

HUMAN RESOURCE MANAGEMENT

SEMESTER-II : DISCIPLINE SPECIFIC CORE (DSC-6)
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UNIT - I



Conceptual Framework of HRM

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STRUCTURE

- 1.1 *Learning Objectives*
- 1.2 *Introduction*
- 1.3 *Concept and Evolution of HRM*
- 1.4 *Role, Status and Competencies of HR Manager*
- 1.5 *HR Policies*
- 1.6 *Summary*
- 1.7 *Answers to In-Text Questions*
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- 1.9 *References*
- 1.10 *Suggested Readings*

1.1 Learning Objectives

After studying this Chapter students may be able to:

- ◆ Define the concept of Human Resource Management and appreciate why HR become the new corporate hero.
- ◆ Discuss the importance, objective and function of Human Resource Management.
- ◆ Understand the role, competencies and status of a Human Resource manager.
- ◆ Know the concept, types, advantages and about the formulation of HR policies.



1.2 Introduction

India is being widely recognized as one of the most exciting and emerging economies in the world. Besides becoming a global hub of outsourcing, Indian firms are spreading their wings globally through mergers and acquisitions. During the first four months of 1997, Indian companies have bought 34 foreign companies for about U.S. \$11 billion dollars. This impressive development has been due to a growth in inputs (capital and labour) as well as factor productivity. According to Morgan and Stanley “India is on track to become the world’s third largest economy by 2027, surpassing Japan and Germany, and have the third largest stock market by 2030, thanks to global trends and key investments the country has made in technology and energy”. To make a production process successful, an industry requires four M’s that is Machine, Money, Material and Men. Men occupies the most crucial and important place in the all the four M’s. The other M’s will not be able to carry and manage the processes unless there is effective coordination and utilisation of human resource. Therefore, human resource management becomes very significant to run a business and perform functions like recruiting, selecting, motivating, formulating policies, arranging training programmes, etc. Let’s understand about human resource management and a about an HR manager in this chapter.

1.3 Concept and Evolution of HRM

1.3.1 *Concept of HRM*

Human Resource Management is the process of acquiring, training, appraising, and compensating employees, and of attending to their labour relations, health and safety, and fairness concerns.

According to Edwin B. Flippo, “Human resource management is the planning; organising, directing and controlling of procurement, development, compensation, integration, maintenance and separation of human resource to the end that individual and societal objectives are accomplished”.

According to Dessler, (2020), “The process of acquiring, training, appraising, and compensating employees, and of attending to their labour relations, health and safety, and fairness concerns”.



Concerned with the employment, development and reward of people in organisations and the conduct of relationships between management and the workforce. (Armstrong, 1999)

Planning for human resource management includes estimating and identifying the organization's human resources, setting standards, regulations, and policies, and developing plans for human resource development. Organising of human resource involves establishing a work structure in the firm, assigning responsibilities and tasks to the workforce and setting up coordination between the different departments and different teams. Directing involves giving a direction to the workforce and letting them know the direction of flow of information. Assigning leaders and getting the job done in the right direction also comes under this. Controlling here refers to the judging standard of work submitted and evaluation of performance of each employee.

1.3.2 Relevance and Spectrum of Human Resource Management

Taking a look at people is rewarding experience. It is the people who possess skills, abilities and aptitudes that offer competitive advantage to a firm. It is only human resource that is capable of deciding, implementing and controlling activities. No computer can substitute human brain, no machines can run without human interventions and no organization has mandate to exist if it cannot serve people's needs. Organizations are made up of people and function through people. Without people organizations cannot exist. The resources of men, money, materials and machinery are collected, coordinated and utilized through people. It is people who build factories, structure organizations and manage them successfully.

The rapid growth of globalization has increased the number and significance of MNC's which in turn increased the mobility of people. Working for MNC's is a challenging task. HRM is a study about people in organization - how they are hired, trained, compensated, motivated and maintained.

1.3.3 Evolution of HRM

The evolution of HRM can be traced back to the HR movement in the ancient period. For example: the minimum wage rate and incentive wage



Notes

plans were included in the Babylonian code of Hammurabi around 1800 B.C. The Chinese, as early as 1650 B.C. had originated the principle of division of labour and they understood labour turnover even in 400 B.C. Kautilya, in India (in his book Arthashastra) made references to various concepts like job analysis, selection procedures, executive development, incentive system and performance appraisal. However, in the modern age, *i.e.* up to 1930s, it was referred to as personnel management and the focus was on the employer- employee relations. Studies on HR were initially guided by Taylor's scientific management principles. He pointed out that just as there was a best machine for a job, so there were best ways for people to do their jobs. Later on, Hawthorne studies to the behavioural school based on the theories of Abraham Maslow, Herzberg, and Douglas McGregor gave this concept a recognition.

The early roots of HRM in India could be traced back to the period after 1930. The Royal commission on labour in 1931 suggested the appointment of labour officer to protect workers' interests and act as a spokesperson of labour. After Independence, The Factories Act, 1948, made it obligatory for factories employing 500 or more workers. In view of legal compulsions and the enumeration of duties the entire approach of organizations towards their personnel was to comply with the laws and keep the welfare officers busy with routine functions.

During the 1960s the scope of personnel function has expanded a bit, covering labour welfare, participative management, industrial harmony etc. In this period, the human relations movement of the west had also had its impact on Indian organizations. The legalistic preoccupations slowly gave way to harmonious industrial relations and good HR practices. In 1960s and 70s the HR professionals focused more on developmental aspects of human resources. The emphasis was on striking a harmonious balance between employee demands and organizational requirements. HRD has come to occupy a centre stage and a focal point of discussion in seminars, conferences and academic meets.

During the 1990s, organizational restructuring and cost cutting efforts have started in a big way, thanks to the pressure of Liberalization, Privatization and Globalization (LPG) forcing companies to focus attention on employee capabilities product/service quality, speedy response, customer satisfaction



etc. Changing demographics and increasing shortages of workers with the requisite knowledge, skills and ability have grown in importance. The issue of workforce diversity has assumed greater importance in view of the cultural, religious social, regional background of the workers, especially in global sized companies such as Reliance, Ranbaxy, Asian Paints, Tisco etc.

The following table capture the picture more accurately:

Period	Emphasis	Status	Roles
1920-30	Welfare management Paternalistic practices	Clerical	Welfare Administer Policeman
1940-60	Expanding the role to cover labour, welfare, industrial relations and Personnel administration	Administration	Appraiser Advisor Mediator Legal Advisor
1970-80	Efficiency, effectiveness dimensions added emphasis on human values, aspirations, dignity, usefulness	Developmental	Change Agent Integrator Trainer Educator
1990's and onwards	Incremental productivity gains through human assets	Proactive, growth oriented	Developer Counsellor Coach Mentor Problem solver

1.3.4 Nature of HRM

HRM is a process of bringing people and organizations together so that the goals of each are met. It tries to secure the best from people by winning their wholehearted cooperation. It has following features:

- 1. Pervasive Force:** HRM is pervasive in nature. It is present in all enterprises. It permeates all levels of management in an organization.



2. **Action Oriented:** HRM focuses attention on action, rather than on record keeping, written procedures or rules. The problems of employees at work are solved through rational policies.
3. **Individually as well as Group Oriented:** HRM tries to help employees develop their potential fully. It encourages them to give their best. It motivates employees through a systematic process of recruitment, selection, training, and development coupled with fair wage policies. HRM is all about people at work, both as individually and groups. It tries to put people on assigned jobs in order to produce good results.
4. **Future Oriented:** Effective HRM helps an organization meet its goals in the future by providing competent and well-motivated employees.
5. **Development Oriented:** HRM intends to develop the full potential of employees. The reward structure is tuned to the needs of employees. Training is offered to sharpen and improve their skills. Employees are rotated on various jobs so that they gain experience and exposure. Every attempt is made to use their talents fully in the service of organizational goals.
6. **Continuous Function:** According to Terry, HRM is not a one-shot deal. It cannot be practiced only one hour each day or one day a week. It requires a constant alertness and awareness of human relations and their importance in everyday operations.
7. **Auxiliary Services:** HR departments exist to assist and advise the line or operating managers to do their personal work more effectively. HR manager is a specialist advisor.
8. **Comprehensive Function:** HRM is, to some extent, concerned with any organizational decision which has an impact on the workforce or the potential workforce. The term 'workforce' signifies people working at various levels, including workers, supervisors, middle and top managers. It is concerned with managing people at work.
9. **Inter-disciplinary Function:** HRM is a multi-disciplinary activity, utilizing knowledge and inputs drawn from psychology, sociology, anthropology, economics etc. To unravel the mystery surrounding the human brain, managers, need to understand and appreciate the contributions of all such 'soft' disciplines.



1.3.5 Objectives of HRM

The main objectives of HRM are as follows:

- 1. To Help the Organization to Reach its Goals:** HR department, like other departments in an organization, exists to achieve the goals of the organization first and if it does not meet this purpose, HR department will wither and die.
- 2. To Employ the Skills and Abilities of the Workforce Efficiently:** The primary purpose of HRM is to make people's strengths productive and to benefit customers, stockholders and employees.
- 3. To Provide the Organization with well Trained and Well-Motivated Employees:** HRM requires that employees be motivated to exert their maximum efforts, that their performance be evaluated properly for results and that they be remunerated on the basis of their contribution to the organization.
- 4. To Increase to the Fullest the Employee's Job Satisfaction and Self-Actualization:** It tries to prompt and stimulate every employee to realize his potential. To this end suitable programmes have to be designed aimed at improving the quality of work life.
- 5. To Communicate HR Policies to All Employees:** It is the responsibility of HRM to communicate in the fullest possible sense; tapping ideas, opinions and feelings of customers, non-customers, regulators and other external public as well as understanding the views of internal human resource.
- 6. To Develop and Maintain a Quality of Work Life:** It makes employment in the organization a desirable, personal and social, situation. Without improvement in the quality of work life, it is difficult to improve organizational performance.
- 7. To be Ethically and Socially Responsive to the Needs of Society:** HRM must ensure that the organizations manage human resource in an ethical and socially responsible manner through ensuring compliance with legal and ethical standards.



1.3.6 Importance of HRM

An organization's success increasingly depends on the knowledge, skills and abilities of employees, particularly as they help establish a set of core competencies that distinguish an organization from its competitors. HRM helps an organization and its people to realize their respective goals thus:

1. At the enterprise level:

- ◆ Good human resource practices can help in attracting and retaining the best people in the organization. Planning alerts the company to the types of people it will need in the short, medium and long run.
- ◆ It helps in training people for challenging roles, developing right attitudes towards the job and the company, promoting team spirit among employees and developing loyalty and commitment through appropriate reward schemes

2. At the individual level:

- ◆ It promotes team work and team spirit among employees.
- ◆ It offers excellent growth opportunities to people who have the potential to rise.
- ◆ It allows people to work with diligence and commitment.

3. At the Society Level: Sound human resource management has a great significance for the society. It helps to enhance the dignity of labour in the following ways:

Providing suitable employment that provides social and psychological satisfaction to people.

Maintaining a balance between the jobs available and the jobseekers in terms of numbers, qualifications, needs and aptitudes.

Eliminating waste of human resources through conservation of physical and mental health.

Scarce talents are put to best use. Companies that pay and treat people well always race ahead of others and deliver excellent results.

4. At the national level: Effective use of human resources helps in exploitation of natural, physical and financial resources in a better way. People with right skills, proper attitudes and appropriate values



help the nation to get ahead and compete with the best in the world leading to better standard of living and better employment.

Notes

1.3.7 Functions of HRM

Human resource management may broadly be classified into two categories, viz.:

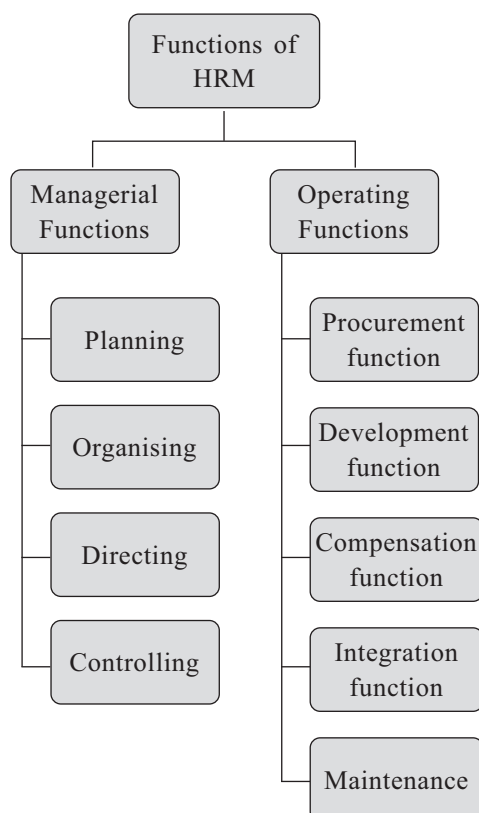


Figure 1.1: Functions of HRM

I. Managerial Functions: Managing people is the essence of being a manager. Like other managers, a human resource manager performs the function of planning, organizing, directing and controlling:

1. **Planning:** Forecasting implies scientific anticipation of the future environment. Human resource management involves forecasting needs for human resources, predicting trends in labour market, wages, union demand, etc. and their impact



on the organization. In the area of HRM, planning involves deciding human resource goals, formulating human resource policies and programmes, preparing the human resource budget, etc.

2. **Organising:** In order to implement the plans, a sound organization structure is required. Organizing is the process of allocating tasks among the members of the group, establishing authority-responsibility relationships among them and integrating their activities towards the common objectives. In this way a Structure of relationships among jobs, personnel and physical factors is developed.
3. **Directing:** Directing is the process of motivating, activating, leading and supervising people. It involves getting others to act after all preparations have been made. A manager can tap the maximum potential of employees through proper direction. Directing also helps in building sound individual and human relations in the organization.
4. **Controlling:** it implies checking, verifying and regulating to ensure that everything occurs in conformity with the plans adopted and the instructions issued. Controlling the management of human resources involves auditing training programmes, analysing labour turnover records, directing morale surveys, conducting separation interviews and such other means.

II. Operating Functions: The operative or service functions of human resource management are the tasks which are entrusted to the human resource department. These functions are concerned with specific activities of procuring, developing, compensating and maintaining an efficient work force:

1. **Procurement Function:** It is concerned with securing and employing the right kind and proper number of people required to accomplish the organizational objectives. It consists of the following activities:
 - (a) *Job Analysis:* It is concerned with securing and employing the right kind and proper number of people required to accomplish the organizational objectives.



