation in industry; as a form of labour management cooperation; as a recognition of the principle of co-partnership, and as an instrument of industrial democracy. Consequently, participation has assumed different forms, varying from mere voluntary sharing of information by management with the workers to formal participation by the latter in actual decision-making process of management.

Definitions:

The concept of WPM is a broad and complex one. Depending on the socio-political environment and cultural conditions, the scope and contents of participation change.

International Institute of Labour Studies:

WPM is the participation resulting from the practices which increase the scope for employees' share of influence in decision-making at different tiers of organizational hierarchy with concomitant (related) assumption of responsibility.

ILO:

Workers' participation, may broadly be taken to cover all terms of association of workers and their representatives with the decision-making process, ranging from exchange of information, consultations, decisions and negotiations, to more institutionalized forms such as the presence of workers' member on management or supervisory boards or even management by workers themselves (as practiced in Yugoslavia).

The main implications of workers' participation in management as summarized by ILO:

Workers have ideas which can be useful;

Workers may work more intelligently if they are informed about the reasons for and then intention of decisions that are taken in a participative atmosphere

According to Keith Davis, Participation refers to the mental and emotional involvement of a person in a group situation which encourages him to contribute to group goals and share the responsibility of achievement.

According to Walpole, Participation in Management gives the worker a sense of importance, pride and accomplishment; it gives him the freedom of opportunity for self-expression; a feeling of belongingness with the place of work and a sense of workmanship and creativity.

Clegg says, "It implies a situation where workers representatives are, to some extent, involved in the process of management decision making, but where the ultimate power is in the hands of the management".

According to Dr. Davis, "it is a mental and emotional involvement of a person in a group situation which encourages him to contribute to goals and share responsibilities in them".

Objectives of Workers Participation in Management

The objectives of workers' participation in management are as follows:

To raise level of motivation of workers by closer involvement.

To provide opportunity for expression and to provide a sense of importance to workers.

To develop ties of understanding leading to better effort and harmony.

To act on a device to counter-balance powers of managers.

To act on a panacea for solving industrial relation problems.

Specific of Purpose of Workers' Participation

1. It helps in managing resistance to change which is inevitable. For the growth and development of industry, changes have to be welcomed, otherwise the organization will stagnate and be left behind. If the need for change is jointly felt by all partners of production its acceptance can be high. Workers' participation in change strategy can facilitate acceptable solutions with a view to secure effective and smooth implementations of decisions.
2. Workers' participation can encourage communication at all levels. Since both partners of production are involved in the decision-making there will be fewer changes of distortion and/or failure in communicating the decision.
3. Joint decision- making ensures the there will be minimum industrial conflict an economic growth can be free from distracting strife.
4. Workers' participation at the plant level can be seen as the first step to establishing democratic values in society at large.

Elements of Participation

The term “participation” has different meanings for different purposes in different situations. McGregor is of the view that participation is one of the most misunderstood idea that has emerged from the field of human relations. Keith Davis has defined the term “participation” as the mental and emotional involvement of a person in a group situation which encourages him to contribute to group goals and share responsibilities in them. This definition envisages three important elements in participation. Firstly, it means mental and emotional involvement rather than mere physical activity; secondly, participation must motivate a person to contribute to a specific situation to invest his own resources, such as initiative, knowledge, creativity and ingenuity in the objectives of the organisation; and thirdly, it encourages people to share responsibility for a decision or activity. Sharing of responsibility commits people to ensure the success of the decision or activity.

Forms of Participation

Different forms of participation are discussed below:

Collective Bargaining: Collective bargaining results in collective agreements which lay down certain rules and conditions of service in an establishment. Such agreements are normally binding on the parties. Theoretically, collective bargaining is based on the principle of balance of power, but, in actual practice, each party tries to outbid the other and get maximum advantage by using, if necessary, threats and counterthreats like; strikes, lockouts and other direct actions. Joint consultation, on the other hand, is a particular technique which is intended to achieve a greater degree of harmony and cooperation by emphasising matters of common interest. Workers prefer to use the instrument of collective bargaining rather than ask for a share in management. Workers' participation in the U.S.A has been ensured almost exclusively by means of collective agreements and their application and interpretation rather than by way of labour representation in management.

Works Councils: These are exclusive bodies of employees, assigned with different functions in the management of an enterprise. In West Germany, the works councils have various decision-making functions. In some countries, their role is limited only to receiving information about the enterprise. In Yugoslavia, these councils have wider decision-making powers in an enterprise like; appointment, promotion, salary fixation and also major investment decisions.

Joint Management Councils and Committees: Mainly these bodies are consultative and advisory, with decision-making being left to the top management. This system of participation is prevalent in many countries, including Britain and India. As they are consultative and advisory, neither the managements nor the workers take them seriously.

Board Representation: The role of a worker representative in the board of directors is essentially one of negotiating the worker's interest with the other members of the board. At times, this may result in tension and friction inside the board room. The effectiveness of workers' representative at the board depend upon his ability to participate in decision-making,

his knowledge of the company affairs, his educational background, his level of understanding and also on the number of worker representatives in the Board.

