**UNIT-I**

**Human Resource Management**

Human Resource Management in its simplest definition means management of organization’s manpower or workforce or human resources.

**DEFINITION:**

According to Leon C. Megginson “From the national point of view human resources are knowledge, skills, creative abilities, talents, and attitudes obtained in the population; whereas from the view-point of the individual enterprise, they represent the total of the inherent abilities, acquired knowledge and skills as exemplified in the talents and aptitude of its employees”.

According to Flippo “Personnel management, or say, human resource management is the planning, organising, directing and controlling of the procurement development compensation integration, 4intenance, and separation of human resources to the end that individual, organisational and social objectives are accomplished”.

**CHARACTERISTICS**

**1. It is an art and a science:**

The art and science of HRM is indeed very complex. HRM is both the art of managing people by recourse to creative and innovative approaches; it is a science as well because of the precision and rigorous application of theory that is required.

**2. It is pervasive:**

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

**3. It is a continuous process:**

First, it is a process as there are number of functions to be performed in a series, beginning with human resource planning to recruitment to selection, to training to performance appraisal.To be specific, the HRM process includes acquisition (HR planning, recruitment, selection, placement, socialisation), development (training and development, and career development), utilisation (job design, motivation, performance appraisal and reward management), and maintenance (labour relations, employee discipline, grievance handling, welfare, and termination). Second, it is continuous, because HRM is a never-ending process.

**4. HRM is a service function:**

HRM is not a profit centre. It serves all other functional departments. But the basic responsibility always lies with the line managers. HRM is a staff function – a facilitator. The HR Manager has line authority only within his own department, but has staff authority as far as other departments are concerned.

**5. HRM must be regulation-friendly:**

The HRM function has to be discharged in a manner that legal dictates are not violated. Equal opportunity and equal pay for all, inclusion of communities in employment, inclusion of tribal’s (like Posco or Vedanta projects) and farmers in the benefits and non-violation of human rights must be taken care of by the HRM.

**6. Interdisciplinary and fast changing:**

It is encompassing welfare, manpower, personnel management, and keeps close association with employee and industrial relations. It is multi- disciplinary activity utilising knowledge and inputs from psychology, sociology, economics, etc. It is changing itself in accordance with the changing environment. It has travelled from exploitation of workers to treating them as equal partners in the task.

**7. Focus on results:**

HRM is performance oriented. It has its focus on results, rather than on rules. It encourages people to give their 100%. It tries to secure the best from people by winning the whole hearted cooperation. It is a process of bringing people and organization together so that the goals of each are met. It is commitment oriented.

**8. People-centred:**

HRM is about people at work both as individuals and a group. It tries to help employees to develop their potential fully. It comprises people-related functions like hiring, training and development, performance appraisal, working environment, etc.

HRM has the responsibility of building human capital. People are vital for achieving organizational goals. Organizational performance depends on the quality of people and employees.

**9. Human relations philosophy:**

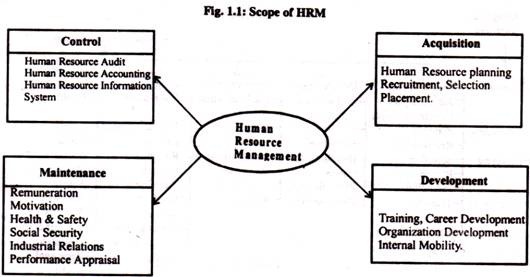
HRM is a philosophy and the basic assumption is that employees are human beings and not a factor of production like land, labour or capital. HRM recognises individuality and individual differences. Every manager to be successful must possess social skills to manage people with differing needs.

**10. An integrated concept:**

HRM in its scope includes Personnel aspect, Welfare aspect and Industrial relations aspect in itself. It is also integrated as it concern with not only acquisition, but also development, utilisation, and maintenance.

**SCOPE**

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

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**The National Institute of personnel Management, Calcutta has specified the scope of HRM as follows:**

**1. The Labour or Personnel Aspect:**

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

**2. Welfare Aspect:**

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

**3. Industrial Relations Aspects:**

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

**This primary objective can further be divided into the following sub-objectives:**

1. To help the organisation to attain its goals effectively and efficiently by providing competent and motivated employees.

2. To utilize the available human resources effectively.

3. To increase to the fullest the employee’s job satisfaction and self-actualisation.

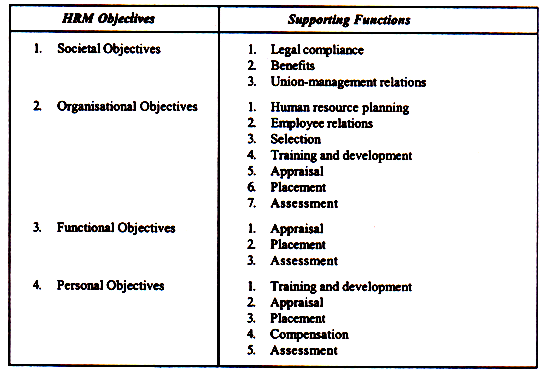
4. To develop and maintain the quality of work life (QWL) which makes employment in the organisation a desirable personal and social situation.

5. To help maintain ethical policies and behaviour inside and outside the organisation.

6. To establish and maintain cordial relations between employees and management.

7. To reconcile individual/group goals with organisational goals.

**HRM Objectives and Functions:**

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**FUNCTIONS OF PERSONNEL DEPARTMENT**

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

**(1) Managerial functions, and**

**(2) Operative functions**

These are discussed in turn.

**(1) Managerial Functions:**

**Planning:**

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

**Organising:**

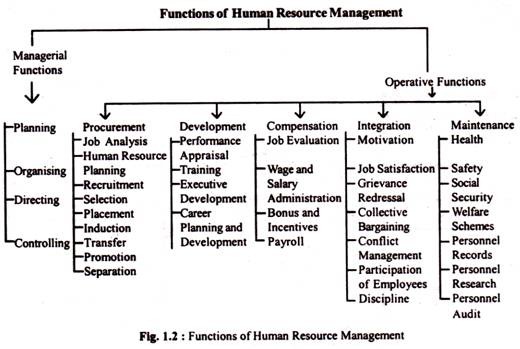
Organising is a process by which the structure and allocation of jobs are determined. Thus organising involves giving each subordinate a specific task establishing departments, delegating authority to subordinates, establishing channels of authority and communication, coordinating the work of subordinates,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

**Staffing:**

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

**Directing/Leading:**

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

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**Controlling:**

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

**(2) Operative Functions:**

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

**A brief description of these follows:**

**Procurement:**

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

**Development:**

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

**Compensation:**

Compensation function involves determination of wages and salaries matching with contribution made by employees to organisational goals. In other words, this function ensures equitable and fair remuneration for employees in the organisation. It consists of activities such as job evaluation, wage and salary administration, bonus, incentives, etc.

**Maintenance:**

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

It is important to note that the managerial and operative functions of HRM are performed in conjunction with each other in an organisation, be large or small organisations. Having discussed the scope and functions of HRM, now it seems pertinent to delineate the HRM scenario in India.

**UNIT II**

## Need of HRPlanning

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.

## Importance of HR 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. Seting 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 trough 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 it's related activities ( Performance appraisal, training and development, remuneration)

**Steps in HRPlanning**

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.

1. **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:

* 1. **Expert Forecasts:** This includes informal decisions, formal expert surveys and Delphi technique.
  2. **Trend Analysis:** Manpower needs can be projected through extrapolation (projecting past trends), indexation (using base year as basis), and statistical analysis (central tendency measure).
  3. **Work Load Analysis:** It is dependent upon the nature of work load in a department, in a branch or in a division.
  4. **Work Force Analysis:** Whenever production and time period has to be analysed, due allowances have to be made for getting net manpower requirements.
  5. **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.

1. **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.
2. **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.

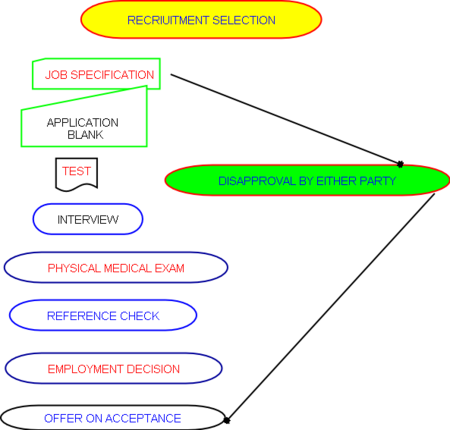
### Recruitment

This is the process of searching for and obtaining sufficient number and quality of potential job seekers or applicants to enable the organisaton to select the most appropriate people to fill its job needs. It is pertinet to note that the process of recruitment must begin with a clear specification or understanding of manpower needs. It should consider the time that the manpower requirement must be met for instance the Labour market for fresh graduates with less than year experience in the National Youths Service Corps. Labour market simple means an area where employers could easily get the type of workers they need to carry out relevant duties and employees are available to sell their labour or seek employment

### Selection and Placement

Selection is a process of gathering information for the purposes of evalvating and deciding who should be employed or hired for the short and Long-term interests of the individual and the organisation.In otherwords it is the process of getting the best of most qualified condidates from the pool of job seekers adjudged to have potentialfor job performance.

**The importance of selection and placement**

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**The importance of selection and placement ;**

1. To fairly and without any element of discriminiation evalvate job applicants in view of individual differnces and capabilities .
2. To empploy qualified and competent hands that can meet the job requirenment of the organisation
3. To place job applicants in the best interest of the organisation and the individual.
4. To help in human resources|manpower planning purposes in organisation.
5. To reduce recruitment cost that may arise as a result of poor selection and placement exercises.

**Meaning and definition of interview**

    “Interviewing” is meant “deliberate, active listing with a purpose to draw the other person out, to discover what he really wants to say, and to give a chance to express himself freely.”

“An interview is an attempt to secure maximum amount of information form the candidate concerning his suitability for the job under consideration.”

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

**Objectives & importance of interview**

**In the selection process, interviews serve the following purposes:**

1. To cross-check or verify the information obtained in earlier steps,

   i.e. application form and tests.

1. To judge the candidate’s qualification and characteristics so as to decided whether or not to select him.
2. To give the candidate essential facts about the job and the company to enable him to to decide intelligently whether he should or should not accept the employment.
3. To established a rapport or mutual understanding between the company and the candidate and to promote the company’s goodwill.

**Steps in interview process**

An effective interview involves the following sequence of steps:

**1.)**    **Preparation for the interview:-**

Advance preparation is essential for a successful interview. The following arrangements should be made before the interview begins:

Determining the objectives of the interview.

Choosing the appropriate type of interview.

Acquainting oneself about the candidate.

Determining the type of information to be obtained.

Selecting the right interviewers.

Selecting the candidates to be interviewed by checking and comparing their applications and test scores.

Finalising the interview assessment forms.

**2.)**    **The physical setting:**

                     The place of interview should be both private and comfortable. It should be neat and clean, well lighted. It should be free from noise and interruptions. The candidates should be properly received and should be guided into the interview room. The interview should start at the fixed time and the candidates should not be required to wait unnecessarily.

**3.)**    **Conducting the interview:**

 This step is heart of the interview process. In this activities are follows.

Establishing rapport with the candidate and gaining his confidence exchange of a smile, offering seat to the candidate, etc.

Getting complete information-for this purpose,

Ask open-close question.

Use the language which is clear to the candidate.

Recording the observation- the interview should write down in brief  his observation of the candidate on the interview forms. Such notes will indicate to the candidate the interviewer’s interest and thereby encourage him to talk freely. These notes will also be helpful in evaluating the candidate later.

**4.)**    **Closing the interview:**

                               The Close of the interview is as significant as it beginning. The interview is a trying situation for the candidate. Therefore, it should end with a happy note without any awkward situation. before closing the interview the candidate should be asked whether he wants to make any comments in order to  the interviewer may show some sing at an appropriates time . Laying down the pen, pushing back the chair saying thank you, that's all are these sings.