- (b) *Human Resource Planning*: It is the process of estimating the present and future manpower requirements of the organization, preparing inventory of present manpower and formulating action programmes to bridge the gaps in manpower.
- (c) *Recruitment*: It is the process of searching for required human resource and stimulating them to apply for jobs in the organization. A proper balance should be maintained between the internal and external sources of recruitment.
- (d) *Selection*: It implies judging the suitability of different candidates for jobs in the organization and choosing the most appropriate people.
- (e) *Placement*: It means assigning suitable jobs to the selected candidates so as to match employee qualifications with job requirements.
- (f) *Induction or orientation*: It involves familiarizing the new employees with the company, the work environment and the existing employees so that the new people feel at home and can start work confidently.

2. Development Function: HRM is the process of improving the knowledge, skills, aptitudes and values of employees so that they can perform the present and future jobs more effectively. This function comprises the following activities:

- (a) *Performance and Potential Appraisal*: It implies systematic evaluation of employees with respect to their performance on the job and their potential for development.
- (b) *Training*: It is the process by which employees learn knowledge, skills and attitudes to further organizational and personal goals.
- (c) *Executive Development*: It is the process of developing managerial talent through appropriate programmes.
- (d) *Career Planning and Development*: It involves planning the career of employees and implementing career plans so as to fulfil the career aspirations of people.



- 3. Compensation Function:** It refers to providing equitable and fair remuneration to employees for their contribution to the attainment of organizational objectives. It consists of following activities:
- (a) *Job Evaluation:* It is the process of determining the relative worth of a job.
 - (b) *Wage and Salary Administration:* It implies developing and operating a suitable wage and salary programme. Surveys are conducted to determine wage and salary structure for various jobs in the organization.
 - (c) *Bonus:* It involves payment of bonus under the Payment of Bonus Act, 1965 as well as non-statutory bonus and other incentives.
- 4. Integration Function:** It is the process of reconciling the goals of the organization with those of its members. Integration involves motivating employees through various financial and non-financial incentives, providing job satisfaction, handling employee grievances through formal grievances etc.
- 5. Maintenance Function:** It is concerned with protecting and promoting the physical and mental health of employees. For this purpose, several types of fringe benefits such as housing, medical aid, educational facilities, conveyance facilities, etc. Are provided to the employees.

IN-TEXT QUESTIONS

1. _____ is the process of acquiring, training, appraising, and compensating employees, and of attending to their labour relations, health and safety, and fairness concerns.
2. _____ function refers to providing equitable and fair remuneration to employees for their contribution to the attainment of organizational objectives.
3. In the year 1920-30 Human resource manager was seen in which role?
 - (a) Welfare Administer & Policemen
 - (b) Advisor



(c) Educator

(d) Trainer

4. The Factories Act came into force in 1910. (True/False)
5. Operating functions of HRM involves planning, organising, staffing and controlling. (True/False)

1.4 Role, Status and Competencies of HR Manager

1.4.1 Role of HR Manager

Human Resource Managers, now-a-days, wear many hats. They perform mainly three different types of roles, while meeting the requirement of employees and customers, namely administrator, operational and strategic.

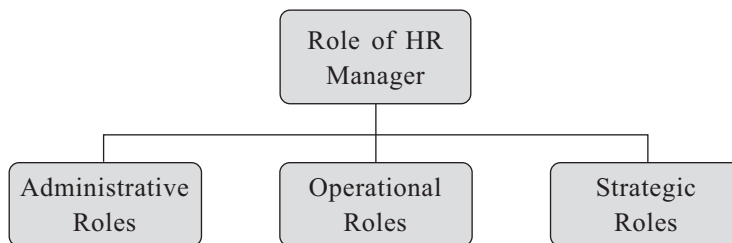


Figure 1.2: Different Roles of HR Manager

(A) ADMINISTRATIVE ROLES

1. **Policy Maker:** The HR manager helps management in the formation of policies governing talent acquisition and retention, wage and salary administration, welfare activities, personnel records, working conditions, etc. He also helps in interpreting personnel policies in an appropriate manner.
2. **Administrative Expert:** The administrative role of an HR manager is heavily oriented to processing and record keeping. Maintaining employee files, and HR -related databases, processing employee benefit claims, answering queries regarding leave, etc. are examples of the administrative nature of HR management.



3. **Advisor:** It is said that personnel management is not a line responsibility but a staff function. The personnel manager performs his functions by advising, suggesting, counselling and helping the line managers in discharging their responsibilities relating to grievance redressal, conflict resolution, employee selection and training.
4. **Housekeeper:** The administrative roles of a personnel manager in managing the show include recruiting, pre-employment testing, reference checking, employee surveys, timekeeping, wage and salary administration etc.
5. **Counsellor:** The HR manager discusses various problems of the employees relating to work, career, their supervisors, colleagues, health, family, financial, social etc. and advise them on minimizing and overcoming problems, if any.
6. **Welfare Officer:** Personnel manager is expected to be the welfare officer of the company. As a welfare officer he provides and maintains canteens, hospitals, creches, educational institutes, clubs, libraries, cooperative credit societies and consumer stores. Under the Factories Act, welfare officers are expected to take care of safety, health and welfare of employees.
7. **Legal Consultant:** HR manager plays a role of grievance handling, setting of disputes, handling disciplinary cases, enabling the process of joint consultation, industrial tribunals, civil courts and the like.

(B) OPERATIONAL ROLES

1. **Recruiter:** “Winning the war for talent” has become an important job of HR managers in recent times in view of the growing competition for people possessing requisite knowledge, skills and experience. HR managers have to use their experience to good effect while laying down lucrative career paths to new recruits without increasing financial burden to the company.
2. **Trainer Developer, Motivator:** Apart from talent acquisition, talent retention is also important. To this end, HR managers have to find skill deficiencies from time to time, offer meaningful training opportunities, etc.



3. **Linking Pin:** The HR manager is often deputed to act as a linking pin between various divisions of an organization. The whole exercise is meant to develop rapport with divisional heads, using PR and communication skills of HR executives to the maximum possible extent.
4. **Mediator:** The personnel manager acts as a mediator in case of friction between two employees, groups of employees, superiors and subordinates and employees and management with the sole objective of maintaining industrial harmony.

(C) STRATEGIC ROLES

1. **Building Core Competency:** HR Managers have a great role in developing core competency by the firms. A core competence is a unique strength of an organization which may not be shared by others. This may be in the form of human resources, marketing capability, or technological capability. If the business is organized on the basis of core competency, it is likely to generate competitive advantage.
2. **Providing Purposeful Direction:** The personnel manager must be able to lead people and the organization towards the desired direction involving people right from the beginning. One of the most important tasks of a professional manager is to ensure that the mission of an organization has been internalized by each individual working in the organization. Mission of an organization states the very purpose and justification of its existence.
3. **Creating Competitive Advantage:** In today's globalized market place, maintaining a competitive advantage is the foremost goal of any business organization. There are two important ways in which a business can achieve a competitive advantage. The first is cost leadership which means the firm aims to become the low-cost leader in the industry. The second competitive strategy is differentiation under which the firm seeks to be unique in the industry in terms of dimensions that are widely valued by the customers. Putting these strategies into effect carries a heavy premium on having a highly committed and competent workforce. Such a workforce would enable the organization



to compete on the basis of market responsiveness, product and service quality, differentiated products and technological innovation.

4. **Facilitation of Change:** The HR manager will be required to act as change agents through greater involvement in environmental scanning and development planning. HR managers will have to devote more time to promote changes than to maintain the status quo.

1.4.2 Competencies of HR Manager

The job of HR manager is quite complex and challenging. In order to be successful, several qualities are required in an HR manager. Some of these qualities are given below:

1. **Educational Qualifications:** A HR manager should possess the following qualifications:
 - (a) Degree of recognized university.
 - (b) Postgraduate degree/diploma in sociology or social work or human resource management/industrial relations/labour welfare/labour law or M.B.A. with specialization in HRM.
 - (c) Degree in law will be an additional/desirable Qualification.
2. **Personal Attributes:** Like any other manager, the HR manager requires several personal qualities. Some of these given below:
 - (a) **Intelligence:** This implies the ability to understand, depth of perception etc.
 - (b) **Communicative Ability:** Command over language, ability to express correctly, listening skill, ability to explain etc.
 - (c) **Distinctiveness:** It means analytical ability, sound judgment, foresight etc.
 - (d) **Leadership Skill:** These include physical fitness, moral courage, ability to inspire confidence and to win cooperation, organizational ability, unbiased attitude etc.
 - (e) **Executing Skills:** These refer to ability to implement policies and programmes speedily and accurately.



3. **Training and Experience:** Training in industrial psychology, labour legislation, and industrial relations is very useful for a human resource manager.
4. **Professional Attitudes:** HRM is emerging as a profession. A professional approach to the management of human resources is required in the global environment. HRM requires an interdisciplinary approach, knowledge of various disciplines like sociology, psychology, management, engineering, and law is required to develop and use such an approach.

ACTIVITY

Look for job openings on the leading employment websites or portals. Identify the openings that are focusing on attracting the HR personnel. What does the job specification say and what competencies are being preferred? Make a list and discuss with your friends.

1.4.3 Status of HR Manager

In early days of industrialization, HR manager was considered a second-class officer in his organization. But today human resource manager is treated as a philosopher and specialized practitioner. A brief description of the evolving status of human resource manager is given below:

In early days of industrialization, HR manager was considered a second-class officer in his organization. But today human resource manager is treated as a philosopher and specialized practitioner. A brief description of the evolving status of human resource manager is given below:

1. **The Policeman:** Management believed that workers dislike work and avoid responsibility. Therefore, they need to be directed, controlled and coerced. The human resource manager was used as a watchdog to enforce prescribed regulations.
2. **The Law Man:** With the establishment of Welfare State, laws and regulations were enacted to protect and promote the interests of employees. In legal battle with workers, HR manager become an employer's advocate. He is required to issue charge sheets and hold inquires against workers.



3. **The Liaison Man:** With the passage of time trade unions became powerful. Employers required someone to deal and negotiate with the union. The human resource manager was asked to take over the job.
4. **The Catering Man:** Some enlightened employers began to provide welfare facilities like canteen, creche, etc. to workers in addition to their legal Obligations. The HR manager began to administer these services.
5. **The Welfare Man:** Today, HR manager is considered an expert in human relations. He is expected to improve productivity by fulfilling the economic, social and psychological needs and aspirations of employees.

IN-TEXT QUESTIONS

6. The HR manager will be required to act as a _____ through greater involvement in environmental scanning and development planning
7. The administrative roles of a personnel manager include recruiting, pre-employment testing, reference checking, employee surveys, timekeeping, wage and salary administration etc. (True/False)
8. Roles of a HR manager can be divided into?
 - (a) Operational and administrative
 - (b) Welfare man and catering man
 - (c) Policeman
 - (d) None of the above
9. Competencies of an HR manager involves him acting as a Law and catering man. (True/False)
10. HR manager also act as a welfare officer as he arranges access to canteens, hospitals, creches, educational institutes, clubs, libraries, cooperative credit societies and consumer stores for the employees. (True/False)



1.5 HR Policies

A policy is a predetermined course of action established to guide the performance of work towards accepted objectives. In other words, we can say that policies are related to the organization's overall purpose and its objectives in the various areas with which its operations are concerned. HR policies are developed by the top management to assist the managers at various levels to deal with the people at work. Some examples of personnel policies are given below:

- ◆ The employees will not accept any gift from any supplier except for token gifts of purely nominal or advertising value.
- ◆ Each employee will proceed on at least one week vacation each year.

Personnel policies cover the principles and rules of conduct governing the dealings of the organization with its employees and set the tone for the administration of personnel programmes in a manner conducive to the attainment of the objectives of the organisation. The above discussion reveals the following characteristics of human resource policies:

- I. Human resource policies are based upon or derived from the human resource objectives of the organization.
- II. Human resource policies are general statements of broad understanding. Being guides to thinking in decision-making, they always provide a room for discretion.
- III. Human resource policies reflect the recognized intentions of top management with regard to the human resources of the organization. They contain the principles of conduct which are to govern the organisation's dealings with employees.
- IV. HR policies are standing plans. They can be used again and again as standing answers to problems of a recurring nature.
- V. Responsibility for formulating human resource policies lies with the human resource department and the top management. Human resource policies are formulated by the human resource department in consultation with the line managers.



1.5.1 Types of Personnel Policies

Various types of personnel policies are stated below:

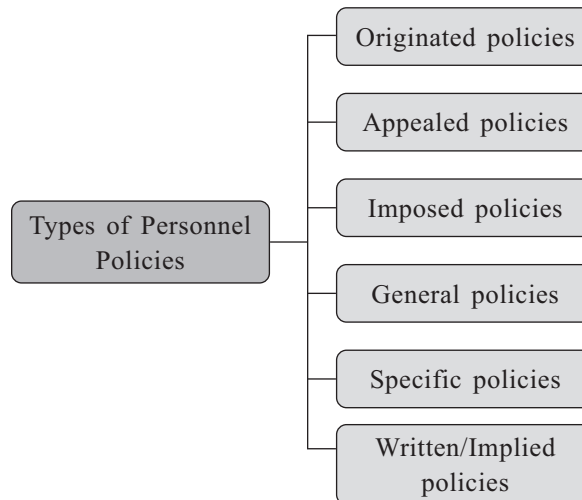


Figure 1.2: Types of HR/Personnel Policies

- 1. Originated Policies:** These are established by top management deliberately so as to guide executive linking at various levels.
- 2. Appealed Policies:** These are formulated to meet the requirements of certain peculiar situations which have not been covered by the earlier policies.
- 3. Imposed Policies:** These are formed under pressure from external agencies such as government, trade associations and unions.
- 4. General Policies:** They reflect the basic philosophy and priorities of the top management in formulating the broad plan for mapping out the organization's growth chart.
- 5. Specific Policies:** These policies cover specific issues such as hiring, rewarding and bargaining.
- 6. Written/Implied Policies:** Implied policies are inferred from the behaviour of members such as dress code, gentle tone while talking to customers etc.

1.5.2 Advantage of Personnel Policies

Policies, as useful instructional devices, offer many advantages to the personnel working at various levels. These are:



- ◆ **Delegation:** They help managers operating at different levels to act with confidence without the need for consulting superiors every time.
- ◆ **Uniformity:** They increase the chances of different people at different levels of organization making similar choices, when independently facing similar situation.
- ◆ **Better Control:** These policies allow members to work towards achievement of the objectives of the organization without friction, paving the way for better control.
- ◆ **Standard of Efficiency:** Policies can also serve as standard in the execution of work. They enable the management to see if they have been translated into action by various groups in the organization.
- ◆ **Confidence:** Policies make the employees aware of where they stand in the organization and create confidence in them while confronting routine and recurring problems.
- ◆ **Speedy Decision:** Policies can speed up decision making by providing a blanket framework within which personnel decision can be made.