Workers Ownership of Enterprise: Social self-management in Yugoslavia is an example of complete control of management by workers through an elected board and workers council. Even in such a system, there exist two distinct managerial and operative functions with different sets of persons to perform them. Though workers have the option to influence all the decisions taken at the top level, in actual practice, the board and the top management team assume a fairly independent role in taking major policy decisions for the enterprises, especially in economic matters.

Time Management:

Time management is the act or process of planning and exercising conscious control over the amount of time spent on specific activities, especially to increase effectiveness, efficiency or productivity. Time management may be aided by a range of skills, tools, and techniques used to manage time when accomplishing specific tasks, projects and goals complying with a due date. Initially, time management referred to just business or work activities, but eventually the term broadened to include personal activities as well. A time management system is a designed combination of processes, tools, techniques, and methods. Time management is usually a necessity in any project development as it determines the project completion time and scope.

Time management is necessary because available time is limited, time cannot be stored: if unused it is lost forever, one's goals are usually multiple, sometimes conflict, and not all goals are of equal priority, goals cannot be accomplished without the application of effort, which requires the use of time.

Time management

Developing time management skills is a journey that may begin with this Guide, but needs practice and other guidance along the way.

One goal is to help yourself become aware of how you use your time as one resource in organizing, prioritizing, and succeeding in your studies in the context of competing activities of friends, work, family, etc.

First: try our exercise in time management:

How do you spend your time each day?

Strategies on using time:

These applications of time management have proven to be effective as good study habits.

As we go through each strategy, jot down an idea of what each will look like for you:

Blocks of study time and breaks

As your school term begins and your course schedule is set, develop and plan for, blocks of study time in a typical week. Blocks ideally are around 50 minutes, but perhaps you become restless after only 30 minutes? Some difficult material may require more frequent breaks. Shorten your study blocks if necessary-but don't forget to return to the task at hand! What you do during your break should give you an opportunity to have a snack, relax, or otherwise refresh or re-energize yourself. For example, place blocks of time when you are most productive: are you a morning person or a night owl?

Jot down one best time block you can study. How long is it? What makes for a good break for you? Can you control the activity and return to your studies?

Dedicated study spaces

Determine a place free from distraction (no cell phone or text messaging!) where you can maximize your concentration and be free of the distractions that friends or hobbies can bring! You should also have a back-up space that you can escape to, like the library, departmental study center, even a coffee shop where you can be anonymous. A change of venue may also bring extra resources.

What is the best study space you can think of? What is another?

Weekly reviews

Weekly reviews and updates are also an important strategy. Each week, like a Sunday night, review your assignments, your notes, your calendar. Be mindful that as deadlines and exams approach, your weekly routine must adapt to them!

What is the best time in a week you can review?

Prioritize your assignments

When studying, get in the habit of beginning with the most difficult subject or task. You'll be fresh, and have more energy to take them on when you are at your best. For more difficult courses of study, try to be flexible: for example, build in reaction time when you can get feedback on assignments before they are due.

What subject has always caused you problems?

Achieve "stage one"--get something done!

The Chinese adage of the longest journey starting with a single step has a couple of meanings: First, you launch the project! Second, by starting, you may realize that there are some things you have not planned for in your process. Details of an assignment are not always evident until you begin the assignment. Another adage is that "perfection is the enemy of good", especially when it prevents you from starting! Given that you build in review, roughly draft your idea and get going! You will have time to edit and develop later.

What is a first step you can identify for an assignment to get yourself started?

Postpone unnecessary activities until the work is done!

Postpone tasks or routines that can be put off until your school work is finished!

This can be the most difficult challenge of time management. As learners we always meet unexpected opportunities that look appealing, then result in poor performance on a test, on a paper, or in preparation for a task. Distracting activities will be more enjoyable later without the pressure of the test, assignment, etc. hanging over your head. Think in terms of pride of accomplishment. Instead of saying "no" learn to say "later".

What is one distraction that causes you to stop studying?

Identify resources to help you

Are there tutors? An expert friend? Have you tried a keyword search on the Internet to get better explanations? Are there specialists in the library that can point you to resources? What about professionals and professional organizations. Using outside resources can save you time and energy, and solve problems.

Write down three examples for that difficult subject above?

Be as specific as possible.

Use your free time wisely

Think of times when you can study "bits" as when walking, riding the bus, etc. Perhaps you've got music to listen to for your course in music appreciation, or drills in language learning? If you are walking or biking to school, when best to listen? Perhaps you are in a line waiting? Perfect for routine tasks like flash cards, or if you can concentrate, to read or review a chapter. The bottom line is to put your time to good use.

What is one example of applying free time to your studies?

Review notes and readings just before class

This may prompt a question or two about something you don't quite understand, to ask about in class, or after. It also demonstrates to your teacher that you are interested and have prepared.

How would you make time to review?

Is there free time you can use?

Review lecture notes just after class

Then review lecture material immediately after class.

The first 24 hours are critical. Forgetting is greatest within 24 hours without review!

How would you do this?

Is there free time you can use?

Select one of the ten applications above.

and develop a new study habit!

Try something you have a good chance of following through and accomplishing.
Nothing succeeds like a first successful try!