**5.)**    **Evaluation of results:**

                               after interviewers is over, the interviewer should evaluation the candidate’s suitability for the job . It is based on observation impression and information collected during the interview. The evaluation may be done either by grades ranging from A to E . After the interview , a list of selected candidates is prepared.

**Types of interview**

 The interviews are classified by the purpose for which the interview is held.

**Promotion interview:-**

                                     persons due for promotion are interviewed even if there is no competition. The interview is likely to be informal and serves as induction into a new team, with new responsibilities. Clarification about nature of duties, responsibilities and expectations are made during a promotion interview.

**Informal interview:-**

                          It is planned and is used when the staff is required urgently. A friend or relative of the employer may take a candidate to the house of employer or manager who ask few questions like name, birth place ,educations and experience,etc. when candidate enquires about the vacancies after reading an advertisement, it’s a example of  informal interview.

**Formal interview:**

                             This type of interview is preplanned and is held in a formal atmosphere. All the formalities  and procedure,e.g.the time, the venue and the questions to be asked are decided  in advance.

**Appraisal or assessment interview:-**

  An appraisal interview is one of the methods of periodical assessment of employees. There are other methods like completion of self assessment forms and assessment by supervisors. But annual appraisal interview is the best method for judging employees' attitudes. A face-to-face confidential talk is an opportunity for both , the employee an the supervisor to discuss several issues.

**Patterned or structured interview:**

  Such interview is fully planned to a high degree of accuracy and precision. It’s  based on the assumption that to be more effective every pertinent detail should be worked out in advance. Therefore, a list questions to be asked is prepared and the questions are asked  in a particular cycle. The time to be allowed to each  candidate and the information to be sought a predecided. The interviewer is carefully selected.

   The interviewer actively participates and the candidate is expected only to answer the questions. Thus, a standardized pattern is adopted or the structure of the interview is decided in advance. Such interview is also known as directed or guided interview.

  It allows for a systematic coverage of the required information.

**Stress Interview:  -**

This interview aims at testing the candidate’s job behavior and level of with standing during the period of stress and strain. Interviewer tests the candidate by putting him under stress and strain by interrupting the applicant from answering, criticizing his opinions, asking questions pertaining to unrelated areas, keeping silent for unduly long period after he has finished speaking etc. Stress during the middle portion of the interview gives effective results. Stress interview must be handled with at most care and skill. This type of interview is often invalid.   
As the interviewee’s need for a job, his previous experience in such type of interviews may inhibit his actual behavior under such situations.  
**Behavioral Interview:-**

    In a behavioral interview, the interviewer will ask you questions based on common situations of the job you are applying for. The logic behind the behavioral interview is that your future performance will be based on a past performance of a similar situation. You should expect questions that inquire about what you did when you were in XXX situation and how did you dealt with it. In a behavioral interview, the interviewer wants to see how you deal with certain problems and what you do to solve them.

**Group Interview:-**

Many times companies will conduct a group interview to quickly prescreen candidates for the job opening as well as give the candidates the chance to quickly learn about the company to see if they want to work there. Many times, a group interview will begin with a short presentation about the company. After that, they may speak to each candidate individually and ask them a few questions.   
One of the most important things the employer is observing during a group interview, is how you interact with the other candidates. Are you emerging as a leader or are you more likely to complete tasks that are asked of you? Neither is necessarily better than the other, it just depends on what type of personality works best for the position that needs to be filled.

**Lunch Interview:-**

 Many times lunch interviews are conducted as a second interview. The company will invite you to lunch with additional members of the team to further get to know you and see how you fit in. This is a great time to ask any questions you may have about the company or position as well, so make sure you prepare your questions in advance.

 Although you are being treated to a meal, the interview is not about the food. Don't order anything that is too expensive or messy to eat. Never take your leftovers home in a doggy bag either. You want to have your best table manners and be as neat as possible. You don't need to offer to pay, it is never expected for a candidate to pay at a lunch interview.  
  
     Chew quietly and in small bites so you don't get caught with a mouthful of food when the recruiter asks you a question.

**Group Discussion Interview:-**

  There are two methods of conducting group discussion interview, namely group interview method and discussion interview method. All candidates are brought into one room i.e. interview room and are interviewed one by one under group interview This method helps a busy executive to save valuable time and gives a fair account of the objectivity of the interview to the candidates.  
Under the discussion interview method, one topic is given for discussion to the candidates who assemble in one room and they are asked to discuss the topic in detail. This type of interview helps the interviewer in appraising, certain skills of the candidates like initiative, inter-personal skills, dynamism, presentation, leading comprehension, collaboration etc.  
Interviewers are at ease in this category of interview because of its informality and flexibility. But it may fail to cover some significant portions of the candidates’ background and skills

**Depth Interview:**

 In this type of Interview, the candidates would be examined extensively in core areas of knowledge and skills of the job. Experts in that particular field examine the candidates by posing relevant questions as to extract critical answers from them, initiating discussions regarding critical areas of the job, and by asking the candidates to explain even minute operations of the job performance. Thus, the candidate is examined thoroughly in critical / core areas in their interviews.

**Phone interview:**

 A phone interview may be for a position where the candidate is not local or for an initial prescreening call to see if they want to invite you in for an in-person interview. You may be asked typical questions or behavioral questions.  
 Most of the time you will schedule an appointment for a phone interview. If the interviewer calls unexpectedly, it's ok to ask them politely to schedule an appointment. On a phone interview, make sure your call waiting is turned off, you are in a quiet room, and you are not eating, drinking or chewing gum.

**Panel or board interview:**

such interview is conducted by a group of interviewers. It seeks to pool the collective wisdom and judgment of several interviewers. Question are asked in turn or at random. The candidate may even be asked to meet the members of the panel individually for a fairly lengthy interview.

**Guidelines for effective interviewing**

Interview can be made be more  effective by observing the following guidelines:

An interview should have a definite time schedule with ample time for conduct, i.e., it should  not be hurried.

Interview should have an element of privacy.

The interview should be based on a checklist of what to look for in a candidate such a checklist should be prepared on the basis of job requirements.

 Competent, trained and experienced persons should be chosen as interview.

Proper method of interview should be employed.

A specific set of guidelines should be given to the interviews .

There should be proper coordination between the initial and succeed interviews.

The interviewer should try to minimize his personal bias or prejudiced.

# Types of tests for selection

TYPES OF TESTS FOR SELECTION

Tests are classified into five types. They are:

(i)Aptitudetests  
(ii)Achievementtests  
(iii)Situationaltests  
(iv)Interesttests  
(v) Personality test

**Aptitude Tests:** These tests measure whether an individual has the capacity or latent ability to learn a given job if given adequate training. Aptitudes can be divided into general and mental ability or intelligence and specific aptitude such as mechanical, clerical, manipulative capacity etc.

**Intelligence Tests:** These tests in general measure intelligence quotient of a candidates. In detail these tests measure capacity for comprehension, reasoning, word fluency, verbal comprehension, numbers, memory and space .Other factors such as digit spansâ€”both forward and backward, information known, comprehension, vocabulary, picture arrangement and object assembly.

Though these tests are accepted as useful ones, they are criticized against deprived sections of the community. Further, it is also criticized that these tests may prove to be too dull as a selection device.

**Mechanical Aptitude Tests:** These tests measure the capacities of spatial visualization, perceptual speed and knowledge of mechanical matter. These tests are useful for selecting apprentices, skilled, mechanical employees, technicians etc.  
Psychomotor Tests: These tests measure abilities like manual dexterity, motor ability and eye-hand coordination of candidates. These tests are useful to select semi-skilled workers and workers for repetitive operations like packing, watch assembly.  
Clerical Aptitude Tests: Measure specific capacities involved in office work. Items of this test include spelling, computation, comprehension, copying, word measuring etc.

**Achievement Tests:** These tests are conducted when applicant claims to know something as these tests are concerned with what one has accomplished These tests are more useful to measure the value of specific achievement when an organization wishes to employ experienced candidates. These tests are classified into:  
Job Knowledge test; (b) Work sample test.

**Job Knowledge Test:** Under this test a candidate is tested in the knowledge of a particular job. For example, if a junior lecturer applies for the job of a senior lecturer in commerce, he may be tested in job knowledge where he is asked questions about Accountancy principle, Banking, Law, Business Management etc.  
Work Sample Test: Under this test a portion of the actual work is given to the candidates as a test and the candidate is asked to do it. If a candidate applies for a post of lecturer in Management he may be asked to deliver a lecture on Management Information System as work sample test.

Thus, the candidateâ€™s achievement in his career is tested regarding his knowledge about the job and actual work experience.

**Situational Test:** This test evaluates a candidate in a similar real life situation. In this test the candidates is asked either to cope with the situation or solve critical situations of the job.

(a)Group Discussion: This test administered through group discussion approach to solve a problem under which candidates are observed in the areas of initiating, leading, proposing valuable ideas, conciliating skills, oral communicating skills, coordinating and concluding skills.

(b)In Basket: Situational test is administered through â€˜in basketâ€™ The candidate, in this test, is supplied with actual letters, telephone and telegraphic message, reports and requirements by various officers of the organization, adequate information about the job and organization. The candidates is asked to take decisions on various items based on the in basket information regarding requirements in the memoranda.

**Interest Test:** These tests are inventories of the likes and dislikes of candidates in relation to work, job, occupations, hobbies and recreational activities. The purposes of this test is to find out whether a candidate is interested or disinterested in the job for which he is a candidate and to find out in which area of the job range/occupation the candidate is interested. The assumption of this test is that there is a high correlation between the interest of a candidate in a job and job success. Interest inventories are less faked and they may not fluctuate after the age of 30.

**Personality Tests:** These tests prove deeply to discover clues to an individualâ€™s value system, his emotional reactions and maturity and characteristic mood. They are expressed in such traits like self-confidence, tact, emotional control, optimism, decisiveness, sociability, conformity, objectivity, patience, fear, distrust, initiative, judgment dominance or submission, impulsiveness, sympathy, integrity, stability and self-confidence.  
(a) Objective Tests: Most personality tests are objective tests as they are suitable for group testing and can be scored objectively.  
(b) Projective Tests: Candidates are asked to project their own interpretation of certain standard stimulus situations basing on ambiguous pictures, figures etc, under these tests.

Personality tests have disadvantage in the sense that they can be faked by sophisticated candidates and most candidates give socially acceptable answers. Further, personality inventories may not successfully predict job success.

# Job Analysis - Job Description and Job Specification

**Job analysis** is primary tool in personnel management. In this method, a personnel manager tries to gather, synthesize and implement the information available regarding the workforce in the concern. A personnel manager has to undertake job analysis so as to put right man on right job.

There are two outcomes of job analysis :

1. **JOB DESCRIPTION**
2. **JOB SPECIFICATION**

The information collected under job analysis is :

1. Nature of jobs required in a concern.
2. Nature/ size of organizational structure.
3. Type of people required to fit that structure.
4. The relationship of the job with other jobs in the concern.
5. Kind of qualifications and academic background required for jobs.
6. Provision of physical condition to support the activities of the concern. For example- separate cabins for managers, special cabins for the supervisors, healthy condition for workers, adequate store room for store keeper.

### Advantages of Job Analysis

1. Job analysis helps the personnel manager at the time of recruitment and selection of right man on right job.
2. It helps him to understand extent and scope of training required in that field.
3. It helps in evaluating the job in which the worth of the job has to be evaluated.
4. In those instances where smooth work force is required in concern.
5. When he has to avoid overlapping of authority- responsibility relationship so that distortion in chain of command doesn’t exist.
6. It also helps to chalk out the compensation plans for the employees.
7. It also helps the personnel manager to undertake performance appraisal effectively in a concern.