1.5.3 Obstacles in Adminstrating Personnel Policies

The factors which obstruct the implementation of personnel policies are:

1. Many times, managers are reluctant to follow policy guidelines, for they restrict the scope of managerial work and curtail executive freedom.
2. Often conflicts erupt between implied and expressed policy statements especially on employment matters.
3. Personnel policies demand constant revision, modification, and restructuring. However, they are characterized by considerable inertia. In the absence of review and appraisal, it would be difficult to break the cycle and effect a desirable policy change.
4. Personnel policies are not easy to communicate. From the time policies are initiated to the time they are used, there is always the danger of failing into 'generalities and pleasantries'.



5. In most of the Indian industries, human resources information system has not been fully developed. In the absence of reliable data, it is not possible to develop effective human resource plans.
6. Manpower planning is a time consuming and expensive exercise.

1.5.4 Coverage of Personnel Policies

The coverage of personnel policies has been classified on the basis of functions of HRM.

- (a) **Social responsibility:** It covers:
 - (i) **Equity:** Treating employees fairly and justly by adopting an even-handed approach.
 - (ii) **Consideration:** Considering individual circumstances when decisions affect the employee's prospects, seniority or self-respect.
 - (iii) **Quality of Work Life:** Increase the interest in the job and organization by reducing monotony, increasing variety of responsibilities, avoiding stress and strain.
- (b) **Employment Policies:** Provision of equal employment opportunities involves selecting the candidates based on job requirements and encouraging them to put in their 100%.
- (c) **Promotion Policies:** Promotion policies should reconcile the demands of employees for growth and the organization's demands for fresh and much more promising talent.
- (d) **Development Policies:** Policies should cover the kind of employees to be trained, time span of training programmes, techniques, rewarding and awarding system, qualifications and experience of the trainer, encouraging the employees for self-advancement, etc.
- (e) **Relations Policies:** Relations policies cover different aspects of human relations like: policies regarding motivation, morale, communication, leadership styles, grievances procedure, disciplinary procedure, employee counselling etc.



1.5.5 Formulation of Personnel Policies

Policy formulation and implementation involves the following steps:



Figure 1.3: Steps of formulating personnel policies

1. **Identifying the Needs:** Initially important areas of personnel management must have a policy formulation which is clearly spelt out. Additional policy guidelines can come at any stage depending on the recurrence of a ticklish issue at various levels.
2. **Collecting Data:** Once priority areas are listed, steps should be taken to collect facts before formulating a policy. Various sources could be tapped for this purpose such as past practice, company's records, survey of industry practice, organizational culture etc. Specifying alternatives: Policy alternatives should emerge clearly after collecting relevant data from various sources. These have to be evaluated carefully in terms of their contribution to organizational objectives.
3. **Communicating the Policy:** To gain approval at various levels, the formulated policy should be communicated throughout the organization. Policy manual, in-house journal and discussions with people at various levels may be used to reach out to employees quickly.
4. **Evaluating the Policy:** Personnel policies, to be effective, must be reviewed, evaluated and controlled regularly against certain established standards. Evaluation helps in determining changes in existing policies. All the policies should be reviewed annually, and some policies should be reviewed at specific times.

IN-TEXT QUESTIONS

11. _____ cover the principles and rules of conduct governing the dealings of the organization with its employees and set the tone for the administration of personnel programmes in a manner conducive to the attainment of the objectives of the organisation.



Notes

12. General policies cover specific issues such as hiring, rewarding and bargaining. (True/False)
13. Which of the following is the first step of policy formulation process?
- (a) Collection of data
 - (b) Identifying the needs
 - (c) Evaluation of the policy
 - (d) Communication of the policy
14. _____ are established by top management deliberately so as to guide executive linking at various levels.

ACTIVITY

Try to identify 3-4 Indian firms and search their official websites. Did they mention something about any recent HR initiatives introduced by them? If yes, note them down and compare them with HR initiatives of Global firms.

1.6 Summary

The internal organization of a human resource development varies depending on the nature, size and philosophy of an organization. A successful human resource manager requires educational, personal and professional qualifications. The status of human resource manager has changed over the years from that of a policeman to that of productivity man. H R manager plays different roles being in an organisation. If one sits to analyse these roles are endless and we have only discussed a few in this lesson.

Human resource policy refers to policies concerning human resource matters. These policies are general and long lasting, reflecting the objectives and intentions of the organization. A good human resource policy should be clear, objective oriented, long lasting, flexible, written; consistent, just and fair, and reasonable.



1.7 Answers to In-Text Questions

1. Human Resource Management
2. Compensation
3. (a) Welfare Administer & Policemen
4. False
5. False
6. Change agent
7. True
8. (a) Operational and administrative
9. False
10. True
11. Personal policies
12. False
13. (b) Identifying the needs
14. Originated policies

1.8 Self-Assessment Questions

1. “Human resource management is a staff function but a line responsibility.”
Comment.
2. “A human resource manager is change agent in the organization.”
Elucidate.
3. What are various steps in policy administration and formulation?
4. How do human resource policies help in management of human resource? “In the absence of manager, it is not possible to manage the organisation.” Is it true? Discuss.
5. Outline the nature, scope and significance of Human resource management in large organisations.
6. What are the qualities and qualifications required to be a successful human resource manager?



Notes

7. Explain how the job and concept of a human resource manager evolved over years? Discuss the multiple roles played by the HR manager in a firm.
8. “Human Resource Management is the process of acquiring, training, appraising, and compensating employees”. Critically examine the statement.
9. What are the different types of Human resource policies. Describe the obstacles that arise in implementing these policies.
10. What do you mean by personnel policy? Discuss various steps of creating a personnel policy.
11. Write short notes on the following:
 - (a) HR as a change agent
 - (b) Types of HR policies
 - (c) Functions of human resource management
 - (d) Role of HR manager

1.9 References

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1.10 Suggested Readings

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Introduction to Human Resource Management

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STRUCTURE

- 2.1 *Learning Objectives*
- 2.2 *Introduction*
- 2.3 *Diversity at Workplace*
- 2.4 *Employee Empowerment*
- 2.5 *Downsizing*
- 2.6 *Voluntary Retirement Scheme (VRS)*
- 2.7 *Work Life Balance*
- 2.8 *Summary*
- 2.9 *Answers to In-Text Questions*
- 2.10 *Self-Assessment Questions*
- 2.11 *References*
- 2.12 *Suggested Readings*

2.1 Learning Objectives

After studying this Chapter students may able to:

- ◆ Define the concept, advantages and challenges faced by the organisations in implementing workplace diversity.
- ◆ Discuss the concept, need and benefits of Employee Empowerment.
- ◆ Know and understand the concept, need and role of human resource in performing downsizing.
- ◆ Understand the meaning, benefits and issues relating to VRS.



- ◆ Understand the concept, need, importance and different strategies to create a work life balance.

2.2 Introduction

It has never been easy to manage diverse workforce in a company. The difficulties in HR management have increased over the past few years as a result of the speedy advancement in technology, frequent software changes, ensuring work life balance and virtual organizations. The challenge of HRM is to ensure that the organization's time, money and resources are used effectively in order to create an effective HR management system.

In this chapter students will learn about different emerging challenges of HRM namely workplace diversity, Employee empowerment, downsizing, VRS and work-life balance.

2.3 Diversity at Workplace

2.3.1 *Meaning of Workplace Diversity*

According to Josh Bersin, “Companies that embrace diversity and inclusion in all aspects of their business statistically outperform their peers.” Diversity at the workplace is a growing phenomenon in companies worldwide. It means recruiting, training, understanding, accepting and valuing differences pleasing people. Recruiting people from divergent backgrounds to work in a corporate space is called workplace diversity. Along with their unique identities, diversity brings diverse knowledge. It includes those:

- (a) Of different races, ethnicities, genders, ages, cultures, religions, disabilities and sexual orientations.
- (b) With differences in regional backgrounds, education, personalities, skills, experiences and knowledge bases.

Organizations should strive to have workforce diversity in its composition at all levels. It means not just recruiting, but retaining workforce from different backgrounds, experiences and perspectives, generations.



Meanwhile, a McKinsey study (2018) shows, greater diversity in the workforce results in greater profitability and value creation and there exists a positive correlation between diverse leadership and financial performance. Diversity gives a company a broader reach and contact for a talented composition. This composition is not one that belongs to a particular, mindset, upbringing, culture and background, perspective or ethnicity. This wide perspective helps the companies connect with the needs and motivations of all of their spread out and international customer base, rather than being restricted to a single type of client.

2.3.2 Benefits of Workforce Diversity

Workforce diversity has incentives wide and spread across all aspects of business operations. Some of the Benefits of having workforce Diversity can be listed below:

- (a) New Perspectives:** Diversity brings perspective. When a company hires employees from diverse backgrounds, nationalities, experiences and skills sets and cultures, it fosters a fresh perspective to every business aspect. This can lead to benefits quick problem solving and better decision making the co-workers may initially be reluctant to the idea of change, but the diverse workforce can help create a perspective to accept the change.
- (b) Wider Talent Pool:** Diversity acts as a motivator to employees from diverse backgrounds. These employees no longer look for conventional jobs that simply pays them for a 9-5 job, rather look for an organizational space to be recruited, grow, feel accepted and be challenged. That's why those companies that foster diversity will attract a wider range of candidates who are looking for a progressive place to work. As a result, diverse companies are more likely to attract the more motivated and better talent than its competitors.
- (c) Employee Excellence:** Diversity and firm performance go hand-in-hand. When an organization has a work environment where employees see a representation of a variety of cultures, backgrounds and ways of thinking, all of them are more likely to feel comfortable being themselves. This, in turn, leads to happier, more productive employees and employee turnover falls. On the other hand in a homogeneous



culture there prevails a pressure to conform. If employees feel alienated at workplace, they're more likely to fear rejection and not produce their best work. Better redressal mechanism to resolve diversity issues also motivates employees as employees are assured of redressal of their grievances if discrimination happens. This assurance helps employees to prosper.

- (d) **Increased Profits:** various research studies empirically prove how ethical and racial management and workplace diversity bring employee turnover down and increases productivity to financially benefit the organization through not just more employees, but more customers and investors.
- (e) **New Business Prospects:** Language being a barrier in globalization and internationalization of a business, can be overcome by engaging a diverse workforce that is inducted from various parts of the world and that helps in connecting the business operations to native customer base through language. Cultural diversity has become a business strategy for better standing of the entity in foreign markets which can be helpful to increase the market reach and cover of the business. This leads to increased profitability and equal opportunity for the company and its employees thus, diversity at workplace builds a great reputation for the company.
- (f) **Fight Psychological Biases:** Communities have biases against foreign communities which stops them socializing diversity benefits a firm not only financially but also by incrementing its company culture. Inherent biases towards certain sections of the workforce are repelled which also helps in appreciating the differences when biases are dispersed, there is a higher probability of the workforce to work as a team and in tandem a good company culture is also a competitive edge in this competitive business environment. Company culture is the personality of the company. Your employee's beliefs and actions in internal and external matters tell a lot about your company, thus, it is favourable to enhance this company culture.
- (g) **Improves Company Culture:** A company derives its culture from its members. Company culture varies from company to company. Some follow an informal and casual approach. It also depends on the size of the company, its ethics, goals and work environment.



(h) **Creativity:** Workplace diversity are hubs of innovation. While some level of homogeneity of skills is sought to have a bond of assistance and help among employees, diversity brings unique perspective. Working with colleagues from different backgrounds, experiences and working styles, creative concepts may rise from cross communication. It would also induct a chain of thought from bouncing ideas by the diverse workforce. It also helps in creating better groups and teams. While on the one hand an employee brings fresh ideas to the table, another fellow may be good at the execution part of the strategy, given his experience in the field. If you have a homogenous group of people, chances are that everything – from their thought patterns to life experiences to problem-solving skills are likely to be similar as well. So to foster creativity, it is imperative to embrace workforce diversity.

2.3.3 Need/Rationale for Workforce Diversity

Rationale of having workforce diversity rises from the ill effects of having a lack of it. Following are some consequences of having a lack of diversity in an organization:

- (1) **Unsatisfactory Employee:** Lack of a workforce diversity mechanism at the workplace usually results in employee alienation, with some employees side-lined by the majority. If any incidence of harassment or discrimination occurs, the victim can easily feel alone. This may even result in victims' reluctance to report discrimination workplace. This reluctance arises due to the complexity of minority. Failure to report discrimination signals toxicity in company culture adversely impacting talent pool available to the company as well as employee productivity.
- (2) **Limited perspective:** Diversity brings perspectives affected by backgrounds, beliefs and culture and a variety of perspectives bring innovation and creativity in an organization with lack of diversity, a diversity of experience, perspective, knowledge and skills is also lacked with constraints and limits the operations and growth of the organization. It limits the perspectives companies have to consider when developing products and strategies, implementing policies



to deal with the uncertain business environment and especially to expand businesses to foreign regions.

- (3) **Lack of Motivation:** Proper workforce diversity creates proper leadership for all levels and varieties of employees. They look up to role models for inspiration especially with whom they characteristically connect with. With lack of such role model mentors, employees easily feel alienated. In organization not providing for diversity to thrive, facilities, incentives and opportunities to prosper are limited, curbing employee output. Organizations without diversity lack proper inclusive infrastructure, usually, also lack in harassment and discrimination reporting mechanism, further demotivating the workforce.

2.3.4 Challenges of Workforce Diversity

Some of the challenges posed by workforce diversity are discussed below:

- 1. Possibility of Conflict among Employees:** One of the difficulties with diversity is the possibility of conflict at work. It is possible for people to disagree when they come from diverse origins and view the world from alternative viewpoints. At work, where productivity may be impacted, this might be a concern.
- 2. Gender Preferences:** Increasing number of women in the workforce require more flexible work schedules, childcare facilities, maternity leave, transfer to husband's place of posting.
- 3. Cultural Conflicts:** People from different backgrounds and cultures could feel excluded at work. They might not be accepted as a member of the other cultural group. Such events have a negative impact on the organization's performance and employee also feels demotivated.
- 4. Resistance to Change:** Diversity brings in new task force and new ways to perform a given task. Because of diversity and innovation, some groups might resist change proposed by the management as they are habitual of doing this task in a traditional way with old team members.



5. **Communication Obstructions:** A workplace with a varied and diverse workforce, might face some difficulties in communicating. This may arise due to different backgrounds and origins of the workforce. They might also communicate differently, which can sometimes result in miscommunication. It is advised to think about this barrier during recruitment and selection of a candidate.
6. **The Need for Training:** The need of training is another difficulty with diversity. Workers must receive training on how to interact with those who are different from them. Additionally, they must be taught the value of diversity and how to foster an inclusive workplace.

CASE STUDY**Managing Diversity for Success: The Case of IBM**

Understanding and efficiently managing diversity is a top business objective for an organization with a workforce of over 398,000 workers and operations in over 170 countries. A business that employs such a large workforce and sell goods globally must be aware of the various cultures that make up the world.

The IBM Corporation has been a leader in recognising and appreciating its diverse workforce since its early days in the United States. Thomas Watson, then-president of IBM, made the equal pay for equal work promise to women in 1935, about 30 years before the “Equal Wage Act” that guaranteed pay equality between the sexes. The business welcomed its first female vice president in 1943. IBM provided female employees with unpaid leave for childbirth 30 years prior to the ‘Family and Medical Leave Act (FMLA)’, extending it to one year in the 1960s and to three years in 1988. In fact, the business has appeared on Working Mother magazine’s “100 Best Companies” list each year since its founding in 1986, ranking within the top 100. The same magazine ranked it number one for multicultural working women in 2009.

Louis Gerstner became CEO in 1993 of IBM. He ensured their exists diversity in the senior ranks of the company. He established eight



diversity working groups (demographic groups) in the year 1995, namely : men and women, Asians, African Americans, LGBT (Lesbian, Gay, Bisexual and Transgender) people, Hispanics, Native Americans, and workers with disabilities. The organisation shows excellent efforts at recruiting keeping in mind the diversity needed in candidate pool. One problem in this program that was occurring again and again was minority representation from the field of computer sciences and engineering. Hispanic students make up just 4% of those receiving degrees in computer sciences. IBM collaborates with institutions to improve the enrolment of Hispanics in these programmes in order to address this issue. It started a program called 'EXITE' (Exploring Interest in Technology and Engineering) where girls from middle school were taught math and science in a fun environment by IBM's female engineers. More than 3,000 girls have completed this programme to date. (<https://courses.lumenlearning.com/suny-orgbehaviour/chapter/2-5-managing-diversity-for-success-the-case-of-ibm/>)

2.4 Employee Empowerment

2.4.1 Meaning of Employee Empowerment

Empowerment is the process of giving employees in the organisation the power, authority, responsibility, resources, freedom to take decisions and solve work related problems. In order to take such initiatives and decisions, they are given adequate authority and resources. The empowered employee becomes "self-directed" and "self-controlled". Empowerment focuses on employees to make use of their full potential.

Employee Empowerment in work setting means giving employees the means, ability, and authority to do something. It involves efforts to take full advantage of organisation's human resources by giving everyone more information and control over how they perform their jobs. Various techniques of empowerment range from participation in decision-making to the use of self-managed or empowered teams.

Caudron (1995) articulates empowerment as, "when employees 'own' their jobs; when they are able to measure and influence their individual success as well as the success of their departments and their companies".



Ettore's (1997) definition of empowerment as, "employees having autonomous decision-making capabilities and acting as partners in the business, all with an eye to the bottom-line"

A company's leaders, HR professionals, and fellow employees all play key roles in establishing a supportive, empowered environment. All parties need to establish mutual trust, feel comfortable in taking risks, and establish clear expectations and guidelines. Without this collaboration, truly empowering employees is not possible at all.

2.4.2 Need for Employee Empowerment

- (i) Increasing pace of change, turbulence of environment and the changing expectations of customers requires a speedy and flexible response which is incompatible with the old-style command and control model of organisational functioning as in old days employee was instructed to take approval from the employer for every little decision, this has to change and some authority has to be delegated for speedy responses to customers.
- (ii) Organisations are using new types of structures to achieve their objectives. The impact of downsizing, delaying and decentralising means that the old methods of achieving co-ordination and control are no longer appropriate. Employees need to be given proper responsibility so that they can assume the decentralised power and work accordingly.
- (iii) Employees now have greater awareness and are more concerned with the satisfaction of higher-level needs. Empowerment can be used to satisfy such needs of employees and thus motivate them and take best work from them.
- (iv) Empowerment can provide opportunities to the employees at lower levels to develop their competencies. Thus, it can be used as a source of managerial talent for the organisation.

2.4.3 Benefits of Employee Empowerment

- (1) **Motivated Employees:** Providing employees with autonomy helps them in staying motivated and managing their work in best possible



way. Experts suggest that employees who have control on how, when, and where to their job will work harder and find the job and tasks more engaging.

- (2) **Improved Creativity:** It helps to create motivated, creative and committed work force in organization.
- (3) **Healthy Organisational Relationships:** A culture of openness and trust is developed which establishes healthy relations between supervisors and employees.
- (4) **Quality Production by Employees:** Employee empowerment improves quality of goods produced by employees and services offered by them.
- (5) **Recognition of Employees:** Employee empowerment satisfies the need of workers for recognition, status, challenging work and responsibility.
- (6) **Reduced Costs:** By taking their own decisions, employees save the time and efforts of top management. Since there is a high level of decentralization in an organization where employees are empowered, the need for middle level managers is considerably lower. Properly trained employees are also less likely to waste resources or have an accident. All these benefits collectively reduce the unnecessary expenditures of the organization.

2.4.4 *Disadvantages of Employee Empowerment*

1. **Misuse of Power:** Many employees when given authority and power tend to misuse it, for their personal benefit. They shall become less responsible and distract themselves from the official work. With this behaviour the company shall suffer losses.
2. **Additional Training Costs:** With empowerment comes the need to provide training to the employees and with training comes additional costs. These costs are to be borne by the organisation and puts additional burden on them.
3. **Poor Knowledge:** If employees are not clear about the process and procedures of doing a job and taking a decision, it can lead to poor decision making and can put additional burden on the management. These decisions can lead conflicts among the team members too.



- 4. Breach of Confidentiality:** There are two types of information shared in an organisation, one which can be shared with everyone and other which is slightly confidential. So if an employee leaks this confidential information without having knowledge of its type this can lead to serious consequences.

IN-TEXT QUESTIONS

1. _____ is the process of giving employees in the organisation the power, authority, responsibility, resources, freedom to take decisions and solve work related problems.
2. Workplace diversity create hubs of innovation. (True/False)
3. Which of the following is a challenge in applying workforce diversity in the organisation?
 - (a) Creativity
 - (b) Competitive Advantage
 - (c) Cultural Conflicts
 - (d) Wider Talent Pool
4. Employee Empowerment can be promoted by performing delegation of authority. (True/False)
5. Breach of confidentiality is an advantage of employee empowerment. (True/False)

2.5 Downsizing

Downsizing means reducing the size of the organization through planned elimination of positions and jobs. It is a restructuring process in which the organization disposes of its non-core activities. In the context of human resource management, downsizing involves elimination of certain jobs with a view to improve work efficiency. The organization reduces staff which is excess of its needs. As a result some of the employees get separated from the organization.



2.5.1 Need of Downsizing

Downsizing may become necessary due to the following reasons:

1. An organization might suffer from overstaffing due to faulty human resource planning. At one time, Steel Authority of India (SAIL) had 1,70,000 employees as against its actual requirement of 1,00,000 employees.
2. A change in man-machine ratio may occur due to technological advances.
3. An organization may start outsourcing some of its business functions. As a result people employed in these functions become surplus.

2.5.2 Disadvantages of Downsizing

1. Downsizing may create a feeling of insecurity causing low morale and high stress among employees. Employees may feel that they are paying the price for mismanagement.
2. When competent employees leave the organization, downsizing may erode the skill base.
3. Implementation of performance improvement practices become difficult due to a feeling of job insecurity created by downsizing.

2.5.3 Types of Downsizing

Following are the most common types of downsizing:

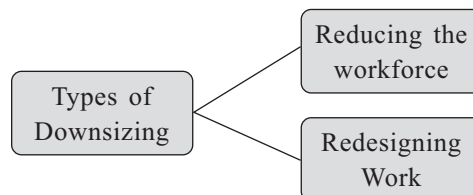


Figure 2.1: Types of Downsizing

1. **Reducing the Workforce:** This is the approach that is used most frequently to lay off workers, encourage early retirement and move people into crucial roles. The main goal is to reduce unnecessary positions in the organisation. This is a big decision and the employer should try to move humbly towards downsizing. The employer must



reorganise the business to determine where or which department has to be reduced in size. A few examples include suspending the employment process, retrenchments, early pension plans, layoffs and natural attrition.

- 2. Redesigning Work:** The major goal of this redesigning is to get rid of any additional or unnecessary tasks that results in job vacancies. The vacant roles are duly abolished, and after that, through redesign, the responsibilities are moved to another function. Sometimes the job of redesigning works effectively when there is a merger. Changing working hours, merging of units, abolition of some functions, etc. are some steps taken by management for redesigning the work.

2.5.4 Role of Human Resource in Downsizing

Human resource personnel have to perform the following functions for successful implementation of downsizing:

1. Before downsizing, alternatives such as work-sharing, down grading, redeployment, etc. may be tried.
2. HR personnel must ensure proper communications to minimize the negative effects of rumours and ensure that individuals are kept informed with factual data.
3. In order to sell the idea of downsizing to the employees, HR professionals have to convince trade unions and win their support for downsizing.
4. HR managers must also deal with the actual layoff. They must have programmes to assist the laid off employees. When informed about layoff, employees face many uncertainties about service pay, retirement benefits, search for alternative job, transition assistance, etc. These uncertainties need to be anticipated and taken care off.

Rightsizing involves realigning an organisation's human resources for a closer fit with overall strategy, goals and financial resources. The intention is to become more competitive by redesigning the organizational structure and redefining both line and staff positions to focus on the most important activities and processes. However, some companies eliminate numerous positions without first determining which and how many are needed to accomplish vital tasks for organizational performance. The result is wrong sizing - the loss of key positions and personnel.

**ACTIVITY**

In the above section we discussed what is downsizing and why the need for downsizing arises. Do you think lay-offs and downsizing are same concepts? Try to explore the similarities and differences between the two.

2.6 Voluntary Retirement Scheme (VRS)

Most organisations have a 60-year retirement age for their workforce (or 58 years, according to policies of some firms). The individual's capacity to continue working is not taken into account at this stage. Individuals under VRS may opt to retire in their 40s or 50s and pursue their interest, if any. For businesses it is a tactic to reduce staff strength and minimize cost.

In India downsizing is generally implemented through Voluntary Retirement Scheme. Under this scheme, the organization and its employees enter into a mutual agreement. Under this agreement employees agree to voluntarily retire on payment of agreed compensation by the employer.

During 1991 India adopted the policy of economic liberalisation, globalization and privatization. Since then, several organizations in both public sector and private sector have downsized in order to reduce the surplus staff. VRS has been used to reduce the wage bill by offering one time compensation. VRS has come to be known as 'Golden Hand Shake' in view of its benefits for both employees and employers.

In the initial stage VRS appeared attractive and many organizations successfully implemented VRS. But in many cases VRS attempts have failed. Various issues involved in VRS need to be tackled effectively in order to make the scheme successful.

2.6.1 Issues in VRS

The main issues in VRS are as follows:

- 1. Identifying the Need for VRS:** First of all, the organization must check whether VRS is really necessary or not. In case there is



surplus manpower which cannot be utilized in future, VRS may be required. The type of employees to be covered in the scheme and those who opt for it also need to be identified.

- 2. Cost Benefit Analysis:** Before deciding to launch a VRS, its implications for the organization should be carefully considered. VRS is double-edged weapon and not a panacea for all ills of human resource management. When targeted employees do not opt for VRS, the morale of employees may go down. It is also possible that employees who are unemployable elsewhere do not opt (or the scheme. In such a case the organization may lose talent and may be left with poor quality staff. If this happens the very purpose of VRS will be defeated.
- 3. Designing the Scheme:** The main issues involved in designing VRS are:
 - (a) The employees to be covered in the scheme. Logic lies in covering those employees who are least required in future. SAIL prescribed the minimum age limit for different categories of employees.
 - (b) The compensation package to be offered. In public sector, three months' salary for each completed year of service subject to a maximum of monthly salary multiplied by the number of months left for retirement is the norm. In public sector banks 45 days of salary for every year of service or salary for balance period of service whichever is less is offered.
- 4. Convincing Trade Unions:** Unless the trade union agrees VRS is likely to fail. Therefore, management must convince the union(s) by explaining various pros and cons and suggesting alternatives which employees can adopt after opting for VRS.
- 5. Rehabilitating Employees:** A firm or an association of firms may design a rehabilitation package for the concerned employees. Such a package should include redeployment through further training. When employees know that they have alternative means of earning livelihood, they will opt for VRS. Government of India has set up five employee assistance centres at Mumbai, Kolkata, Ahmedabad, Kanpur and Indore to provide training to displaced workers.



2.6.2 Reasons for Offering VRS

- 1. Recession in Economy:** To withstand the economic downturn, the firm is forced to choose VRS. At the time of recession, firms have to downsize their workforce to reduce their costs and this could only be done by opting for VRS and performing lay-offs.
- 2. Overcoming Over-staffing:** Firms may hire more people than they actually need because of poor HR planning or to uphold social obligations. Therefore VRS is the best technique to overcome this problem in an empathetic way.
- 3. Globalisation:** In terms of innovation, knowledge of the workforce, knowledge of technology, and understanding of management systems, globalisation has brought forth fierce competition. Every firm seeks to hire young management and technological professionals who are quick to catch up with new innovations. As a result, the senior workforce is asked to retire.
- 4. Change in structure of the firm:** The economy is experiencing mergers and takeovers in many sectors. Every small or big organisation aspires to merge with strong firms to grow stronger and acquire a large share in the market therefore a business's wants to maintain a limited and high performing workforce, this forces them to opt for VRS process.

2.6.3 Benefits of VRS

Both organisations and employees can benefit by opting for VRS. Following are the benefits engaged with VRS:

- 1. Rightsizing the Number of Employees:** It is a sympathetic technique to release workers as businesses successfully cut labour size to increase economic efficiency.
- 2. No Conflict of Interest:** VRS process is taken forward only when government and trade unions are satisfied with the reason to take up VRS. The final step is taken if both employee and organisation agree, employees are not forced here rather their consent is given more



importance. Interest of both the parties are given due significance. Nobody has the authority to force an employee to choose an early retirement. The entire process is also fairly transparent. Therefore, the trade unions are not against it.