A personnel manger carries analysis in two ways :

1. **Job description**
2. **Job specification**
3. **JOB DESCRIPTION** is an organized factual statement of job contents in the form of duties and responsibilities of a specific job. The preparation of job description is very important before a vacancy is advertised. It tells in brief the nature and type of job. This type of document is descriptive in nature and it constitutes all those facts which are related to a job such as :
   1. Title/ Designation of job and location in the concern.
   2. The nature of duties and operations to be performed in that job.
   3. The nature of authority- responsibility relationships.
   4. Necessary qualifications that are required for job.
   5. Relationship of that job with other jobs in a concern.
   6. The provision of physical and working condition or the work environment required in performance of that job.

### Advantages of Job Description

* 1. It helps the supervisors in assigning work to the subordinates so that he can guide and monitor their performances.
  2. It helps in recruitment and selection procedures.
  3. It assists in [manpower planning](http://www.managementstudyguide.com/manpower-planning.htm).
  4. It is also helpful in performance appraisal.
  5. It is helpful in job evaluation in order to decide about rate of remuneration for a specific job.
  6. It also helps in chalking out training and development programmes.

1. **JOB SPECIFICATION** is a statement which tells us minimum acceptable human qualities which helps to perform a job. Job specification translates the job description into human qualifications so that a job can be performed in a better manner. Job specification helps in hiring an appropriate person for an appropriate position. The contents are :
   1. Job title and designation
   2. Educational qualifications for that title
   3. Physical and other related attributes
   4. Physique and mental health
   5. Special attributes and abilities
   6. Maturity and dependability
   7. Relationship of that job with other jobs in a concern.

### Advantages of Job Specification

* It is helpful in preliminary screening in the selection procedure.
* It helps in giving due justification to each job.
* It also helps in designing training and development programmes.
* It helps the supervisors for counseling and monitoring performance of employees.
* It helps in job evaluation.
* It helps the management to take decisions regarding promotion, transfers and giving extra benefits to the employees.

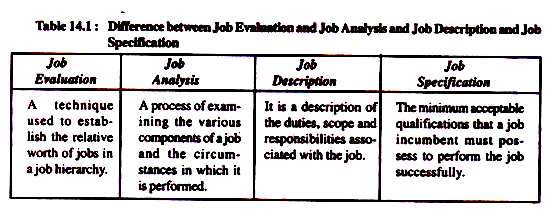
From the above advantages, we can justify the importance of job analysis and it’s related products. Both job description as well as job specification are important for personnel manager in personnel management function. Therefore, **job analysis is considered to be the primary tool of personnel management**.

# Job Evaluation: Concept, Objectives and Procedure of Job Evaluation

#### Concept of job evaluation: In simple words, job evaluation is the rating of jobs in an organisation. This is the process of establishing the value or worth of jobs in a job hierarchy. It attempts to compare the relative intrinsic value or worth of jobs within an organisation. Thus, job evaluation is a comparative process.

**Below are given some important definitions of job evaluation:**

**According** to the International Labour Office (ILO) “Job evaluation is an attempt to determine and compare the demands which the normal performance of a particular job makes on normal workers, without taking into account the individual abilities or performance of the workers

The starting point to job evaluation is job analysis. No job can be evaluated unless and until it is analysed. How job evaluation is different from job analysis, job description and job specification is given in the following Table 14.1.**[](http://cdn.yourarticlelibrary.com/wp-content/uploads/2014/04/image94.png)**

#### Objectives of job evaluation:

**The objectives of job evaluation, to put in a more orderly manner are to:**

1. Provide a standard procedure for determining the relative worth of each job in a plant.

2. Determine equitable wage differentials between different jobs in the organisation.

3. Eliminate wage inequalities.

4. Ensure that like wages are paid to all qualified employees for like work.

5. Form a basis for fixing incentives and different bonus plans.

6. Serve as a useful reference for setting individual grievances regarding wage rates.

7. Provide information for work organisation, employees’ selection, placement, training and numerous other similar problems.

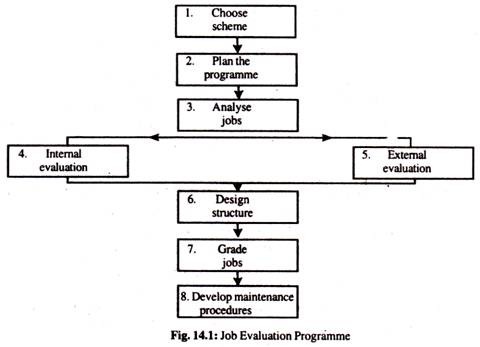
8. Provide a benchmark for making career planning for the employees in the organisation.

#### Procedure of job evaluation:

Though the common objective of job evaluation is to establish the relative worth of jobs in a job hierarchy, there is no common procedure of job evaluation followed by all organisations. As such, the procedure of job evaluation varies from organisation to organisation. For example, a job e valuation procedure may consist of the eight stages as delineated in Figure 14.1.

**1. Preliminary Stage:**

This is the stage setting for job evaluation programme. In this stage, the required information’s obtained about present arrangements, decisions are made on the need for a new programme or revision of an existing one and a clear cut choice is made of the type of programme is to be used by the organisation.

**[](http://cdn.yourarticlelibrary.com/wp-content/uploads/2014/04/clip_image002341.jpg)**

**2. Planning Stage:**

In this stage, the evaluation programme is drawn up and the job holders to be affected are informed. Due arrangements are made for setting up joint working parties and the sample of jobs to be evaluated is selected.

**3. Analysis Stage:**

This is the stage when required information about the sample of jobs is collected. This information serves as a basis for the internal and external evaluation of jobs.

**4. Internal Evaluation Stage:**

Next to analysis stage is internal evaluation stage. In the internal evaluation stage, the sample of bench-mark jobs are ranked by means of the chosen evaluation scheme as drawn up at the planning stage. Jobs are then graded on the basis of data pending the collection of market rate data. Relative worth of jobs is ascertained by comparing grades between the jobs.

**5. External Evaluation Stage:**

In this stage, information is collected on market rates at that time.

**6. Design Stage:**

Having ascertained grades for jobs, salary structure is designed in this stage.

**7. Grading Stage:**

This is the stage in which different jobs are slotted into the salary structure as designed in the preceding stage 6.

**8. Developing and Maintaining Stage:**

This is the final stage in a job evaluation programme. In this stage, procedures for maintaining the salary structure are developed with a view to accommodate inflationary pressures in the salary levels, grading new jobs into the structure and regarding the existing jobs in the light of changes in their responsibilities and market rates.

**In India, the Indian Institute of Personnel Management, Kolkata has suggested the following five steps to be taken to develop a job evaluation programme:**

1. Analyse and Prepare Job Description

2. Select and Prepare a Job Evaluation Programme/Plan

3. Classify Jobs

4. Install the Programme

5. Maintain the Programme

These steps are self-explanatory. Hence are not discussed in detail.

#### Advantages of job evaluation:

**According to an ILO publication job evaluation offers the following advantages:**

1. Job evaluation being a logical process and objective technique helps in developing an equi­table and consistent wage and salary structure based on the relative worth of jobs in an organisation.

2. By eliminating wage differentials within the organisation, job evaluation helps in minimizing conflict between labour unions and management and, in turn, helps in promoting harmoni­ous relations between them.

3. Job evaluation simplifies wage administration by establishing uniformity in wage rates.

4. It provides a logical basis for wage negotiations and collective bargaining.

5. In the case of new jobs, job evaluation facilitates spotting them into the existing wage and salary structure.

6. In the modem times of mechanisation, performance depends much on the machines than on the worker himself/herself. In such cases, job evaluation provides the realistic basis for determination of wages.

7. The information generated by job evaluation may also be used for improvement of selection, transfer and promotion procedures on the basis of comparative job requirements.

8. Job evaluation rates the job, not the workers. Organisations have large number of jobs with specialisations. It is job evaluation here again which helps in rating all these jobs and determining the wages and salary and also removing ambiguity in them.

#### Drawbacks of job evaluation:

1. Job evaluation is susceptible because of human error and subjective judgment. While there is no standard list of factors to be considered for job evaluation, there are some factors that cannot be measured accurately.

2. There is a variation between wages fixed through job evaluation and market forces. Say Kerr and Fisher, the jobs which tend to rate high as compared with the market are those of junior, nurse and typist, while craft rates are relatively low. Weaker groups are better served by an evaluation plan than by the market, the former places the emphasis not on force but on equity”.

3. When job evaluation is applied for the first time in an organisation, it creates doubts in the minds of workers whose jobs are evaluated and trade unions that it may do away with collective bargaining for fixing wage rates.

4. Job evaluation methods being lacking in scientific basis are often looked upon as suspicious about the efficacy of methods of job evaluation.

5. Job evaluation is a time-consuming process requiring specialised technical personnel to undertake it and, thus, is likely to be costly also.

6. Job evaluation is not found suitable for establishing the relative worth of the managerial jobs which are skill-oriented. But, these skills cannot be measured in quantitative terms.

7. Given the changes in job contents and work conditions, frequent evaluation of jobs is essential. This is not always so easy and simple.

8. Job evaluation leads to frequent and substantial changes in wage and salary structures. This, in turn, creates financial burden on organisation.

**UNIT III**

**INTRODUCTION**

**Training and development** is a function of human resource management 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

## Importance of Training & Development in HRM

Training is crucial for organizational development and success. It is fruitful to both employers and employees of an organization. An employee will become more efficient and productive if he is trained well.Training of employees takes place after orientation takes place. Training is the process of enhancing the skills, capabilities and knowledge of employees for doing a particular job. Training process molds the thinking of employees and leads to quality performance of employees. It is continuous and never ending in nature.

# ****Importance of Training and Development****

Training and career development are very vital in any company or organization that aims at progressing. Training simply refers to the process of acquiring the essential skills required for a certain job. It targets specific goals, for instance understanding a process and operating a certain machine or system. Career development, on the other side, puts emphasis on broader skills, which are applicable in a wide range of situations. This includes decision making, thinking creatively and managing people.

# I. Help in addressing employee weaknesses

Most workers have certain weaknesses in their workplace, which hinder them from giving the best services. Training assists in eliminating these weaknesses, by strengthening workers skills. A well organized development program helps employees gain similar skills and knowledge,thus bringing them all to a higher uniform level. This simply means that the whole workforce is reliable, so the company or organization doesn’t have to rely only on specific employees.

### II. Improvement in workers performance

A properly trained employee becomes more informed about procedures for various tasks. The worker confidence is also boosted by training and development. This confidence comes from the fact that the employee is fully aware of his/her roles and responsibilities. It helps the worker carry out the duties in better way and even find new ideas to incorporate in the daily execution of duty

### III. Consistency in duty performance

A well organized training and development program gives the workers constant knowledge and experience. Consistency is very vital when it comes to an organization’s or company’s procedures and policies. This mostly includes administrative procedures and ethics during execution of duty.

### IV. Ensuring worker satisfaction

Training and development makes the employee also feel satisfied with the role they play in the company or organization. This is driven by the great ability they gain to execute their duties. They feel they belong to the company or the organization that they work for and the only way to reward it is giving the best services they can.

### V. Increased productivity

Through training and development the employee acquires all the knowledge and skills needed in their day to day tasks. Workers can perform at a faster rate and with efficiency thus increasing overall productivity of the company. They also gain new tactics of overcoming challenges when they face them.

### VI. Improved quality of services and products

Employees gain standard methods to use in their tasks. They are also able to maintain uniformity in the output they give. This results with a company that gives satisfying services or goods.

### VII. Reduced cost

Training and development results with optimal utilization of resources in a company or organization. There is no wastage of resources, which may cause extra expenses. Accidents are also reduced during working. All the machines and resources are used economically, reducing expenditure.