3. **Tax Benefit to Employees:** At the moment of retirement, employees get their earned dues and benefits in accordance with corporate policy. The retiring employees are also offered compensation which is tax-free up to a certain amount.
4. **VRS gives Second Chance to Employees:** The money earned by way of VRS might be used by employees to launch new ventures or pursue other interests.
5. **Reduces Costs of the firm:** A firm opting for VRS chiefly has a motive to reduce its costs. These costs might have occurred due to over staffing or change in technology with which the current workforce is not able to cope with.

2.6.4 Disadvantages of VRS

1. Effective personnel may quit the company, while ineffective ones remain. As a result, the firm's skill set would decline, and it will not be able to deliver the results that it had planned.
2. **Burden on remaining workforce:** If VRS is utilised to reduce costs and expenses and it is done in an unplanned way, it can increase the burden on remaining employees.
3. **Future uncertainty for remaining employees:** Employees who choose to stay with the company rather than accepting VRS may feel uneasy about their future. They may have think that this episode may occur again in their lives.

IN-TEXT QUESTIONS

6. _____ is also known as 'Golden Handshake'.
7. Under VRS scheme, the organization and its employees enter into a mutual agreement. (True/False)



Notes

- 8. Which of the following is an advantage of VRS:
 - (a) Creates burden on remaining workers
 - (b) Increase in vacancy
 - (c) Future uncertainty for existing workers
 - (d) Reduction of costs for the firm
- 9. _____ is a restructuring process in which the organization disposes of its non-core activities.
- 10. Downsizing does not create a feeling of insecurity causing low morale and high stress among employees. (True/False)

2.7 Work Life Balance

Work life balance is a strategy that supports employees in managing their personal and professional duties. Employees are encouraged to manage their time and keep a balance by allocating it to family, health, vacations, etc., in addition to pursuing a career. The terminology “Work Life Balance” was introduced in 1986, but it took some time for it to become widely used in everyday conversation. Work life balance helps in dividing their time on the basis of their work and life priorities. Employees feel more relaxed and their productivity enhances as everything feels managed.

According to Cambridge Dictionary, “work life balance is the amount of time you spend doing your job compared with the amount of time you spend with your family and doing things you enjoy”.

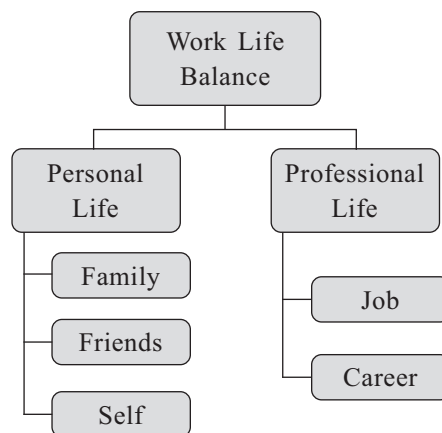


Figure 2.2: Work life Balance



2.7.1 Need of Work Life Balance

Work and life demands need to be balanced in view of the following reasons:

- 1. Hectic Work Schedules:** In the current scenario expectations from employees have risen, as a result of increased competition brought on by globalisation, liberalisation and privatisation. Due to hectic schedules and more competition in the market the balance of work and personal life has been negatively affected.
- 2. High Expectations by the Employer:** A rise in employee stress levels is a result of the high expectations of their jobs in terms of goals, productivity, quality, customization and improved customer relationship management.
- 3. Rise in Personal Expectations:** As the employee is dedicatedly working to achieve the firms goals the expectation of rise in individual aspirations for increased pay, status and power will also occur. As living standards rise faster, family obligations will too, create pressure on the employee.
- 4. Unhealthy Habits:** Excessive work doesn't give employees a free time to relax or take a break thus, they tend to sit for long hours, opt for unhealthy eatables and are left with less or no time to work on their bodies. These unhealthy habits also create a disbalance in the life of an employee.
- 5. Rise in Stress Levels:** Management continually raises the bar for its staff while providing nothing in the form of security for the employee and its family. Working so hard and getting very little in exchange breeds anger, stress and frustration in the mind and actions of employee. So the management must look out for ways to keep their workforce healthy and satisfied.

2.7.2 Importance of Work Life Balance

Without work life balance employees may struggle with health issues, work issues and other pressures therefore work life balance is very important. Following are advantages of work life balance:



1. **Reduced Employee Turnover:** Companies that have a reputation for a healthy work culture tend to loose less employees as compared to companies having a stressed and unhealthy work environment. Employees tend to give up their jobs for mental peace and family priorities. This practice has become more common in millennials so, firms should change their work culture in accordance with the employee preferences.
2. **Reduced Absenteeism:** Improper distribution of work causes stress among the employees, we can see in the same firm one employee is loaded with work and another is roaming freely. This should be avoided and work load should be balanced among all the employees to reduce stress and absenteeism.
3. **Improved Performance:** Balance in professional and personal life help the employee to work more creatively and freely, this in order enhances the performance of the employee. Employees feel happy and feel more connected with the work.
4. **Motivated Employees:** As written above that work life balance improves performance of employees which in turn makes employees more dedicated and motivated. They are ready to take up new challenges and face difficulties arising in the market.

2.7.3 Strategies to Create a Work Life Balance

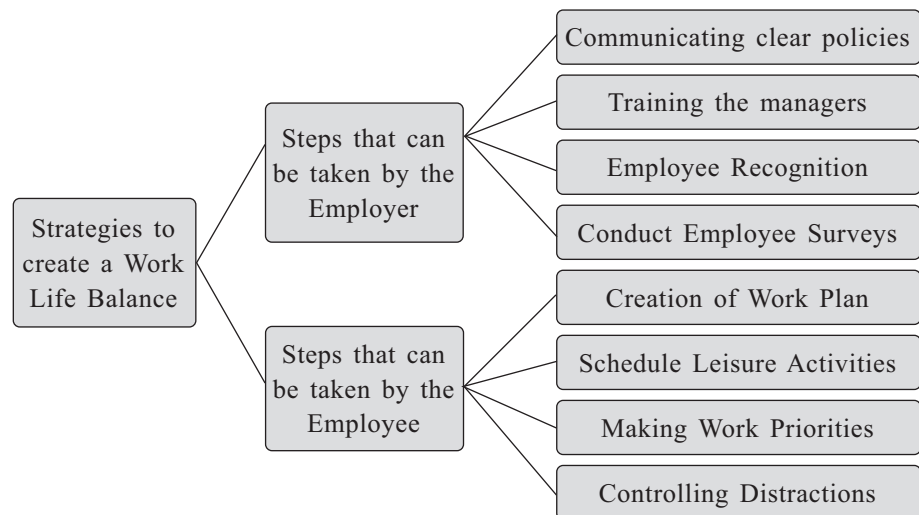


Figure 2.3 : Strategies to Create a Work Life Balance



A. Steps that can be taken by the Employer

Work life balance should be a top strategic priority for just any workforce, given its significance to employee productivity, wellbeing, performance and job satisfaction. However, just introducing fitness activities or providing endless vacations can take your employees away from the actual goal of the company. The following measures towards a healthier and happier workforce can be opted by HR department:

- 1. Communicating Clear Policies:** Employees must be aware of the expectations of their employer or they without any presumptions from their prior jobs. All the working policies should be clearly communicated to the employee so that he can manage the work accordingly without creating any trouble in the end.
- 2. Training the Managers:** Managers need to know how to discuss work life balance with their teams and motivate staff to feel more satisfied at work. According to Lupu's findings, "HR teams should discover strategies to motivate managers to care more about the wellness of their teams." This also means praising people-centric behaviours by managers and punishing managers who have unsustainable work patterns and force their colleagues to work under stress.
- 3. Employee Recognition:** While many businesses aspire to improve their workers' well-being, they unintentionally promote a toxic workplace culture by recognising and rewarding overwork. When an employee spend more hours in the office and is constantly overworking, this creates a feeling of stress in the other employees and without even being productive they sit in the office just to impress their employer, this practice should be avoided and the practice of giving best results by smart work should be awarded.
- 4. Conduct Employee Surveys:** A meaningful employee survey is a wonderful approach to spot declining employee morale or rising work-related stress. Long-term corporate success depends on cultivating an environment where people feel they can balance their personal and professional lives. A happier, healthier, more devoted and more productive workforce will result from employers placing a high priority on their employees' wellbeing, stress management and personal life.



- 5. Outsourcing:** When the firm has a lot of work pressure and the workforce in comparison to the goal is less, the company should outsource some employees for a particular period of time. Outsourcing helps to reduce stress on the existing employees.

B. Steps that can be taken by the Employee

The following steps can be taken by the employee for maintaining a work-life balance:

- 1. Creation of Work Plan:** An individual must plan his responsibilities and arrange his time effectively so that he has enough time for job and career development while also making time for leisure and personal work. A plan can be designed and which will segregate the weeks' time between the professional and personal work.
- 2. Pulling out of Energy Wasting Activities:** People should refrain from time- and energy-consuming unnecessary activities that don't contribute to their professional or personal lives. A worker who uses effective time management will experience less stress.
- 3. Setting Enough Time for Relaxation:** Better work-life balance is made possible by taking adequate breaks from work and relaxing, which also tends to increase professional or workplace productivity and gives plenty of space to both professional as well as personal activities. Employees should engage themselves in practicing Yoga, Pranayama, following correct postures at work, taking a balanced diet, exercising and even meditating for a fixed time period every day.
- 4. Making Work Priorities:** Employees frequently neglect their work and wind up performing a lot of work at the last minute. Better planning can help employees avoid avoidable delays, giving them more time for personal tasks.
- 5. Control Interruptions and Distractions:** Employees should try to stay focused while performing a task in the workplace and always try to fix a time period for performing this task. Employees should try to reduce any interruption during this fixed period assigned for a particular task.
- 6. Schedule Leisure Activities:** Employees should try to schedule fun activities or plan holidays with friends and family, this will reduce



the stress level and strike a balance in personal and professional life.

IN-TEXT QUESTIONS

11. _____ is a strategy that supports employees in managing their personal and professional duties.
12. Making a list of priorities or a to-do list helps the employees in creating a work-life balance. (True/False)
13. Which of the following steps can be taken by the employers to promote work-life balance:
 - (a) Making policies
 - (b) Clear communication about tasks
 - (c) Employee surveys
 - (d) All of the above
14. Terminology of “Work-Life Balance” was introduced in 1980. (True/False)

ACTIVITY

Imagine you are owner of a fintech company, the workers work there for day and night and every issue is a financial issue which requires double checking after performing a particular task. You can clearly see that your employees are facing difficulty in maintaining a work-life balance, how would you help your employees? Make a list of activities you will offer to your employees.

2.8 Summary

In this chapter students learnt about different emerging challenges of HRM namely workplace diversity, employee empowerment, downsizing, VRS and work life balance. These challenges play a crucial role in the life of an employee. Starting from workforce diversity which means recruiting people from different backgrounds to work in a corporate space is called workplace diversity. It tends to create a innovative talent pool, more ideas flow in the workplace, profits increase for the firm and creativity is ensured in each task being performed. It also comes with challenges related to



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mindset of a person and communication between two different cultures, etc. Nowadays, employee's role has changed he is not just a worker, but he is a contributor and is empowered to take part in different decisions of the firm this takes us towards employee empowerment which has many merits and some demerits discussed in the chapter above. Downsizing and VRS are used to reduce the size of the organization through planned elimination of positions and jobs. It can bring a lot of cost saving for the company but is a very big challenge for the human resource department. VRS is also known as 'Golden handshake' between the employer and the employee. Another important concept is Work life balance. It is the amount of time you spend doing your job compared with the amount of time you spend with your family and doing things you enjoy. Employees face challenges to develop a proper balance between their professional and personal life, therefore some strategies like creation of work plan, setting enough time for relaxation, controlling distractions, etc. can be followed by the employee.

2.9 Answers to In-Text Questions

1. Employee Empowerment
2. True
3. (c) Cultural Conflicts
4. True
5. False
6. VRS
7. True
8. (d) Reduction of costs for the firm
9. Downsizing
10. False
11. Work-life balance
12. True
13. (d) All of the above
14. False



2.10 Self-Assessment Questions

1. The field of Human Resource Management has changed considerably over the years. Explain with suitable examples how this change has taken place in Indian Industry and what challenges do you foresee for the human resource specialists in the 21st Century?
2. Work-life balance is a strategy that supports employees in managing their personal and professional duties. What steps can be taken by the employer on his end to promote this balance?
3. Diversity at the workplace is a growing phenomenon in companies worldwide. Do you agree with this statement? Give some advantages and disadvantages of workplace diversity.
4. Why do you think empowerment of employees is needed to generate effective and efficient results?
5. Do you think VRS is actually a 'golden handshake' between the organisation and its employees? Give reasons for your answer.
6. Why need for downsizing occurs in a firm? Does downsizing helps the company to run smoothly?
7. Do you think empowerment is the essence of managerial effectiveness? Why or why not?
8. Write short notes on the following:
 - (a) Downsizing
 - (b) Golden handshake
 - (c) Importance of Work life balance
 - (d) Disadvantages of employee empowerment
 - (e) Workforce Diversity
9. What do you mean by VRS? Why do employers offer VRS to its employees?

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UNIT - II



Human Resource Planning

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STRUCTURE

- 1.1 *Learning Objectives*
- 1.2 *Introduction*
- 1.3 *Concept of Human Resource Planning*
- 1.4 *Aspects of Manpower Planning*
- 1.5 *Problems in Human Resource*
- 1.6 *Guidelines for Effective Human Resource Planning*
- 1.7 *Summary*
- 1.8 *Answers to In-Text Questions*
- 1.9 *Self-Assessment Questions*
- 1.10 *References*
- 1.11 *Suggested Readings*

1.1 Learning Objectives

After studying this Chapter students may be able to understand:

- ◆ Understand the concept and objectives of human resource planning.
- ◆ Describe the process of human resource planning.
- ◆ Analyse the problems in human resource planning.

1.2 Introduction

The success of an organization depends largely on the quantity and quality of its human resources. No organization can be successful in the long run without having the right number and the right kind of people doing the right jobs at the right time. Procurement of the



right kind and right number of personnel is the first operative function of human resource management. Before selecting the right man for the right job, it becomes necessary to determine the quality and quantity of people required in an organization. This is the function of human resource planning or manpower planning. HRM begins with manpower planning.

1.3 Concept of Human Resource Planning

Human resource is an important corporate asset and the overall performance of companies depends upon the way it is put to use. In order to realize company objectives, it is essential to have a human resource plan. Human resource planning is essentially the process of getting the right number of qualified people for the right job at the right time so that an organization can meet its objectives. It is a system of matching the supply of people with openings the organization expects over a given time frame. Human Resource Planning (HRP) is a forward-looking function. It tries to assess human resource requirements in advance keeping the production schedules, market fluctuations, demand forecasts, etc., in the background. The human resource plan is subject to revision, of course, and is tuned to the requirements of an organization from time to time. It is an integral part of the overall corporate plan and reflects the broad thinking of management about manpower needs within the organization.

1.3.1 Characteristics of Human Resource Planning

- 1. Future Oriented:** Human resource planning like all planning is forward looking or future oriented. It involves forecasts of the manpower needs in a future time period so that adequate and timely provision may be made to meet the needs.
- 2. Continuous Process:** Human resource planning is an on-going or continuous process because the demand for and the supply of human resource undergo frequent changes. It is not static but subject to review and revision in accordance with the needs of the organization and the changing environment.
- 3. Helps in Corporate Planning:** Human resource planning is an integral part of corporate planning. Without a corporate plan, there can be no manpower plan. Whether or not the manpower plans meet the



organization requirements and are in tune with the reality depends on how clearly the goals are defined.

4. **Optimum Utilization of Resources:** The basic purpose of human resource planning is to make optimum utilization of an organisation's current and future human resources. In order to maximize the return on investment in human resources, it is necessary to relate future human resources to future needs of the organization.
5. **Systematic Approach:** Human resource planning is a systems approach to human resources. In it, the information about the demand and supply of human resources constitutes the input. Comparison and evaluation of demand and supply so as to identify the gap between the two is the transformation process. The outputs of human resource planning are the strategy and programme formulated to bridge the gap.
6. **Both Long and Short Term:** Human resource plans can be long-term or short term. Long-range plans are prepared for a period of five years or more on the basis of trends in the economy, labour market and production. These reflect management thinking on the organization structure, business environment and human resource policies. Short term manpower plans cover time periods ranging from one year to less than five years. These are concerned with filling existing jobs. Long-range and short-range plans are complementary to each other.
7. **Both Quantitative and Qualitative Aspects:** Human resource planning has both quantitative and qualitative aspects; The former implies the right number of employees while the later means the right talent required in the organization.
8. **Management's Responsibility:** Human resource planning is the primary responsibility of management so as to ensure effective utilization of the organisation's human resources.
9. **Study of Manpower:** Manpower planning involves study of the manpower environment which influences the demand for manpower and its supply. It also involves study of manpower utilization.
10. **Two-phased Process:** Human resource planning is a two-phased process involving calculation about the demand for and supply



of human resources, so as to secure equilibrium between the two. Human resource planning is based on the recognition that manpower is an asset which grows or appreciates over time. But development of manpower is a time-consuming process.

1.3.2 Objectives of Human Resource Planning

The main objectives of human resource planning are as follows:

1. To ensure optimum use of existing human resource.
2. To forecast future requirements for human resources.
3. To provide control measures to ensure that necessary human resource are available as and when required.
4. To link human resource planning with organizational planning.
5. To assess the surplus and shortage of human resource.
6. To anticipate the impact of technology on jobs and human resources.
7. To determine levels of recruitment and training.
8. To estimate the cost of human resources and housing needs of employees.
9. To facilitate productivity bargaining.
10. To provide a basis for management development programmes.

1.3.3 Need for and Importance of Human Resource Planning

Effective human resource planning offers the following benefits:

- I. To carry on its work and achieve its objectives, every organization requires employees with adequate knowledge, experience and aptitudes. Human resource planning is helpful in selection and training activities. It ensures that adequate number of persons are selected and trained well in advance to fill future job vacancies in the organization. Human resource planning provides the required number and quality of human resources at all times.
- II. Human resource planning identifies gaps in existing manpower in terms of their quantity and talent. Suitable training and other steps



can be taken in time to fill these gaps. Existing manpower can be developed to fill future vacancies.

- III. There is need to replace employees who retire, die, resign and become incapacitated due to injury. Provision for replacement of personnel can be made through human resource planning.
- IV. Human resource planning facilitates the expansion and diversification of an organization. In the absence of human resource plans, the required human resources will not be available to execute expansion and diversification plans at the right time.
- V. Human resource planning creates awareness about the effective utilization of human resources throughout the organization. It helps to reduce wastage of manpower. It also helps in judging the effectiveness of human resource policies and programmes of management.
- VI. Human resource planning is helpful in effective utilization of technological progress. To meet the challenge of new technology existing employees need to be retrained and new employees may be recruited.
- VII. With the help of human resource planning, areas of surplus manpower can be anticipated and timely action can be taken.
- VIII. Human resource planning is useful in anticipating the cost of human resources which facilitate the budgeting process. It also helps in controlling human resource costs through effective utilization. Through proper manpower planning, management can avoid both shortage and surplus of manpower and thereby control labour costs.
- IX. Human resource planning facilitates career succession planning in the organization. It provides enough lead time for internal succession of employees to higher positions through promotions.
- X. Human resource planning helps in planning for physical facilities like canteen, staff quarters, dispensary and school for the staff and their children.
- XI. At the national level, Human resource planning facilitates educational reforms, geographical mobility of talent and employment generation.



1.3.4 Reasons for Focus on Human Resource Planning

In recent years, focus on Human resource planning has increased due to the following reasons:

Employment Situation: On the one hand, the number of educated unemployed is increasing on the other hand, there is acute shortage for a variety of skills. This situation requires more effective recruitment and retraining of people. Under-developed countries find that shortage of talented and skilled manpower is a major obstacle to their industrial progress and they have to import certain skills.

Technological Changes: The widespread and rapid changes in production technology, marketing methods and management techniques are having profound effects on the contents and contexts of jobs. These changes create problems concerning redundancies, retraining and redeployment of personnel. Systematic Human resource planning can help to solve these problems.

Organisational Change: Size of firms is increasing. The environment of business has become turbulent. Rapid changes in environment require changes in organization structure and activities which affect requirements for human resources. New Human resource strategies are needed to meet these new requirements.

Demographic Changes: The profile of the work force in terms of age, sex, education, technical skills and social background is changing. Such changes have significant implications for Human resource planning.

Shortage of Skills: Organisations have become increasingly complex and require a wide range of specialized skills. These skills are scarce, and problems arise when employees with these skills leave an organization.

Legislative Controls: Law with regard to working conditions, working hours, weaker sections, women and child labour, casual and contract labour etc. does not permit management to hire and fire at free will. Therefore, managers, must look ahead and foresee manpower problems with the help of systematic human resource planning.

Pressure Groups: Trade unions, politicians and displaced persons create pressures on management for internal recruitment, promotions, preference to sons of the soil/displaced persons/employees' children etc.



Lead Time: Longer lead time is required for selection and training of employees to handle new jobs and technology successfully. This requires long-term human resource planning.

Hiring Costs: Recruitment and training costs are increasing. Increase in hiring costs encourages upgrading from within the organization, and planned retention through manpower planning.

1.3.5 Process of Human Resource Planning

The major stages involved in human resource planning are given below:

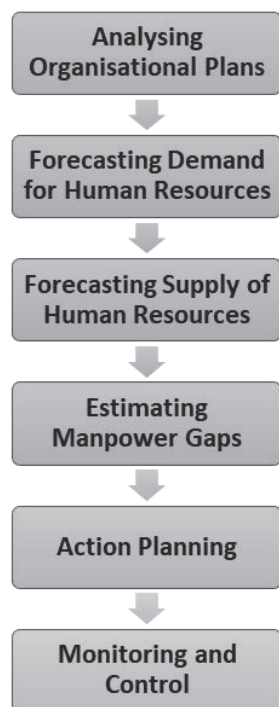


Figure 1.1: Process of Human Resource Planning

- 1. Analysing Organisational Plans:** First of all, the objectives and strategic plans of the company are analysed. Plans concerning technology, production, marketing, finance, expansion and diversification give an idea about the volume of future work activity. Each plans can further be analysed into sub-plans and detailed programmes. It is also necessary to decide the time horizon for which human resource plans are to be prepared. The future organization structure and job



design should be made clear and changes in the organization structure should be examined so as to anticipate its manpower requirements.

2. Forecasting Demand for Human Resources: On the basis of corporate and functional plans, and future activity levels, the future needs for human resources in the organization are anticipated. The number of people and the skills levels needed in future depend on the production and sales budgets in a manufacturing enterprise. But the human resource requirements for a given level of operations vary depending upon the production technology, process, make or buy decisions, job contents, behaviour patterns and control systems. It is necessary to make projections for new positions to be created and the vacancies arising in current manpower. Job analysis and forecasts of future activity levels help in human resource forecasting. Techniques employed in manpower forecasting are as follows:

(a) **Managerial Judgment:** Under this method, experienced managers estimate the manpower requirements for their respective departments on the basis of their knowledge of expected future workload and employee efficiency. These departmental estimates are then aggregated and approved by top management.

(b) **Work-Study Method:** In this method, time and motion study are used to analyse and measure the work being done. With the help of such studies, standard time required per unit of work is decided. The following example illustrates this method:

Example:

Planned output for next years	50,000 units
Standard hours per unit	2
Planned hours required	$50,000 \times 2 = 1,00,000$
Productive hours per worker in the year	2,000
Number of workers required	$1,00,000/2,000 = 50$

If the span of control is ten, five (50/10) supervisor will be required to supervise the work. Work study method is more appropriate for repetitive and manual jobs when it is possible to measure work and set standards. Job method should not change frequently.



(c) **Ratio-Trend Analysis:** Under this method, ratios (e.g. total output/number of workers, total sales volume/number of sales person) are calculated on the basis of past data. Future ratios are calculated on the basis of time series analysis/extrapolation, after making allowances for expected changes in organization, methods and jobs. Extrapolation or projections is mathematical extensions of past data into a future time. On the basis of established ratios, the demand for human resources is estimated. The following example illustrates this method:

Example:

Production level in 2004-05	50,000 units
No. of workers in 2004-05	50
Ratio	5: 50,000 or 1: 1,000
No. of supervisors in 2004-05	5
Ratio	5: 50 or 1: 10
Estimated production in 2005-06	60,000 units
No. of workers required in 2005-06	$60,000 \times 1/1,000 = 60$
No. of supervisors required in 2005-06	$60 \times 1/10 = 6$

(d) **Mathematical Models:** A mathematical model expresses the relationship between independent variables (e.g. investment, production, sales etc.) and dependent variable (e.g. no. of employees required). Various factors influencing manpower needs are expressed in the form of a formula. Several types of models, e.g. regression, optimization models, probabilistic models can be used. These are complex and appropriate only for large organizations.

3. Forecasting Supply of Human Resources: Every organization has two sources of supply of human resources-internal and external. Internally, human resources can be obtained for certain posts through promotions and transfers. Policies relating to these aspects need to be reviewed regularly to judge their impact on the internal supply of human resources. In order to judge the inside supply of human resources in future, human resources inventory or human resource audit is necessary. The components of current or present human resources are as follows:



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- (a) Head counts, *i.e.*, total number of people employed, department wise, skill wise, designations wise, payroll wise, sex wise, etc.
- (b) Job family inventory, *i.e.*, number of employees in each job, *e.g.*, clerks, typists, cashiers etc.
- (c) Age inventory, *i.e.*, age wise classification of employees.
- (d) Skill inventory containing data about the education, skills, experience, past performance, work preference and potential/fitness for promotion.

Manpower inventory helps in determining and evaluating the quantity and quality of the internal human resources. It reveals what exists in stock of manpower and what can be expected in future. It also indicates the possible shortfalls in comparison with expansion requirements and the future organization structure. Detailed biodata of every employee provides the foundation for a programme of individual development. Some organization maintains a Manning Table which is a jobwise list of employees. Other organizations use Manpower Replacement charts which show the present performance of each employee together with the promotion potential of possible replacements.

Expected loss of Manpower: Once the present human resources are assessed the changes likely to occur therein can be estimated. Potential losses of human resource can arise in the form of resignations, discharges/dismissals, deaths, retrenchments/lay off, terminations, promotions, demotions, transfers, ill health, injury, absenteeism, deputations out, consultancy out. Similarly, additions to human resources may occur in the form of new recruits, promotions, demotions, transfers, deputations in, consultancy in, acquisition of new skills through training, etc. The effect of potential loss and additions can be calculated on the basis of experience as follows:

Future internal supply of human resources = Present Inventory of human resources + Potential additions - Potential losses.

Thus, future manpower needs of an organization depend on the number of employees required due to loss of current manpower and additional staff needed due to anticipated expansion of the organization.



After estimating the future internal supply of human resources, the external sources of supply are analysed. Internal factors affecting manpower supply from outside include training facilities, salary levels, company image, growth prospects, interpersonal relations, job challenge, etc. External factors consist of working population, unemployment level, education and training institutions, housing and transport facilities, social security measures, technology etc.

- 4. Estimating Manpower Gaps:** Net human resource requirements or manpower gaps can be identified by comparing demand forecasts and supply forecasts. Such comparison will reveal either deficit or surplus of human resources in future. Deficits suggest the number of persons to be recruited from outside whereas surplus implies redundant to be redeployed or terminated. Similar, gaps may occur in terms of knowledge, skills and aptitudes. Employees estimated to be deficient can be trained whereas employees with higher skills may be given more-enriched jobs.
- 5. Action Planning:** Once the manpower gaps are identified, plans are prepared to bridge these gaps. Plans to meet the surplus manpower may be redeployed in other departments/units and retrenchment in consultation with the trade unions. People may be persuaded, to quit voluntarily through golden handshake. Deficit can be met through recruitment, selection, transfer, promotion and training plans. Realistic plans for the procurement and development of manpower should be made after considering the macro and micro environment which affect the manpower objectives of the organization.

In case the future supply of human resources from all external sources is estimated to fall short of requirements, the human resource planner should recommend modification of organization plans. For instance, the organizational plan of a bank, might be, to computerise all the offices of the bank by 2005. When the estimates show that the future supply of computer specialists will fall short of the requirements, the bank may have to extend the period of computerization by one or two years.

- 6. Monitoring and Control:** Once the action plans are implemented, the human resource structure and system need to be reviewed and regulated. Zero-base budgeting may be used to encourage managers



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to justify their action plans. An organization operating on a five-year planning cycle may record human resource levels in such a way that it is easy to monitor progress and hold managers responsible. Monitoring and control phase involves allocation and utilization of human resources over time. Review of manpower plans and programmes help to reveal deficiencies. Manpower inventory should be updated periodically. Necessary modifications in manpower plans should be made in light of changing environment and needs of an organization. An appraisal of the existing manpower plans serves as a guide in the future manpower planning.