### VIII. Reduction in supervision

The moment they gain the necessary skills and knowledge, employees will become more confident . They will become self reliant and require only little guidance as they perform their tasks. The supervisor can depend on the employee’s decision to give quality output. This relieves supervisors the burden of constantly having to give directives on what should be done.

## Need for Training of Employees arises due to the following Factors

### (i) Higher Productivity

It is essential to increase productivity and reduce cost of production for meeting competition in the market. Effective training can help increase productivity of workers by imparting the required skills.

### (ii) Quality Improvement

The customers have become quality conscious and their requirement keep on changing. To satisfy the customers, quality of products must be continuously improved through training of workers.

### (iii) Reduction of Learning Time

Systematic training through trained instructors is essential to reduce the training period. If the workers learn through trial and error, they will take a longer time and even may not be able to learn right methods of doing work.

### (iv) Industrial Safety

Trained workers can handle the machines safety. They also know the use of various safety devices in the factory. Thus, they are less prone to industrial accidents.

### (iv) Reduction of Turnover and Absenteeism

Training creates a feeling of confidence in the minds of the workers. It gives them a security at the workplace. As a result, labour turnover and absenteeism rates are reduced.

### (vi) Technology Update

Technology is changing at a fast pace. The workers must learn new techniques to make use of advance technology. Thus, training should be treated as a continuous process to update the employees in the new methods and procedures.

### (vii) Effective Management

Training can be used as an effective tool of planning and control. It develops skills among workers and prepares them for handling present and future jobs. It helps in reducing the costs of supervision, wastages and industrial accidents. It also helps increase productivity and quality which are the cherished goals of any modern organization.

**Training Methods:**

**A. On-the-job Training Methods:**

1. Coaching

2. Mentoring

3. Job Rotation

4. Job Instruction Technology

5. Apprenticeship

6. Understudy

**B. Off-the-Job Training Methods:**

1. Lectures and Conferences

2. Vestibule Training

3. Simulation Exercises

4. Sensitivity Training

5. Transactional Training

**A. On-the-job training Methods:**

Under these methods new or inexperienced employees learn through observing peers or managers performing the job and trying to imitate their behaviour. These methods do not cost much and are less disruptive as employees are always on the job, training is given on the same machines and experience would be on already approved standards, and above all the trainee is learning while earning. Some of the commonly used methods are:

**1. Coaching:**

Coaching is a one-to-one training. It helps in quickly identifying the weak areas and tries to focus on them. It also offers the benefit of transferring theory learning to practice. The biggest problem is that it perpetrates the existing practices and styles. In India most of the scooter mechanics are trained only through this method.

**2. Mentoring:**

The focus in this training is on the development of attitude. It is used for managerial employees. Mentoring is always done by a senior inside person. It is also one-to- one interaction, like coaching.

**3. Job Rotation:**

It is the process of training employees by rotating them through a series of related jobs. Rotation not only makes aperson well acquainted with different jobs, but it also alleviates boredom and allows to develop rapport with a number of people. Rotation must be logical.

**4. Job Instructional Technique (JIT):**

It is a Step by step (structured) on the job training method in which a suitable trainer (a) prepares a trainee with an overview of the job, its purpose, and the results desired, (b) demonstrates the task or the skill to the trainee, (c) allows the trainee to show the demonstration on his or her own, and (d) follows up to provide feedback and help. The trainees are presented the learning material in written or by learning machines through a series called ‘frames’. This method is a valuable tool for all educators (teachers and trainers). It helps us:

a. To deliver step-by-step instruction

b. To know when the learner has learned

c. To be due diligent (in many work-place environments)

**5. Apprenticeship:**

Apprenticeship is a system of training a new generation of practitioners of a skill. This method of training is in vogue in those trades, crafts and technical fields in which a long period is required for gaining proficiency. The trainees serve as apprentices to experts for long periods. They have to work in direct association with and also under the direct supervision of their masters.

The object of such training is to make the trainees all-round craftsmen. It is an expensive method of training. Also, there is no guarantee that the trained worker will continue to work in the same organisation after securing training. The apprentices are paid remuneration according the apprenticeship agreements.

**6. Understudy:**

In this method, a superior gives training to a subordinate as his understudy like an assistant to a manager or director (in a film). The subordinate learns through experience and observation by participating in handling day to day problems. Basic purpose is to prepare subordinate for assuming the full responsibilities and duties.

**B. Off-the-job Training Methods:**

Off-the-job training methods are conducted in separate from the job environment, study material is supplied, there is full concentration on learning rather than performing, and there is freedom of expression. Important methods include:

**1. Lectures and Conferences:**

Lectures and conferences are the traditional and direct method of instruction. Every training programme starts with lecture and conference. It’s a verbal presentation for a large audience. However, the lectures have to be motivating and creating interest among trainees. The speaker must have considerable depth in the subject. In the colleges and universities, lectures and seminars are the most common methods used for training.

**2. Vestibule Training*:***

Vestibule Training is a term for near-the-job training, as it offers access to something new (learning). In vestibule training, the workers are trained in a prototype environment on specific jobs in a special part of the plant.

An attempt is made to create working condition similar to the actual workshop conditions. After training workers in such condition, the trained workers may be put on similar jobs in the actual workshop.

This enables the workers to secure training in the best methods to work and to get rid of initial nervousness. During the Second World War II, this method was used to train a large number of workers in a short period of time. It may also be used as a preliminary to on-the job training. Duration ranges from few days to few weeks. It prevents trainees to commit costly mistakes on the actual machines.

**3. Simulation Exercises:**

Simulation is any artificial environment exactly similar to the actual situation. There are four basic simulation techniques used for imparting training: management games, case study, role playing, and in-basket training.

**(a) Management Games:**

Properly designed games help to ingrain thinking habits, analytical, logical and reasoning capabilities, importance of team work, time management, to make decisions lacking complete information, communication and leadership capabilities. Use of management games can encourage novel, innovative mechanisms for coping with stress.

Management games orient a candidate with practical applicability of the subject. These games help to appreciate management concepts in a practical way. Different games are used for training general managers and the middle management and functional heads – executive Games and functional heads.

**(b) Case Study:**

Case studies are complex examples which give an insight into the context of a problem as well as illustrating the main point. Case Studies are trainee centered activities based on topics that demonstrate theoretical concepts in an applied setting.

A case study allows the application of theoretical concepts to be demonstrated, thus bridging the gap between theory and practice, encourage active learning, provides an opportunity for the development of key skills such as communication, group working and problem solving, and increases the trainees” enjoyment of the topic and hence their desire to learn.

**(c) Role Playing:**

Each trainee takes the role of a person affected by an issue and studies the impacts of the issues on human life and/or the effects of human activities on the world around us from the perspective of that person.

It emphasizes the “real- world” side of science and challenges students to deal with complex problems with no single “right” answer and to use a variety of skills beyond those employed in a typical research project.

In particular, role-playing presents the student a valuable opportunity to learn not just the course content, but other perspectives on it. The steps involved in role playing include defining objectives, choose context & roles, introducing the exercise, trainee preparation/research, the role-play, concluding discussion, and assessment. Types of role play may be multiple role play, single role play, role rotation, and spontaneous role play.

**(d) In-basket training:**

In-basket exercise, also known as in-tray training, consists of a set of business papers which may include e-mail SMSs, reports, memos, and other items. Now the trainer is asked to prioritize the decisions to be made immediately and the ones that can be delayed.

**4. Sensitivity Training:**

Sensitivity training is also known as laboratory or T-group training. This training is about making people understand about themselves and others reasonably, which is done by developing in them social sensitivity and behavioral flexibility. It is ability of an individual to sense what others feel and think from their own point of view.

# Job Promotions: Definition, Types and Other Details

### ****Definition:****

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

There can be ‘dry promotion’ also where an employee is assigned to a higher level job without increase in pay. An example of ‘dry promotion’ is a University Professor made Head of the Department with no increase in salary.

Promotion has an in-built motivational value as it elevates the authority, power and status of an employee within an organisation. It is considered good personnel policy to fill vacancies in a higher job through promotions from within because such promotions provide an inducement and motivation to the employees and also remove feelings of stagnation-and frustration.

### Types of Promotion:

**Promotion given to employees in an organisation can be classified into three types:**

#### 1. Horizontal promotion:

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

#### 2. Vertical Promotion:

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

#### 3. Dry Promotion:

When promotion is made without increase in salary, it is called ‘dry promotion’. For example, a lower level manager is promoted to senior level manager without increase in salary or pay. Such promotion is made either there is resource/fund crunch in the organisation or some employees hanker more for status or authority than money.

### Purposes:

**The following are the purposes or objectives of promotion:**

1. To recognize an employee’s skill and knowledge and utilize it to improve the organisational effectiveness.

2. To reward and motivate employees to higher productivity.

3. To develop competitive spirit and inculcate the zeal in the employees to acquire skill, knowledge etc.

4. To promote employees satisfaction and boost their morale.

5. To build loyalty among the employees toward organisation.

6. To promote good human relations.

7. To increase sense of belongingness.

8. To retain skilled and talented people.

9. To attract trained, competent and hard working people.

10. To impress the other employees that opportunities are available to them too if they also perform well.

According to Dale Yoder, “Promotion provides incentive to initiative, enterprise and ambition; minimizes discontent and unrest; attracts capable individuals; necessitates logical training for advancement; and forms an effective reward for loyalty and cooperation, long service, etc.”

Promotion benefits both employees and the employer. However, it needs to be made with a great caution because wrong promotion may invite implications of one type or other for the organisation. So to say, promotion is like a double-edged weapon. Hence, every organisation needs to evolve and implement a suitable promotion policy for its employees. The following section deals with the same.

### Policy:

**The following characteristics make a promotion policy as sound and good policy:**

1. It must provide equal opportunities for promotion across the jobs, departments, and regions.

2. It must be applied uniformly to all employees irrespective of their background.

3. It must be fair and impartial.

4. The basis of promotion must be clearly specified and made known to the employees.

5. It must be correlated with career planning. Both quick (bunching) and delayed promotions must be avoided as these ultimately adversely affect the organisational effectiveness.

6. Appropriate authority must be entrusted with the task of making final decision.

7. Promotion must be made on trial basis. The progress of the employee must be monitored. In case, the promoted employee does not make the required progress, provision must be there in the promotion policy to revert him/her to the former post.

8. The policy must be good blending of promotions made from both inside and outside the organisation.

**Promotion can be made on various bases. Following are the major ones:**

1. Seniority i.e., length of service

2. Merit, i .e., performance

3. Educational and technical qualification

4. Potential for better performance

5. Career and succession plan

6. Vacancies based on organisational chart

7. Motivational strategies like job enlargement.

8. Training

As a matter of fact, no single basis of promotion is acceptable and applicable to all organisations. Every basis has its strengths and weaknesses. For example, while promotion on the basis of seniority gives satisfaction to the senior employees, it causes frustration to the talented ones.

Similarly, promotion based on merit motivates competent employees to work hard while trade unions oppose it on the justification of its subjectivity. In India, promotion in the government departments is made on the basis of seniority of the employees. In case of private organisations, merit is generally used as a basis for promoting employees. Here, the promotion policy is to promote the best one available.

# Job Transfers: Definition, Need, Policy and Types

### ****Definition:****

A transfer refers to lateral movement of employees within the same grade, from one job to another. According to Flippo “a transfer is a change in the job (accompanied by a change in the place of the job) of an employee without a change in responsibilities or remuneration”.

Transfer differs from promotion in the sense that the latter involves a change of job involving increase in salary, authority, status and responsibility, while all these remain unchanged /stagnant in the case of former. Also, transfers are frequent and regular whereas promotions are infrequent, if not irregular.

Transfer may be initiated either by the company or the employee. In practice, the company may transfer the employee to the place where he/she can prove more useful and effective. Similarly, employee may initiate transfer to a location where he/she is likely to enjoy greater satisfaction.