The following steps may be taken to monitor and control human resource plans:

- (a) An addition to the manpower must be considered at the top level of management.
- (b) A properly designated system of reporting changes in the manpower should be employed.
- (c) Human resource budgets based on manpower plans may be used to keep manpower within properly defined limits.
- (d) Keeping a close watch on overtime worked and casual labour employed.
- (e) Auditing the utilization of manpower.
- (f) Measuring the efficiency of manpower.
- (g) Finding out the level of morale and job satisfaction through surveys and correcting the deficiency.
- (h) Arranging exit interviews for better retaining of manpower.
- (i) Finding out break-even point or pay-pack period for new employees.

IN-TEXT QUESTIONS

1. _____ is a forward-looking function. It tries to assess human resource requirements in advance keeping the production schedules, market fluctuations, demand forecasts, etc., in the background.
2. Forecasting Demand for Human Resources is the first step of human resource planning process. (True/False)



3. Under this method, ratios are calculated on the basis of past data. Which method is being talked about?
 - (a) Ratio-Trend Analysis
 - (b) Work-study Method
 - (c) Head count
 - (d) Wider talent pool
4. The basic purpose of human resource planning is to make optimum utilization of an organisation's current and future human resources. (True/False)
5. Every organization has two sources of supply of human resources-internal and external. (True/False)

1.4 Aspects of Manpower Planning

Human resource planning should include use of both quantitative (specific number of workforce) and qualitative (the knowledge, skills and experience required for the particular job) approaches. Combination of these two approaches ensures the smooth flow of work and constant flow of workforce into the organisation. Human resource department carry out the workload and workforce analysis to estimate the demand of workforce followed by the skill analysis to assess the expertise requirements in the firm.

Manpower planning has two aspects - quantitative and qualitative discussed below:

(A) **Quantitative Aspect:** Quantitative aspect is concerned with determining the number of employees required in a future period of time. Workload analysis and work force analysis are helpful in estimating the quantity of manpower:

1. **Workload Analysis:** Under this analysis, the total workload of each department is estimated on the basis of sales forecasts, work schedules, growth rates, expansion plans, etc. As far as possible, the workload of each department should be estimated in tangible units, so that it can be translated into manpower. On the basis of past experience and work measurement, the total workload is converted into manpower required. Work study technique is used to estimate how long a time an operation would take and the manpower required per unit of output.



2. Work Force Analysis: All the existing workers are not likely to be available for work throughout the year, due to absenteeism and turnover. It is, therefore, necessary to make a provision for loss of current manpower due to these factors. On the basis of past experience, the factory may estimate that on an average, 5 per cent of the staff will remain absent and another 5 per cent is likely to be lost due to resignations, retirements, deaths, terminations, etc. In order to estimate accurately the loss of current manpower, analysis of the present work force is made. Such analysis will involve a detailed study of the past behaviour, performance and retirement date of each and every employee. This analysis is called workforce analysis.

(B) Qualitative Aspect - Skills Analysis: The quality of manpower required varies from job to job. Therefore, the quality of employees required for a job can be determined only after determining the job requirements. To know the requirements of a particular job, a job analysis is made. Job analysis is the process of analysing a job so as to collect all pertinent facts about the job in terms of duties and responsibilities involved in it and the qualification needed for successful performance of the job.

With the help of information obtained through job analysis, two statements, namely job description and job specification are prepared. Job description contains details about the contents of a job, job specification or man specification reveals the physical, educational and other qualifications and experience required in an individual to perform the job satisfactorily.

1.5 Problems in Human Resource

The main problems in the process of human resource planning are as follows:

1. Inaccuracy: Human resource planning involves forecasting the demand for and supply of human resources. Therefore, it cannot be a cent per cent accurate process. Longer the time horizon, greater is the possibility of inaccuracy. Inaccuracy increases when departmental forecasts are merely aggregated without critical review.



2. **Employees Resistance:** Employees and trade unions feel that due to widespread unemployment, people will be available for jobs as and when required. Moreover, they feel that human resource planning increases their workload and regulates them through productivity bargaining. Employers may also resist human resource planning feeling that it increases the cost of manpower.
3. **Uncertainties:** Labour absenteeism, labour turnover, seasonal employment, technological changes and market fluctuations are the uncertainties which serve as constraints to human resource planning. It is risky to depend upon general estimates of manpower in the face of rapid changes in environment.
4. **Inefficient Information System:** In most of the Indian Industries, human resource information system has not been fully developed. In the absence of reliable data, it is not possible to develop effective human resource plans.
5. **Lack of Top Management Support:** In the absence of support and commitment from the top, human resource experts find it difficult to obtain vital inputs. Sometimes, the process is started with great fanfare, but is not sustained due to lack of patience. Successful human resource planning flourishes slowly and gradually. In some cases, sophisticated technologies are forcefully introduced just because competitors have adopted them. They may not yield fruits unless matched with the needs and environment of the particular enterprise.
6. **Time and Expense:** Manpower planning is a time-consuming and expensive. A good deal of time and cost are involved in data collection and forecasting.
7. **Unbalanced Focus:** In some companies, human resource planning is used as a number's game. There is too much focus on the quantitative aspect to ensure the flow of people in and out of the organization. Such an exclusive focus overtakes the more important dimensions, *i.e.* the quality of human resources. Career planning and development, skill levels, morale etc. are likely to suffer due to such unbalanced approach to human resource planning.



1.6 Guidelines for Effective Human Resource Planning

Some of the steps that may be taken to improve the effectiveness of human resource planning are as follows:

- 1. Tailormade:** Human resource plans should be balanced with the corporate plans of the enterprise. The methods and techniques used should fit the objectives, strategies and environment of the particular organization.
- 2. Appropriate Time Horizon:** The period of a human resource plan should be appropriate to the needs and circumstances of the specific enterprise. The size and structure of the enterprise as well as the changing aspirations of the people should be taken into consideration.
- 3. Adequate Organisation:** Human resource planning function should be properly organized. A separate cell, section or committee may be constituted within the human resource department to provide adequate focus, and to coordinate the planning efforts at various levels.
- 4. Top Management Support:** Before starting the human resource planning process, the support and commitment of top management should be ensured. Moreover, the exercise should be carried out within the limits of a budget. There is no use formulating plans which cannot be implemented due to financial constraints.
- 5. Participation:** To be successful, human resource planning requires active participation and coordinated efforts on the part of operating executives. Such participation will help to improve understanding of the process and thereby reduce resistance.
- 6. Information System:** An adequate database should be developed for human resources to facilitate human resource planning.
- 7. Balanced Focus:** The quantity and quality of human resources should be stressed in a balanced manner. The emphasis should be filling future vacancies with right people rather than merely matching existing people with existing jobs. Upward mobility of existing staff needs to be considered carefully. Labour turnover should be considered according to length of service rather than merely on aggregate basis.

**IN-TEXT QUESTIONS**

6. _____ is the total number of people employed, department wise, skill wise, designations wise, payroll wise, sex wise, etc.
7. Net human resource requirements or manpower gaps can be identified by comparing demand forecasts and supply forecasts.
(True/False)
8. Under this analysis, the total workload of each department is estimated on the basis of sales forecasts, work schedules, growth rates, expansion plans, etc. Which aspect of workforce analysis is being talked about?
 - (a) Work Force Analysis
 - (b) Workload Analysis
 - (c) Skills Analysis
 - (d) None of the above
9. Conducting human resource planning is the task of top management only. (True/False)
10. Which of the following can be identified as problems in human resource planning?
 - (a) Inaccuracy
 - (b) Employee resistance
 - (c) Uncertainties
 - (d) All of the above

1.7 Summary

Human resource planning is the process of determining the number and kind of human resources required in an organization for a specific time period in future. Human resource planning serves as a guide to the management of human resources. In recent years, interest in human resource planning has increased due to shortage of certain skills, technological changes, organizational changes, lead time etc. The main steps in human resource planning include analysis of organizational plans, demand forecasting, supply forecasting, identifying manpower gaps, and action



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planning. Human resource plans can be formulated at national, sectoral, industry and unit levels. Employee resistance, uncertainties, inefficient information system, lack of top management support, etc. are the main problems in human resource planning. Tailormade approach, appropriate time horizon, adequate organizational base, top management support, employee participation, sound information system and balanced focus are the main guidelines for making human resource planning effective.

1.8 Answers to In-Text Questions

1. Human Resource Planning
2. False
3. (a) Ratio-Trend Analysis
4. True
5. True
6. Head count
7. True
8. (b) Workload Analysis
9. False
10. (d) All of the above

1.9 Self-Assessment Questions

1. What do you understand by human resource planning? Describe its characteristics.
2. Account for the increasing interest in human resource planning in recent years.
3. Discuss the problems in human resource planning? How can one overcome these problems.
4. Outline the steps involved in the human resource planning process?
5. Discuss the problems in HRP. How can a human resource manager overcome these in an effective manner?



6. Write short notes on:
- (a) Guidelines for effective HRP.
 - (b) Methods of forecasting demand for human resources.
 - (c) Quantitative aspects of HRP.
7. Discuss and distinguish between quantitative and qualitative approaches to forecasting the need for human resources?

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Job Analysis

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STRUCTURE

- 2.1 *Learning Objectives*
- 2.2 *Introduction*
- 2.3 *Concept of Job Analysis*
- 2.4 *Techniques of Job Analysis*
- 2.5 *Job Description*
- 2.6 *Job Specification*
- 2.7 *Summary*
- 2.8 *Answers to In-Text Questions*
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2.1 Learning Objectives

After studying this Chapter students may be able to understand:

- ◆ Understand the concept and objectives of job analysis in the field of HRM.
- ◆ Describe the importance and process of job analysis.
- ◆ Analyse the various techniques of job analysis used by the HR department.
- ◆ Understand the concept of Job description and job specification.

2.2 Introduction

Job analysis is the process of acquiring and examining data regarding the particular job, human requirements, and environment in which a job will be or is being performed. This method is used to decide where to employ which type of employees. This particular analysis



is done by every firm be it small or huge. To perform this analysis various techniques like taking interviews, making questionnaires, recording critical analysis, or mere observation can be used. In this chapter we will discuss about objectives and importance of Job analysis for a firm. Also, Job analysis can be divided into two major parts *i.e.*, job descriptions and job specification. This chapter will also make you aware of the difference between job specification and job description.

2.3 Concept of Job Analysis

A job analysis is a methodical procedure for identifying and precisely determining the duties, conditions, and characteristics of a job. It implies segmenting the work into smaller components, gathering data on each component, and then analysing the data to establish the abilities and skills the role calls for. The idea behind job analysis is that one should study the work itself and then prepare a job description.

In the words of Edwin B. Flippo, “Job analysis is the process of studying and collecting information relating to the operations and responsibilities of a specific job”.

In the words of Dale Yoder. “A Job is a collection of duties, tasks and responsibilities which are assigned to an individual and which is different from other assignment”.

According to John A Shubin “Job analysis is the methodical compilation and study of work data in order to define and characterise each occupation in such a manner as to distinguish it from all others”.

2.3.1 Objectives of Job Analysis

Some objectives of job analysis are mentioned below:

1. To determine the best and effective methods of doing a particular task, being in a job.
2. To keep the interests of the worker in mind and increase job satisfaction.
3. To establish a rational basis for incentive, wage structure and bonus schemes.



4. To identify areas where training is to be imparted for performing a particular task.
5. For development of tested and reliable performance measurement systems.
6. To make selection process easy for the employer as he will be having a clear idea of the expectations from the employee.
7. To create a match between employee specification and job specification, so the firm gets the right person for the right job at the right time.

2.3.2 Importance of Job Analysis

Effective job analysis has the following benefits:

1. **Manpower Management:** Job analysis, which establishes job requirements in terms of abilities, attributes, and other human traits, is a qualitative element of manpower demands. This makes it easier to organize labour into different tasks.
2. **Helps in Recruitment and Selection:** It's crucial to understand the job's requirements as well as the traits needed in the candidate for the position in order to make a smart hiring decision. The work description or job description provides information on these two components, which aids management in matching the job requirements as closely as possible to the attitudes, talents, and interests of employees.
3. **Training:** If the jobholder is facing any difficulty in performing a particular task, he can be imparted training for improving his performance and efficiently doing this particular job. Job analysis also helps in determining the standard level of job performance expected from the employees.
4. **Employee Safety:** A thorough and deep job analysis helps in determining any unfit condition in work environment, analysts can identify these unsafe conditions and take proper action timely to resolve these.
5. **Helps in Performing Performance Appraisal:** Job analysis helps in comparing the work performed by an employee to the set standard.



Therefore, it is easy for the management to conduct the performance appraisal for the employees.

- 6. Helps in Job Evaluation:** Job analysis not only helps in finding the best way to perform a job but also helps in calculating the relative worth of it based on degree of complexity, level of knowledge and skills required, type of work to be done, etc. This in turn helps the management in designing proper wage policies with wage equity.

2.3.3 The Job Analysis Process

The major steps involved in job analysis are as follows:

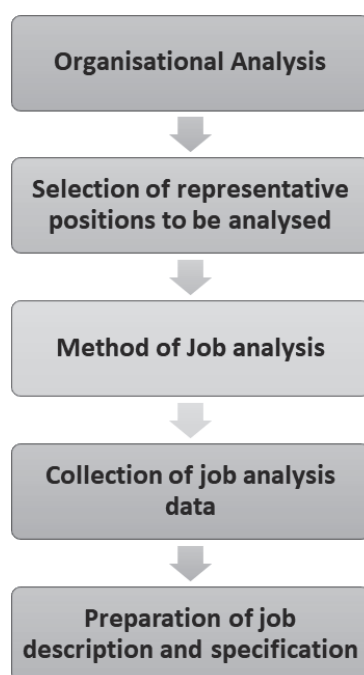


Figure 2.1: Job Analysis Process

- 1. Organisational Analysis:** The first step is a study of the jobs in the organization. Through job analysis, information on job content is obtained, together with an appreciation of worker requirements for successful performance of the job. This information is recorded in the precise, consistent language of a job description.
- 2. Selection of Representative Positions to be Analysed:** As we know it is not possible to analyse all the jobs in the organisation, this



will create a time and energy wastage, therefore a list of jobs or a representative job (sample) from each group is picked up for this analysis.