Transfer could be permanent, temporary or ad hoc to meet emergencies. Usually, permanent transfers are made due to changes in work load or death, retirement, resignation, etc. of some employee. As regards temporary transfer, it arises mainly due to ill health, absenteeism, etc. of some employee.

Transfer decisions may be perceived as negative or positive depending upon an individual’s personal preferences, needs and aspirations. For example, an organisation may consider transfer from Guwahati regional office to Delhi-head office as positive and reward because it will enable the employee to broaden his/her knowledge and work experience. On the contrary, the employee may look down upon it as it breaks ties with his people and community in Guwahati.

There are some public sector organisations like Minerals and Metals Trading Corporation (MMTC) who have entered into agreements, with employees for creating two cadres of officers, namely. Local Officers and All India Officers wherein promotions to and within the former are less accelerated than in the latter, but do not entail transfer.

### Need:

**The need for making transfer is left for various reasons as listed below:**

#### 1. To Meet Organisational Needs:

Changes in technology, volume of production, production schedule, product line, quality of products, organisational structure, etc. necessitate an organisation to reassign jobs among employees so that right employee is placed on the right job.

#### 2. To Satisfy Employee Needs:

Employees may request for transfer in order to satisfy their desire to work in a particular department, place and under some superior. Personal problems of employee like health, family circumstances, and interpersonal conflicts may also necessitate transfer.

#### 3. To Better Utilize Employee:

When an employee is not performing satisfactorily on one job and management thinks that his/her capabilities would be utilized better elsewhere, he/she may be transferred to other job.

#### 4. To Make the Employee More Versatile:

In some organisations like banks, employees after working on a job for a specified period are transferred to other job with a view to widen their knowledge and skill and also reduce monotony. This is also called ‘job rotation.

#### 5. To Adjust the Workforce:

Work force can be transferred from the departments / plants where there is less work to the departments/plants where more work is.

#### 6. To Provide Relief:

Transfers may be made to give relief to the employees who are overburdened or doing hazardous work for long period.

#### 7. To Punish Employee:

Management may use transfer as an instrument to penalize employees who are indulged in undesirable activities. As a disciplinary action, employees are transferred to remote and far-flung areas.

### Policy:

Transfer involves costs as well. Therefore, every organisation should have a just and impartial transfer policy for its employees. Transfers should then be affected according to such policy only. In fact, a good and fair transfer policy serves as a guide-post to the manager in affecting transfers as and when required in the overall interest of the organisation.

**A good transfer policy should satisfy the following requirements:**

1. Specify the circumstances under which transfers will be made. These should be in writing and should be communicated to the employees. For example, defence personnel and government employees are subjected to transfer once in three years. The employees in these organisations know when they are due for a transfer and are prepared for it.

2. Specify the basis for transfer i.e., whether transfer will be made on the basis of seniority or skill and competency or on any other basis.

3. Decide the authority which would handle transfers.

4. Intimate the fact of transfer to the person concerned well in advance.

5. Specify the jobs to which transfers will be made and duties and salary on assumption of new jobs should also be clarified.

6. Clarify whether transfer is permanent or temporary.

7. Indicate whether transfers can be made within a department or between departments or between units.

8. Not to be made frequent and not for the sake of transfer only.

However, one should not expect for a uniform transfer policy in all the organisations. Depending on the type, kind and size of the organisation, transfer policy is subject to vary from organisation to organisation. In any case, a good transfer policy should be consistent with the overall objectives of the organisation.

### Types:

**Employee transfers may be classified into following types:**

#### 1. Production Transfer:

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

#### 2. Remedial Transfer:

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

#### 3. Replacement Transfer:

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

#### 4. Versatility Transfer:

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

#### 5. Shift Transfers:

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

#### 6. Penalty Transfer:

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

# Career Planning Definition, Features, Objectives and Benefits

# A career may be defined as ‘ a sequence of jobs that constitute what a person does for a living’.

According to Schermerborn, Hunt, and Osborn, ‘[Career planning](http://hrmpractice.com/career-planning/) is a process of systematically matching career goals and individual capabilities with opportunities for their fulfillment’.

[Career planning](http://hrmpractice.com/career-planning/) is the process of enhancing an employee’s future value. A career plan is an individual’s choice of occupation, organization and career path.

[Career planning](http://hrmpractice.com/career-planning/) encourages individuals to explore and gather information, which enables them to syn­thesize, gain competencies, make decisions, set goals and take action. It is a crucial phase of [human resource](http://hrmpractice.com/human-resource/) development that helps the employees in making [strategy](http://hrmpractice.com/category/shrm/strategy/) for work-life balance.

[Career Planning](http://hrmpractice.com/career-planning/) refers to the planning done by an individual in terms of making a career choice, advancing/growing in the career chosen or making a career shift. [Career planning](http://hrmpractice.com/career-planning/) involves a very importantstepof self-assessment.  
Self-assessment is necessary to understand one’s capabilities and drawbacks. The various career options should be explored in detail to find a fit between one’s abilities and the opportunities provided by a career option. It involves continuous learning and improvement to build and growth in the chosen career path.

**Features of** [**Career Planning**](http://hrmpractice.com/career-planning/) **:**  
1. It is an ongoing process.  
2. It helps individuals develop skills required to fulfill different career roles.  
3. It strengthens work-related activities in the organization.  
4. It defines life, career, abilities, and interests of the employees.  
5. It can also give professional directions, as they relate to career goals.

[**Objectives of Career Planning**](http://hrmpractice.com/objectives-career-planning/)**:**  
1. To identify positive characteristics of the employees.  
2. To develop awareness about each employee’s uniqueness.  
3. To respect feelings of other employees.  
4. To attract talented employees to the organization.  
5. To train employees towards team-building skills.  
6. To create healthy ways of dealing with conflicts, emotions, and [stress](http://hrmpractice.com/category/hrm/stress/).

**Benefits of** [**Career Planning**](http://hrmpractice.com/career-planning/)**:**  
1. [Career planning](http://hrmpractice.com/career-planning/) ensures a constant supply of promotable employees.  
2. It helps in improving the loyalty of employees.  
3. [Career planning](http://hrmpractice.com/career-planning/) encourages an employee’s growth and development.  
4. It discourages the negative attitude of superiors who are interested in suppressing the growth of the subordinates.  
5. It ensures that senior management knows about the caliber and capacity of the employees who can move upwards.  
6. It can always create a team of employees prepared enough to meet any contingency.  
7. [Career planning](http://hrmpractice.com/career-planning/) reduces labor turnover.  
8. Every organization prepares succession planning towards which [career planning](http://hrmpractice.com/career-planning/) is the first step.

**UNIT IV**

**Meaning of Wage :**

A Wage is the remuneration paid for the service of labour in production periodically to anemployee / worker. So payment made to labour is generally referred to as wages. Wages alsorefer to the hourly rate paid to such groups as production and maintenance. Salary normallyrefers to the periodically rates paid to clerical. administrative and professional employees. Somoney paid periodically to person whose output cannot be measured is generally referred assalary. Wage and salary are paid as per contract of employment. Wages include basic wage /salary and allowances. Allowances are paid in addition to basic wage to maintain the value ofbasic wage over a period of time.

In India, different Acts include different item under wages.Though all the lets includes basic wages and Dearness allowance under the item wages. E.g.under the Workmen’s Compensation Act, 1923, section 2(m) wages for leave period, holiday,overtime pay, bonus, attendance bonus and good conduct bonus form part of wages and underthe payment of wages Act, 1936 section 2(vi) any reward of settlement and production bonus, ifpaid constitutes wages.

**The basic objective of wage and salary administration** is to establish and maintain anequitable wage and salary structure and secondary objective is to establish and maintain anequitable labour cost structure. Generally sound wage and salary administration tries to achievefollowing

**objectives.**

(1) To attract and retain the service of employee.

(2) To pay employees according to the content and difficulty of the job.

(3) To reward employees according to the effort and merit.

(4) To improve employee morale and productivity.

(5) To satisfy employee as to how and why they are paid.

(6) To facilitate pay roll administration, budgeting and wage and salary control.

(7) To simplify collective bargaining.

(8) To promote employee organizational flexibility promotion and transfer.

Remuneration provides more than a means of satisfying the physical needs-it provides

recognition, a sense of accomplishment and determines social status. Hence formulation and

administration of wage and salary to attract and retain right personnel in right position is the primeresponsibility of the management in any organisation.

# Methods of wage payment

# Wage payment meaning:

Wage payment concept is not only important for the employees but also for the employers as they are interesting in paying fewer wages. But paying low wages are not economical as they can prove to be costly for the employer. Employer is morally responsible to pay fair wages to his employees.

There are generally two methods of wage payment

i)                    Time Wage System

Ii)                   Piece Wage System

**Time wage system:**

In this method worker is paid for the amount of time he has spent on the job. The period of time may be an hour, a day, a week, a month and the wages depend upon the period of time. Here wages are paid for the amount of time spent not on the basis of output. Thus, it is a non variable method of wage payment.

Wages= number of hours worked\* rate per hour

Suppose the worker is paid rs 10 per hour and he worked for 15 hours so his wages will be 15\* 10 = rs 150

**Applicability of time wage system:**

i) This method is used when it is difficult to fix standard time for the job.

ii) When production process is complicated and requires high degree of skill.

iii) When machines used are costly.

iv) When quality of work is important.

v) When mental work is involved.

**Advantages of time wage system:**

**i) Simple method:** this method is very simple as it is easy to calculate the time spent on the job.

**ii) Better quality:** when the quality of the product is more important in that case it is better to use this method rather than piece wage system because in that worker are in hurry of making more and more pieces.

**iii) Less wastage:** under this method workers are not in hurry so there is less wastage of material as well as of machinery.

**iv) Equal wages:** all the workers are paid as per the time spent by them not on the basis of production. So there is the equality of wages between them.

**v) Secure feeling:** this method gives the feeling of security to the workers as they will be paid irrespective of what ever is the production.

**Disadvantages of time wage system:**

**i) Slow work:** under this method the workers slows down their work as there is no pressure of making required amount of pieces.

**ii) Supervision:** this method requires a lot of supervision to ensure better productivity.

**iii) Fixed wages:** if the workers make more production in that case also they are paid fixed wages as per the time spent by them in the job.

This is the meaning of wage system and its types. Next time we will discuss the piece wage system.

**Time Rate**

Wages under this system are paid according to the quantity of work done. A **rate** is fixed per unit of production and wages are calculated by the following formula: Wages = **Rate** per unit x No. of units produced. Incentive Plans Both **time rate** system and **piece rate** system have their merits and demerits.

**Differences Between Piece Rate System And Time Rate System Of Wage Payment**

***1. Meaning***

Piece rate system is a method of wage payment to workers based on the quantity of output they have produced. Time rate system is a method of wage payment to workers based on time spent by them for the production of output.

***2. Nature Of Payment***

Piece rate system pays the workers according to the units of output produced. Time rate system pays the workers according to the time spent in the factory.

***3. Emphasis***

Piece rate system gives emphasis on larger quantity of output. Time rate system emphasis on better quality of output.

***4. Discrimination***

Piece rate system discriminates the workers and pays more wages to efficient and skilled workers. Time rate system does not discriminate the workers and pays the same wages to efficient and inefficient workers.

***5. Supervision***

Piece rate system requires strict supervision to get the required quality output. Time rate system requires strict supervision to get required quantity of output.

***6. Determination Of Labor Cost***

Piece rate system helps to fix per unit labor cost in advance. Time rate system does not help to fix labor cost per unit in advance.

***7. Flow Of Production***

Piece rate system does not bring uniformity in the flow of production and causes an excessive wastage of inputs. Time rate system helps maintain a uniform flow of production and ensures an efficient use of materials, tools and equipments.

# Incentive Types – Most Important Types of Incentive Plans

**Incentives** can be defined as monetary or non-monetary reward offered to the employees for contributing more efficiency. **Incentive** can be extra payment or something more than the [regular salary or wage](http://www.mbaknol.com/human-resource-management/wage-and-salary-administration/). Incentive acts as a very good stimulator or motivator because it encourages the employees to improve their efficiency level and reach the target. The two common **types of incentives** are:

### ****1. Monetary or Financial Incentives****

The reward or incentive which can be calculated in terms of money is known as monetary incentive. These incentives are offered to employees who have more physiological, social and security need active in them. The common monetary incentives are:

1. **Pay and allowances**. Regular increments in salary every year and grant of allowance act as good motivators. In some organizations pay hikes and allowances are directly linked with the performance of the employee. To get increment and allowance employees perform to their best ability.
2. **Profits sharing**. The organization offer share in the profits to the employees as a common incentive for encouraging the employees for working efficiently. Under profits sharing schemes generally the companies fix a percentage of profits, and if the profits exceed that percentage then the surplus profits is distributed among the employees. It encourages the employees to work efficiently to increase the profits of the company so that they can get share in the profits.
3. **Co-partnership/stock option**. Sharing the profit does not give ownership right to the employees. Many companies offer share in management or participation in management along with share in profit to its employees as an incentive to get efficient working form the employees. The co-partnership is offered by issue of shares on exceeding a fixed target.
4. **Bonus**. Bonus is a onetime extra reward offered to the employee for sharing high performance. Generally when the employees reach their target or exceed the target then they are paid extra amount called bonus. Bonus is also given in the form of free trips to foreign countries, paid vacations or gold etc. some companies have the scheme of offering bonus during the festival times.
5. **Commission**. Commission is the common incentive offered to employees working under sales department. Generally the sales personal get the basic salary and also with this efforts put in by them. More orders mean more commission.
6. **Suggestion system**. Under suggestion system the employees are given reward if the organization gains with the suggestion offered by the employee. For example, if an employee suggests a cost saving technique of then extra payment is given to employee for giving that suggestion. The amount of reward or payment given to the employee under suggestion system depends on the gain or benefit which organization gets with that suggestion it is a very good incentive to keep the initiative level of employees high.
7. **Productivity linked with wage incentives**. These are wage rate plans which offer higher wages for more productivity. Under differential piece wage system efficient workers are paid higher wages as compared to inefficient workers. To get higher wages workers perform efficiently.
8. **Retirement benefits**. Some organizations offer retirement benefits such as pension, provident fund, gratuity etc. to motivate people. These incentives are suitable for employees who have security and safety need.
9. **Perks/** [**fringe Benefits**](http://www.mbaknol.com/human-resource-management/the-concept-of-fringe-benefits/)**/ perquisites**. If refers to special benefits such as medical facility, free education for children, housing facility etc. these benefits are over and above salary. These extra benefits are related with the performance of the employees.

### ****2. Non-Monetary/Non-Financial Incentives****

Money is not the only motivator, the employees who have more of esteem and self actualization need active in them get satisfied with the non-monetary incentives only. The incentives which cannot be calculated in terms of money are known as non-monetary incentives. Generally people working at high job position or at high rank get satisfied with non-monetary incentives. The common means or ways of non-monetary incentives are:

1. **Status.** Status refers to rank, authority, responsibility, recognition and prestige related to job. By offering higher status or rank in the organization managers can [motivate employees having esteem and self- actualization](http://www.mbaknol.com/management-concepts/theories-of-motivation-abraham-maslow%e2%80%99s-need-hierarchy-model/) need active in them.
2. **Organizational climate.** It refers to relations between superior/ subordinates. These are the characteristics which describe and organization. These characteristics have direct influence over the behavior of a member. A positive approach adapted by manager creates better [organizational climate](http://www.mbaknol.com/management-concepts/concept-of-organizational-climate/) whereas negative approach may spoil the climate, Employees are always motivated in the healthy [organizational climate](http://www.mbaknol.com/management-concepts/concept-of-organizational-climate/).
3. **Career advancement.** Managers must provide promotional opportunities to employees. Whenever there are promotional opportunities employees improve their skill and efficiency with the hope that they will be promoted to high level. Promotion is a very big stimulator or motivator which induces people to perform to their best level.
4. **Job enrichment/ assignment of challenging job.** Employees get bored by performing routine job. They enjoy doing jobs which offer them variety and opportunity to show their skill. By offering challenging jobs, autonomy to perform job, interesting jobs, employees get satisfied and they are motivated. Interesting, enriched and challenging job itself is a very good motivator or stimulator.
5. **Employee’s recognition.** Recognition means giving special regard or respect which satisfies the ego of the subordinates. Ego-satisfaction is a very good motivator. Whenever the good efforts or the positive attitudes are show by the subordinates then it must be recognized by the superior in public or in presence of other employees. Whenever if there is any negative attitude or mistake is done by subordinate then it should be discussed in private by calling the employee in cabin. Examples of employee’s recognition are congratulating employee for good performance, displaying the achievement of employee, giving certificate of achievement, distributing mementos, gifts etc.
6. **Job security.** Job security means life time bonding between employees and organization. Job security means giving permanent or confirmation letter. Job security ensures safety and security need but it may have negative impact. Once the employees get job secured they lose interest in job. Of example government employees do not perform efficiently as they have no fare of losing job. Job security must be given with some terms and conditions.
7. **Employee’s participation.** It means [involving employee in decision making](http://www.mbaknol.com/human-resource-management/workers-participation-in-management/) especially when decisions are related to workers. Employees follow the decision more sincerely when these are taken in consultation with them for example if target production is fixed by consulting employee then he will try to achieve the target more sincerely.
8. **Autonomy/ employee empowerment.** It means giving more freedom to subordinates. This empowerment develops confidence in employees. They use positive skill to prove that they are performing to the best when freedom is given to them.

 Fringe benefits are forms of compensation you provide to employees outside of a stated wage or salary. Common examples of fringe benefits include **medical** and dental insurance, use of a company car, **housing allowance**, educational assistance, **vacation pay**, **sick** pay, meals and employee discounts.

**TYPES OF FRINGE BENEFITS**

Organizations provide a variety of fringe benefits. The fringe benefits are classified under four heads as given here under:

**1. For Employment Security** :  
Benefits under this head include unemployment, insurance, technological adjustment pay, leave travel pay, overtime pay, level for negotiation, leave for maternity, leave for grievances, holidays, cost of living bonus, call-back pay, lay-off, retiring rooms, jobs to the sons/daughters of the employees and the like.

**2. For Health Protection**:  
Benefits under this head include accident insurance, disability insurance, health insurance, hospitalization, life insurance, medical care, sick benefits, sick leave, etc.

**3. For Old Age and Retirement**:  
Benefits under this category include: deferred income plans, pension, gratuity, provident fund, old age assistance, old age counseling , medical benefits for retired employees, traveling concession to retired employees, jobs to sons/daughters of the deceased employee and the like.

**4. For Personnel Identification, Participation and Stimulation**:  
This category covers the following benefits: anniversary awards, attendance bonus, canteen, cooperative credit societies, educational facilities, beauty parlor services, housing, income tax aid, counseling, quality bonus, recreational programs, stress counseling, safety measures etc.

**The fringe benefits are categorized as follows:**

a) Payment for Time Not worked: Benefits under this category include: sick leave with pay, vacation pay, paid rest and relief time, paid lunch periods, grievance time, bargaining time, travel time etc.

b) Extra Pay for time Worked: This category covers the benefits such as: premium pay, incentive bonus, shift premium, old age insurance, profit sharing, unemployment compensation, Christmas bonus, Deewali or Pooja bonus, food cost subsidy, housing subsidy, recreation.

**Employee Security**

Physical and job security to the employee should also be provided with a view to promoting security to the employee and his family members. The benefit of confirmation of the employee on the job creates a sense of job security. Further a minimum and continuous wage or salary gives a sense of security to the life.

**Retrenchment Compensation:**

The Industrial Disputes Act, 1947 provides for the payment of compensation in case of lay-off and retrenchment. The non-seasonal industrial establishments employing 50 or more workers have to give one monthâ€™s notice or one monthâ€™s wages to all the workers who are retrenched after one yearâ€™s continuous service. The compensation is paid at the rate of 15 days wage for every completed year of service with a maximum of 45 days wage in a year. Workers are eligible for compensation as stated above even in case of closing down of undertakings.

**Lay-off Compensation:**

In case of lay-off, employees are entitled to lay-off compensation at the rate to 50% of the total of the basic wage and dearness allowance for the period of their lay-off except for weekly holidays. Lay-off compensation can normally be paid up to 45 days in a year.

**Safety and Health**

Employeeâ€™s safety and health should be taken care of in order to protect the employee against accidents, unhealthy working conditions and to protect workerâ€™s capacity. In India, the Factories Act, 1948, stipulated certain requirements regarding working conditions with a view to provide safe working environment.

These provisions relate to cleanliness, disposal of waste and effluents, ventilation and temperature, dust and fume, artificial humidification, over-crowding, lighting, drinking water, latrine urinals, and spittoons.

Provisions relating to safety measures include fencing of machinery, work on or near machinery in motion, employment of young persons on dangerous machines, striking gear and devices for cutting off power, self-acting machines, easing of new machinery, probation of employment of women and children near cotton openers, hoists and lifts, lifting machines, chains ropes and lifting tackles, revolving machinery, pressure plant, floors, excessive weights, protection of eyes, precautions against dangerous fumes, explosive or inflammable dust, gas etc.

Precautions in case of fire, power to require specifications of defective parts of test of stability, safety of buildings and machinery etc.

**UNIT V**

**Performance**

**Performance** Appraisals is the assessment of individual's **performance** in a systematic way. It is a developmental tool used for all round development of the employee and the organization.

**Definition:**

Formal System, Reasons and Measures of future performance

“It is formal, structured system of measuring, evaluating job related behaviors and outcomes to discover reasons of performance and how to perform effectively in future so that employee, organization and society all benefits.”

## ****Meaning of Performance Appraisals****

Performance Appraisals is the assessment of individual’s performance in a systematic way. It is a developmental tool used for all round development of the employee and the organization. The performance is measured against such factors as job knowledge, quality and quantity of output, initiative, leadership abilities, supervision, dependability, co-operation, judgment, versatility and health. Assessment should be confined to past as well as potential performance also. The second definition is more focused on behaviors as a part of assessment because behaviors do affect job results.

## ****Performance Appraisals and Job Analysis Relationship****

|  |  |  |
| --- | --- | --- |
| Job Analysis à | Performance Standards à | Performance Appraisals |
| Describe the work and personnel requirement of a particular job. | Translate job requirements into levels of acceptable or unacceptable performance | Describe the job relevant strengths and weaknesses of each individual. |

## ****Objectives of Performance Appraisals****

**Use of Performance Appraisals**

1. Promotions

2. Confirmations

3. Training and Development

4. Compensation reviews

5. Competency building

6. Improve communication

7. Evaluation of HR Programs

8. Feedback & Grievances

## ****Performance Appraisal Process****

1. Objectives definition of appraisal

2. Job expectations establishment

3. Design an appraisal program

4. Appraise the performance

5. Performance Interviews

6. Use data for appropriate purposes

7. Identify opportunities variables

8. Using social processes, physical processes, human and computer assistance

# ****Difference between Traditional and Modern (Systems) approach to Appraisals****

|  |  |  |
| --- | --- | --- |
| Categories | Traditional Appraisals | Modern, Systems Appraisals |
| Guiding Values | Individualistic, Control oriented, Documentary | Systematic, Developmental, Problem solving |
| Leadership Styles | Directional, Evaluative | Facilitative, Coaching |
| Frequency | Occasional | Frequent |
| Formalities | High | Low |
| Rewards | Individualistic | Grouped, Organizational |

## ****TECHNIQUES / METHODS OF PERFORMANCE APPRAISALS****

Numerous methods have been devised to measure the quantity and quality of performance appraisals. Each of the methods is effective for some purposes for some organizations only. None should be dismissed or accepted as appropriate except as they relate to the particular needs of the organization or an employee.

Broadly all methods of appraisals can be divided into two different categories.

* Past Oriented Methods
* Future Oriented Methods

**Past Oriented Methods**

1. **Rating Scales:** Rating scales consists of several numerical scales representing job related performance criterions such as dependability, initiative, output, attendance, attitude etc. Each scales ranges from excellent to poor. The total numerical scores are computed and final conclusions are derived. Advantages – Adaptability, easy to use, low cost, every type of job can be evaluated, large number of employees covered, no formal training required. Disadvantages – Rater’s biases

2. **Checklist:** Under this method, checklist of statements of traits of employee in the form of Yes or No based questions is prepared. Here the rater only does the reporting or checking and HR department does the actual evaluation. Advantages – economy, ease of administration, limited training required, standardization. Disadvantages – Raters biases, use of improper weighs by HR, does not allow rater to give relative ratings

3. **Forced Choice Method:** The series of statements arranged in the blocks of two or more are given and the rater indicates which statement is true or false. The rater is forced to make a choice. HR department does actual assessment. Advantages – Absence of personal biases because of forced choice. Disadvantages – Statements may be wrongly framed.

4. **Forced Distribution Method:** here employees are clustered around a high point on a rating scale. Rater is compelled to distribute the employees on all points on the scale. It is assumed that the performance is conformed to normal distribution. Advantages – Eliminates Disadvantages – Assumption of normal distribution, unrealistic, errors of central tendency.

5. **Critical Incidents Method:** The approach is focused on certain critical behaviors of employee that makes all the difference in the performance. Supervisors as and when they occur record such incidents. Advantages – Evaluations are based on actual job behaviors, ratings are supported by descriptions, feedback is easy, reduces recency biases, chances of subordinate improvement are high. Disadvantages – Negative incidents can be prioritized, forgetting incidents, overly close supervision; feedback may be too much and may appear to be punishment.

6. **Behaviorally Anchored Rating Scales:** statements of effective and ineffective behaviors determine the points. They are said to be behaviorally anchored. The rater is supposed to say, which behavior describes the employee performance. Advantages – helps overcome rating errors. Disadvantages – Suffers from distortions inherent in most rating techniques.

7. **Field Review Method:** This is an appraisal done by someone outside employees’ own department usually from corporate or HR department. Advantages – Useful for managerial level promotions, when comparable information is needed, Disadvantages – Outsider is generally not familiar with employees work environment, Observation of actual behaviors not possible.

8. **Performance Tests & Observations:** This is based on the test of knowledge or skills. The tests may be written or an actual presentation of skills. Tests must be reliable and validated to be useful. Advantage – Tests may be apt to measure potential more than actual performance. Disadvantages – Tests may suffer if costs of test development or administration are high.

9. **Confidential Records:** Mostly used by government departments, however its application in industry is not ruled out. Here the report is given in the form of Annual Confidentiality Report (ACR) and may record ratings with respect to following items; attendance, self expression, team work, leadership, initiative, technical ability, reasoning ability, originality and resourcefulness etc. The system is highly secretive and confidential. Feedback to the assessee is given only in case of an adverse entry. Disadvantage is that it is highly subjective and ratings can be manipulated because the evaluations are linked to HR actions like promotions etc.

10. **Essay Method:** In this method the rater writes down the employee description in detail within a number of broad categories like, overall impression of performance, promote ability of employee, existing capabilities and qualifications of performing jobs, strengths and weaknesses and training needs of the employee. Advantage – It is extremely useful in filing information gaps about the employees that often occur in a better-structured checklist. Disadvantages – It its highly dependent upon the writing skills of rater and most of them are not good writers. They may get confused success depends on the memory power of raters.

11. **Cost Accounting Method:** Here performance is evaluated from the monetary returns yields to his or her organization. Cost to keep employee, and benefit the organization derives is ascertained. Hence it is more dependent upon cost and benefit analysis.

12. **Comparative Evaluation Method (Ranking & Paired Comparisons):** These are collection of different methods that compare performance with that of other co-workers. The usual techniques used may be ranking methods and paired comparison method.

* **Ranking Methods:** Superior ranks his worker based on merit, from best to worst. However how best and why best are not elaborated in this method. It is easy to administer and explanation.
* **Paired Comparison Methods:** In this method each employee is rated with another employee in the form of pairs. The number of comparisons may be calculated with the help of a formula as under.

**Future Oriented Methods**

1. **Management By Objectives:** It means management by objectives and the performance is rated against the achievement of objectives stated by the management. MBO process goes as under.

* Establish goals and desired outcomes for each subordinate
* Setting performance standards
* Comparison of actual goals with goals attained by the employee
* Establish new goals and new strategies for goals not achieved in previous year.

Advantage – It is more useful for managerial positions.

Disadvantages – Not applicable to all jobs, allocation of merit pay may result in setting short-term goals rather than important and long-term goals etc.

2. **Psychological Appraisals:** These appraisals are more directed to assess employees potential for future performance rather than the past one. It is done in the form of in-depth interviews, psychological tests, and discussion with supervisors and review of other evaluations. It is more focused on employees emotional, intellectual, and motivational and other personal characteristics affecting his performance. This approach is slow and costly and may be useful for bright young members who may have considerable potential. However quality of these appraisals largely depend upon the skills of psychologists who perform the evaluation.

3. **Assessment Centers:** This technique was first developed in USA and UK in 1943. An assessment center is a central location where managers may come together to have their participation in job related exercises evaluated by trained observers. It is more focused on observation of behaviors across a series of select exercises or work samples. Assessees are requested to participate in in-basket exercises, work groups, computer simulations, role playing and other similar activities which require same attributes for successful performance in actual job. The characteristics assessed in assessment center can be assertiveness, persuasive ability, communicating ability, planning and organizational ability, self confidence, resistance to stress, energy level, decision making, sensitivity to feelings, administrative ability, creativity and mental alertness etc. Disadvantages – Costs of employees traveling and lodging, psychologists, ratings strongly influenced by assessee’s inter-personal skills. Solid performers may feel suffocated in simulated situations. Those who are not selected for this also may get affected.

**Advantages** – well-conducted assessment center can achieve better forecasts of future performance and progress than other methods of appraisals. Also reliability, content validity and predictive ability are said to be high in assessment centers. The tests also make sure that the wrong people are not hired or promoted. Finally it clearly defines the criteria for selection and promotion.

1. **360-Degree Feedback:** It is a technique which is systematic collection of performance data on an individual group, derived from a number of stakeholders like immediate supervisors, team members, customers, peers and self. In fact anyone who has useful information on how an employee does a job may be one of the appraisers. This technique is highly useful in terms of broader perspective, greater self-development and multi-source feedback is useful. 360-degree appraisals are useful to measure inter-personal skills, customer satisfaction and team building skills. However on the negative side, receiving feedback from multiple sources can be intimidating, threatening etc.

**Motivation**

**Motivation** is the inner drive that directs a person's behavior toward goals. **Motivation** can be **defined** as a process which energizes, directs and sustains human behavior. In **HRM** the term refers to person's desire to do the best possible job or to exert the maximum effort to perform assigned tasks.

**Motivation Defined**

Internal and external factors that stimulate desire and energy in people to be continually interested in and committed to a job, role, or subject, and to exert persistent effort in attaining a goal.  
  
**Motivation results from the interactions among conscious and unconscious factors such as the**  
(1) intensity of desire or need,   
(2) incentive or reward value of the goal, and   
(3) expectations of the individual and of his or her significant others.  
  
Many contemporary authors have also defined the concept of motivation. Motivation has been defined as: the psychological process that gives behavior purpose and direction (Kreitner, 1995); a predisposition to behave in a purposive manner to achieve specific, unmet needs (Buford, Bedeian, & Lindner, 1995); an internal drive to satisfy an unsatisfied need (Higgins, 1994); and the will to achieve (Bedeian, 1993). For this paper, motivation is operationally defined as the inner force that drives individuals to accomplish personal and organizational goals.

"Psychological forces that determine the direction of a person's behavior in an organization, a person's level of effort and a person's level of persistence." G. Jones and J. George from the book "Contemporary Management."  
  
**The following are the features of motivation :**

* Motivation is an act of managers
* Motivation is a continuous process
* Motivation can be positive or negative
* Motivation is goal oriented
* Motivation is complex in nature
* Motivation is an art
* Motivation is system-oriented
* Motivation is different from job satisfaction

# Disciplinary procedure and guidelines

## Procedure

**Dealing with poor conduct**

1. Application and Scope
2. General Principles
3. Informal Procedure
4. Formal Procedure
5. Investigation
6. Disciplinary Hearings
7. Formal Levels of Disciplinary Sanctions
8. Appeals
9. Appendix A: Examples of misconduct/gross misconduct
10. Appendix B: Illustrative levels of authority to take disciplinary action

## Application and Scope

* 1. The University expects satisfactory standards of behaviour, conduct and attendance from all its employees. The disciplinary procedure provides a framework for dealing with instances where employees are alleged not to have met the required standards of conduct. The aim is to ensure prompt, consistent and fair treatment for all employees and to assist in enabling both the employee and the University to be clear about the expectations of both parties.
  2. The procedure applies to all employees employed by the University of York under a contract of employment.
  3. **Trade Union Representatives –** Where disciplinary action is being considered against an employee who is a trade union representative the normal disciplinary procedure will be followed. Depending on the circumstances, however, and after obtaining the employee’s consent, it is advisable to discuss the matter at an early stage with an official employed by the union. As this will normally involve contact with the Regional Union Office this will be dealt with by Human Resources.
  4. **Criminal Offences -** If an employee is charged with, or convicted of, a criminal offence (outside of employment) this will not normally in itself be considered a reason for disciplinary action. Consideration will be given to the relevance and effect the charge or conviction has to or on the employee’s suitability to do their job and their relationship with the University, work colleagues, students and customers.

## General Principles

The following principles will apply to the application of this procedure:

* 1. **Informal Resolution** - University managers are responsible for addressing conduct and behaviour issues as early as possible and for taking appropriate action. Where appropriate, steps will be taken to resolve issues on an informal basis without recourse to the formal procedure.
  2. **Investigation** – Before disciplinary action is taken an investigation shall be undertaken. Where the manager with authority to hear the case considers it appropriate the contents of an investigation undertaken under another procedure (e.g. Academic misconduct) may be used as part of this process.
  3. **Nature of allegations** – The employee against whom an allegation has been made shall be advised in writing of the nature of the allegations made against him/her and will be given the opportunity to state his/her case before any decision is made to take disciplinary action.
  4. **First breach of discipline** -Dismissal will not be a sanction for a first breach of discipline except in the case of gross misconduct.
  5. **Suspension -** At any stage in the procedure, if appropriate, an employee may be suspended. Suspension is not a penalty and is not an indication of culpability, there is therefore a presumption that suspension will be on full pay. The decision to suspend will be taken by a **Senior Manager1**after consultation with HR.
  6. **Right to be accompanied** - All employees who are the subject of this procedure have the right to be accompanied at any formal meeting or disciplinary hearing held under the procedure by a trade union representative or work colleague.
  7. **Equality and Diversity -** To ensure fair treatment and, where appropriate, provision of support by the University in the application of this procedure, employees should be invited to provide information about any equality or diversity issues which may be relevant.
  8. **Confidentiality** – All parties involved in these procedures must ensure that they maintain, as appropriate, the confidentiality of the process within and outside the University.
  9. **Involvement of Human Resources –** A member of the human resources team will be consulted and will advise on suspension, investigation and the formal procedure.
  10. **Appeals against Sanctions including dismissal** - Sanctions or warnings issued as a result of procedures will remain in force pending the outcome of any appeal.
  11. **Timescales** - Whilst every endeavour will be made to comply with timescales, due to the complexity and or specific circumstances of cases, timescales may be extended. In such circumstances the employee will be advised of the reasons for any delay.

## Informal Procedure

* 1. It is part of the normal supervisory process that managers bring to the attention of the employees the standards required and any failure to meet those standards.
  2. Cases of minor misconduct, (e.g. recurrent lateness) should be dealt with by the employee’s line manager/immediate supervisor/ head of department (hereafter referred to as the manager) informally and without delay. The manager must speak to the employee, in private and should encourage them to conduct themselves in accordance with the required standards.
  3. The purpose of these discussions is to ensure that the employee understands the nature of the concerns, expectations of improvements in conduct and where appropriate timescales and the nature of any support available.
  4. It is advisable to confirm the outcomes of any discussions in writing to the employee. The line manager should retain any note of these informal discussions or meetings.
  5. Following a satisfactory outcome to the use of the informal procedure, the matter will be considered resolved.
  6. However, where an issue has been discussed with an employee informally and if:
     + the issue has not been resolved and the problem persists
     + the required improvements in conduct are not achieved
     + further information becomes available during discussions which make the matter sufficiently serious the formal procedure should be invoked.

## Formal procedure

* 1. Where the informal process has not led to improved conduct, or where the alleged misconduct is of such seriousness that the manager considers informal action to be inappropriate, formal action will be initiated. Examples of misconduct are shown in Appendix A.
  2. An investigation of the facts will be conducted as outlined in section 5 to determine whether there is a disciplinary case to answer.
  3. Where an investigation indicates that there may have been an act of misconduct the employee will be required to attend a formal disciplinary hearing at which s/he shall be given the opportunity to respond and state his/her case.
  4. **Authority to take formal disciplinary action**  
     Appendix B details employees who are authorised to undertake disciplinary action in accordance with this procedure and following consultation with Human Resources.

## Investigation

* 1. Before a disciplinary hearing is convened there will normally be an investigation into the circumstances of the alleged misconduct. The purpose of the investigation is to:
     + establish the nature of the allegations
     + gather evidence to enable a decision to be taken on whether there is a disciplinary case to answer
     + consider if the matter should proceed to a formal hearing
  2. The employee will be informed promptly of any allegation and that an investigation to establish the facts will be undertaken. The investigation must be concluded as soon as reasonably possible whilst allowing sufficient time to interview relevant parties. Employees must be kept informed if there is any unexpected delay in the process.
  3. The employee’s manager may appoint an ‘**investigatory manager’** not immediately involved in the case to investigate the facts of the situation. A member of the HR team will assist in ensuring that the matters are handled fairly, reasonably and in compliance with current legislation and University procedure.
  4. If there is no disagreement concerning the facts of the case because the employee admits misconduct, an investigation may not be necessary before a disciplinary hearing is arranged. However, in cases where misconduct is not admitted or if there are conflicting views or evidence, further investigation will usually be appropriate before a decision is taken to proceed to a formal hearing.
  5. **Investigatory Interviews** are part of the process to establish whether disciplinary action is warranted. As part of the investigation the employee who is the subject of the allegation will be asked to attend an investigatory interview at which s/he may be accompanied. The employee must inform the investigating manager of any facts or witnesses that s/he feels are relevant to the case. Where appropriate, witnesses will also be interviewed. Interview statements which are signed and dated will be produced.
  6. The outcomes of an investigation may be:
     + There is no case to answer and therefore no disciplinary action is taken
     + The matter is dealt with informally, if appropriate with support and or training to resolve the matter.
     + Recommendation that there is a disciplinary case to answer and a disciplinary hearing should be arranged

## Disciplinary Hearing

* 1. **Disciplinary Hearing – Preparation and conduct**   
     If following an investigation there is a recommendation that there is a disciplinary case to answer the employee will normally be given ten days notice and invited to attend a disciplinary hearing. The employee will be provided with details of the allegation(s) and an indication as to whether the alleged misconduct is considered as potentially a serious/gross misconduct case and therefore whether a sanction less than or up to dismissal may be considered. The employee will be invited to make any written submissions or bring forward witnesses. Prior to the hearing, any documentation that will be referred to in the hearing will be made available to the employee.
     + 6. The employee will be given an opportunity to present his/her case, question witnesses and raise any issues s/he wishes to have considered. The manager conducting and hearing the case will be able to question those involved in the case.
     + The manager conducting and hearing the case will consider all representations then decide if on the balance of probabilities the allegation(s) are proven and if so what level of disciplinary sanction is appropriate.
     + The decision may be given verbally at the hearing and will in any event be conveyed or confirmed in writing within five working days of the hearing. The correspondence shall also notify the individual employee of his/her right to appeal against any sanction. In the event that the decision is taken to dismiss the employee, the letter will include the reasons for dismissal and the date that his/her employment will terminate, together with details of any notice arrangements.

## 7 Formal Levels of Disciplinary Sanctions

* 1. There are three levels in the formal disciplinary procedure with various sanctions dependent upon the gravity of the case and/or the on-going nature of the misconduct.
  2. **Level One Formal - Written warning**

This is usually given if there has been either a minor breach in conduct which remains unresolved by informal action, or a first more serious breach of discipline.

* + - The disciplinary sanction of a written warning given under level one will be retained on the employee’s personal file, subject to satisfactory conduct and/or improvements for twelve months from the date the decision is confirmed.
  1. **Level Two Formal - Final written warning**
     + If the employee does not meet the required standard of conduct set out in level one or commits any other act of misconduct during the timescale of an existing warning, a further formal disciplinary hearing may be convened under level two of this procedure.
     + In some circumstances, where an alleged misconduct is sufficiently serious, it may be appropriate to progress straight to level two of this procedure.
     + The disciplinary hearing will be conducted following an investigation if appropriate and as described in section 6.1.
     + The disciplinary sanction of a final written warning given under level two will be retained on the employee’s personal file, subject to satisfactory conduct and or improvements for twenty-four months from the date the decision is confirmed.
  2. **Level Three Formal – Dismissal**

If allegations are raised which are so serious as to constitute gross misconduct, such as those in Appendix A, it will be appropriate to consider taking formal action under level three of this procedure.

It may also be appropriate to move to level three if an employee does not meet the required standard of conduct set out in the final written warning given under level two of this procedure, or commits any other act of misconduct during the timescale of an existing warning.

If an investigation indicates that an act of further or gross misconduct may have occurred, the employee will be required to attend a formal disciplinary hearing.

The letter requiring attendance at the formal disciplinary hearing shall include a statement of the alleged misconduct and warn the employee that one consequence of the hearing may be the termination of his/her employment with or without notice.

The manager conducting and hearing case will consider all representations then decide if on the balance of probabilities the allegation(s) are proved and if so what level of disciplinary sanction, including and up to dismissal, is appropriate. On the basis of the information presented that manager may decide:

* + - * To dismiss the employee (without notice in the case of gross misconduct)
      * That there are insufficient grounds to dismiss the employee under this procedure;
      * On the imposition, extension or renewal of a warning or final written warning issued under this procedure;
      * To withhold an increment of salary
      * On the removal of any title or office held in addition to the substantive appointment
      * On the transfer of an employee to an alternative post within the University2
      * That matters should be considered under an alternative procedure.

The above list is not exhaustive and the outcome may be varied according to the circumstances of the case.

# Grievance Handling: Definition, Features Causes, and Effects

#### Introduction and Definition of Grievance:

A grievance is any dissatisfaction or feeling of injustice having connection with one’s employment situ­ation which is brought to the attention of management. Speaking broadly, a grievance is any dissatisfac­tion that adversely affects organizational relations and productivity. To understand what a grievance is, it is necessary to distinguish between dissatisfaction, complaint, and grievance.

1. Dissatisfaction is anything that disturbs an employee, whether or not the unrest is expressed in words.

2. Complaint is a spoken or written dissatisfaction brought to the attention of the supervisor or the shop steward.

3. Grievance is a complaint that has been formally presented to a management representative or to a union official.

According to Michael Jucious, ‘grievance is any discontent or dissatisfaction whether expressed or not, whether valid or not, arising out of anything connected with the company which an employee thinks, believes or even feels to be unfair, unjust or inequitable’.

In short, grievance is a state of dissatisfaction, expressed or unexpressed, written or unwritten, justified or unjustified, having connection with employment situation.

#### Features of Grievance:

1. A grievance refers to any form of discontent or dissatisfaction with any aspect of the organization..

2. The dissatisfaction must arise out of employment and not due to personal or family problems.

3. The discontent can arise out of real or imaginary reasons. When employees feel that injustice has been done to them, they have a grievance. The reason for such a feeling may be valid or invalid, legitimate or irrational, justifiable or ridiculous.

4. The discontent may be voiced or unvoiced, but it must find expression in some form. However, discontent per se is not a grievance. Initially, the employee may complain orally or in writing. If this is not looked into promptly, the employee feels a sense of lack of justice. Now, the discontent grows and takes the shape of a grievance.

5. Broadly speaking, thus, a grievance is traceable to be perceived as non-fulfillment of one’s expec­tations from the organization.

#### Causes of Grievances:

**Grievances may occur due to a number of reasons:**

**1. Economic:**

Employees may demand for individual wage adjustments. They may feel that they are paid less when compared to others. For example, late bonus, payments, adjustments to overtime pay, perceived inequalities in treatment, claims for equal pay, and appeals against performance- related pay awards.

**2. Work environment:**

It may be undesirable or unsatisfactory conditions of work. For example, light, space, heat, or poor physical conditions of workplace, defective tools and equipment, poor quality of material, unfair rules, and lack of recognition.

**3. Supervision:**

It may be objections to the general methods of supervision related to the attitudes of the supervisor towards the employee such as perceived notions of bias, favouritism, nepotism, caste affiliations and regional feelings.

**4. Organizational change:**

Any change in the organizational policies can result in grievances. For example, the implementation of revised company policies or new working practices.

**5. Employee relations:**

Employees are unable to adjust with their colleagues, suffer from feelings of neglect and victimization and become an object of ridicule and humiliation, or other inter- employee disputes.

**6. Miscellaneous:**

These may be issues relating to certain violations in respect of promotions, safety methods, transfer, disciplinary rules, fines, granting leaves, medical facilities, etc.

#### Effects of Grievance:Grievances, if not identified and redressed, may adversely affect workers, managers, and the organiza­tion.

**The effects are the following:**

**1. On the production:**

a. Low quality of production

b. Low productivity

c. Increase in the wastage of material, spoilage/leakage of machinery

d. Increase in the cost of production per unit

**2. On the employees:**

a. Increase in the rate of absenteeism and turnover

b. Reduction in the level of commitment, sincerity and punctuality

c. Increase in the incidence of accidents

d. Reduction in the level of employee morale.

**3. On the managers:**

a. Strained superior-subordinate relations.

b. Increase in the degree of supervision and control.

c. Increase in indiscipline cases

d. Increase in unrest and thereby machinery to maintain industrial peace

#### Need for a Formal Procedure to Handle Grievances:

A grievance handling system serves as an outlet for employee frustrations, discontents, and gripes like a pressure release value on a steam boiler.

Employees do not have to keep their frustrations bottled up until eventually discontent causes explosion.

The existence of an effective grievance procedure reduces the need of arbitrary action by supervisors because supervisors know that the employees are able to protect such behavior and make protests to be heard by higher management.

The very fact that employees have a right to be heard and are actually heard helps to improve morale. In view of all these, every organization should have a clear-cut proce­dure for grievance handling.