3. **Method of Job Analysis:** The third step in job evaluation is to select a method of appraising the organization's jobs according to the factor(s) chosen.
4. **Collection of job Analysis Data:** This step involves the collection of data based on the different characteristics of a job. This involves the required behaviour, qualifications, skills, experience etc. needed to perform the job.
5. **Preparation of Job Description and Specification:** The final step is pricing the job structure to arrive at a wage structure with set of responsibilities, duties, operations, skills, training, experience, etc.

IN-TEXT QUESTIONS

1. _____ is the process of studying and collecting information relating to the operations and responsibilities of a specific job.
2. Preparing the job specification and description is the final step in the job analysis process. (True/False)
3. The first step in the process of job analysis is?
 - (a) Ratio analysis
 - (b) Organisational Analysis
 - (c) Head count
 - (d) Tools Analysis
4. Job analysis helps in management of the workforce and identifying its training needs. (True/False)
5. Job analysis doesn't help the management to determine the best and effective methods of doing a particular task, being in a job. (True/False)

2.4 Techniques of Job Analysis

A variety of sources and methods are used to collect data relating to a job. The main methods are given below:

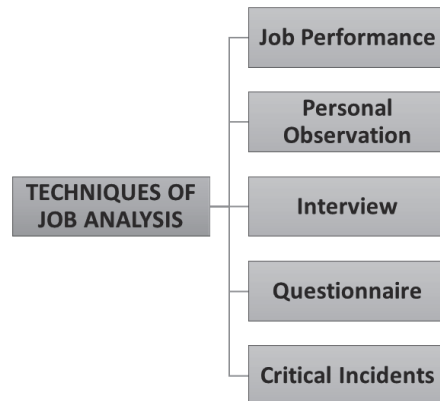


Figure 2.2: Techniques of Job Analysis

1. **Job Performance:** Using this approach, the job analyst does the job being studied to gain first-hand knowledge of the duties, physical requirements, and social demands and even the working environment. This method requires a lot of patience and time.
2. **Personal Observation:** Using this technique, the analyst watches a worker or a group of workers as they perform their regular duties. The analyst watches out for work cycle, tasks carried out, the speed required, the working conditions, the risks involved, etc. This data is gathered and a document is designed and submitted to the management. This approach is used for observing short period tasks that usually involve physical activities. Examples of such jobs are weaver, mechanic, and artist.
3. **Interview:** Under this method the analyst conducts personal interviews with the worker, his manager, and any other relevant parties, who are concerned with this particular job. The data is recorded using a uniform format so that it may be compared with data from other employees to highlight the crucial and common elements of the job. The interview method is popular for tasks that are not easy to observe or perform. However it is a time and money consuming process and there can be a situation in which the employee shares false information regarding the particular job.
4. **Questionnaire:** This strategy involves sending surveys to job holders or employees. These are given back to the supervisors once they are finished. The document is submitted to the job analyzer after any necessary revisions. Questionnaires are of two types: structured



and unstructured. The most preferred one is the structured one as its data is easy to analyse. Structured questionnaires on many job-related topics, such as manual and mental processes, behaviour when coordinating and bargaining, etc., are developed. Each activity is explained in terms of its periodicity, relevance, level of difficulty, and relationship with overall performance. These dimensions are then rated by the job holders after which end results are collected and analysed.

- 5. Critical Incidents:** Using their prior experience, employees are requested to outline critical incidents that have occurred on the job. The incidents related to a job that is to be analysed are recorded, categorised, and collected by the analyst. By separating between effective and ineffective behaviour of individuals on the job, a reasonably clear image of the actual task requirements is generated. This approach takes a lot of time and patience. To analyse the details of the descriptions provided by workers, the analyst needs to possess a high level of expertise too.

2.5 Job Description

The main instrument for gathering information about jobs is job analysis. Two data sets, comprising job descriptions and job specifications, are collected and recorded as a result of the process. These two sets of information must be available for the HR manager before any job opening can be filled.

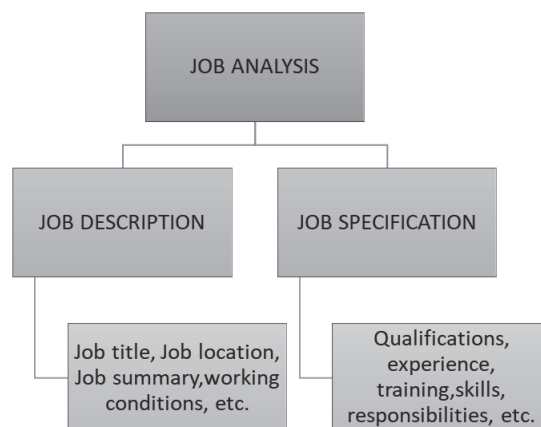


Figure 2.3: Job Analysis



Job descriptions contain essential information about the job that can be used to promote a particular job or position and attract set of people for applying to this particular job. It contains details like the job title, location, job summary, nature and objectives of a job, tasks and duties to be carried out, working conditions, etc.

“A job description is an organized, factual statement of the duties and responsibilities of a specific job.” – Edwin B. Flippo.

“A job description indicates the tasks, duties, and responsibilities of a job. It identifies what is done, why it is done, where it is done, and briefly, how it is done.” – Decenzo and Robbins.

Associate

PwC
Gurugram, Haryana, India (On-site)

1 week ago · Over 200 applicants

Full-time · Associate

10,001+ employees · Accounting

See how you compare to 340 applicants. [Try Premium for free](#)

Skills: Communication, Oral Communication, +8 more

Apply
Save

Job Description & Summary

A career within Corporate Tax services, will provide you with the opportunity to help our clients meet their tax obligations while managing the impact tax has on their business. You'll advise clients on their local and overseas tax affairs, while acting as a strategic consultant related to business analysis, managing working capital, and profit sharing for partners. You'll also help organisations understand the pricing implications of goods and services between related parties, as well as providing advice on tax implications of deals.

Our team helps our clients improve their tax function to control risk and facilitate better decision making. You'll focus on helping businesses with tax strategy, ensuring tax compliance, increasing post tax profits, and providing application support to achieve the best corporate tax practices.

Profile of Associate

Brief responsibilities

- Works as an 'Anchor' for core tax ESG team by helping coordinate between the core tax ESG team and help liaise with other LOS.
- Work directly with the core tax ESG team and helps them evaluate ESG issues and relate them to tax.
- Work towards content developments for ESG strategy.
- Stays current on ESG trends and developments and provides regular updates to the core tax ESG team

Qualifications, skills & experience

- Degree in Public Policy, Sustainability.
- Strong written and verbal communication skills.
- Good analytical skills.
- 1+ years of experience in ESG-related strategy development.

Apply
Save

Job Description

Line of Service
Tax

Industry/Sector
Not Applicable

Specialism
Operations

Management Level
Associate

Figure 2.4: Example of Job Description

(Source: <https://in.linkedin.com/>)



A Job description usually covers the following information:

1. **Job Title:** Conveys the job title and the branch or department where the person is going to be placed. A good job title attracts a lot of good talent towards the company and it helps in distinguishing this job from others.
2. **Job Summary:** It is a short write-up about a particular job.
3. **Job Activities:** A description of activities and tasks to be performed on the job.
4. **Working Conditions:** The environment or the premises where the employee would be performing the task and his/her exposure to any kind of risk is also mentioned in the job description.
5. **Social Environment:** The size of the team and interpersonal interactions (reporting to, working with, supervising the, submission of, etc. interactions will be covered here).

2.5.1 Purpose of Job Description

Following are the reasons for preparing job description:

1. **Attracting the Best Talent:** The main objective of a job description is to gather information about a particular position in a firm in order to advertise it. It facilitates in attracting, targetting, hiring, and selecting the best candidate for this job position.
2. **Communicating the Expectations of Employer:** It is carried out to ascertain what is expected for a specific job. It makes it clear what individuals are expected to do if they are hired for that position.
3. **Guides the Selector/Recruiter:** It not only communicates the company's expectations to the candidates but also to the recruiter and selector. It gives an idea of what type of candidate is needed in a particular position.
4. **Clarifies About Working Conditions and Hierarchy:** Job description clearly states about the workplace, work conditions, exposure to any kind of risks, the hierarchy of reporting, etc. It seeks to invite application from the serious candidates.



2.5.2 Problems with Job Description

Job description is seen as a guide for both the candidates who are seeking jobs and for the employees who will act as recruiters and selectors. It guides the management about expectations of the department from the candidate. As for preparing job descriptions a good observation and patience is required therefore it may be possible that something get missed out. Following are the problems that may arise in formulating job descriptions:

1. Most job descriptions are precised as they are to be advertised. Therefore they need to be formulated in such a way that company's expectations are conveyed in a short and crisp manner but this is not possible in all types of job positions. Creating a short description is a big challenge for the concerned and HR department.
2. Job descriptions are sometimes not updated according to the needs of the department. The old one's are circulated due to less or no availability of time.
3. They can limit the scope of activities of the job holder and leads to reduction in organisational flexibility.

2.6 Job Specification

A job specification, also referred to as employee specifications, is a brief outline of the educational requirements, particular qualities, level of experience, physical, emotional, technical, and communication skills necessary to perform a job and roles associated with a job. Additionally, it involves traits like good physical and mental health, leadership abilities, emotional intelligence, adaptability, and flexibility, as well as moral principles, good manners, and creative thinking.

“A job specification is a statement of minimum acceptable human qualities necessary to perform a job properly”- Edwin B Flippo.

“Job specification as, A list of job's human requirements that is the requisite education, skills, personality and so on”- Gary Dessler.

“Job specification is a statement of the needed Knowledge, Skills, Abilities (KSAs) of the person who is to perform the job” - Bohlander and Snell.



A job specification covers the following information:

- 1. Educational Qualifications:** The candidate's intended education is covered in this section. Here, specific terminology like graduate and post-graduate are used. The educational stream must also be mentioned.
- 2. Experience:** The experience that is necessary in a for a particular position and details such as the type of experience necessary, the number of years of experience, the position, and the type of industry are included here.
- 3. Skills and Knowledge:** This section discusses the competencies required for the specified job role, including those related to communication, leadership, teamwork, etc. "Knowledge" comprises market knowledge, specialized field knowledge, computer language expertise, etc.
- 4. Personality Traits:** This segment discusses the general behaviour of the candidate as well as how the person should respond to difficult situations in the workplace. His/her attitude, emotional intelligence, soft skills are also given consideration.

2.6.1 Importance of Job Specification

- 1. Insight About Skills Required:** The job description gives more information about the skills a candidate will use in a position than it does about the duties they will carry out.
- 2. Helps in Attracting the Best Talent:** Highly experienced and best hiring managers are requested to create these specifications to attract the most qualified candidates to apply for a position. The ideal candidate can be found and hired by a company with the help of a well-written job specification.
- 3. Role of Recruiter Becomes Easy:** In order to understand the qualifications, credentials, and skills the hiring manager is seeking, recruiters and other human resources professionals frequently refer to the job specification. A good and detailed job specification makes their task easy.



- 4. Time Saving:** When a job specification is clearly written, it creates a clear picture in the mind of the candidate and as there is less confusion in their mind the potential or the eligible candidates only fill the application this in turn saves a lot of time of the HR department related to clubbing and sorting the eligible and ineligible candidates.

2.6.2 Purpose of Job Specification

Making the correct match between the work and the talent is essential. To attain this mixture, the job specification is really essential:

1. To assist candidates in determining whether they are qualified to apply for a position.
2. To support the hiring team (HR Team) in the candidate recruitment and selection process.
3. To keep a record of details regarding the work role and the qualifications needed to perform the job.
4. To establish the goals set for performing the job and the type of behaviour expected from the employee working on the job.

2.6.3 Difference between Job Description and Job Specification

Following are the differences between job descriptions and job specification:

Basis	Job Description	Job Specification
Meaning	A job description is a brief written statement that outlines the primary or important requirements for a specific position.	A job specification is a declaration that outlines the minimum qualifications needed to carry out a specific task.
It covers	Job responsibilities, duties, tasks, working conditions, social environment, job title, etc.	Employees qualification, experience, skills, ability, education, etc.
It describes	Job description usually is engaged in describing the job or the position.	Job specification is engaged in describing the job seeker.



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Basis	Job Description	Job Specification
Focus	Its focus is on what the company will provide to the candidate	Job specification focus on what the company expects from the candidate or what a candidate can offer the company.
Purpose	It purely focus on describing the job profile and title.	It specifies the eligibility criteria for applying for this particular job.
Origin	It is said to be based on the process of job analysis	It is said to be based on the job description.

ACTIVITY

Prepare the job description and job specification for a position of a Human resource trainee arising in ABC Company Ltd. Try to include all the contents of job description and job specification discussed above.

IN-TEXT QUESTIONS

- _____ is engaged in describing the job seeker and not exactly the position or job.
- Job Title is covered in job specification. (True/False)
- Which of the following lies under the contents of Job Specification?
 - Working conditions
 - Job summary
 - Experience
 - Social environment
- A job description is a declaration that outlines the minimum qualifications needed to carry out a specific task. (True/False)
- Which of the following is not a technique of job analysis?
 - Interview
 - Questionnaire
 - Critical Incidents
 - Time wage system



2.7 Summary

A crucial step in choosing the best applicant is conducting a job analysis. An employer can choose compensation and benefits, manage performance, and more with the assistance of a job analysis. It is beneficial for the workers to have a clear understanding of what is truly expected of them. Job analysis helps the firm to discover the right candidate suitable for a particular job, it not only helps in recruitment and selection but also helps in manpower planning, identifying training and development needs, job evaluation etc. Process of job evaluation involves five steps starting in an order beginning from organizational analysis, selection of representative positions that are to be analysed, deciding the method of job analysis, then collecting the data about the job and finally preparing the job description and job specification. Job description contains job title, job summary, job activities, working conditions and social environment. And a job specification, also referred to as employee specifications, is a brief outline of the educational requirements, particular qualities, level of experience, physical, emotional, technical, and communication skills necessary to perform a job and roles associated with a job.

2.8 Answers to In-Text Questions

1. Job analysis
2. True
3. (b) Organisational Analysis
4. True
5. False
6. Job Specification
7. False
8. (c) Experience
9. False
10. (d) Time wage system



2.9 Self-Assessment Questions

1. Distinguish between job description and job specification.
2. What do you mean by job analysis. Why is it considered important for the employer?
3. Discuss the process of job analysis and also explain the various techniques involved in job analysis?
4. Outline the steps involved in the Job analysis process?
5. Discuss the purpose and contents of a job description? Distinguish between job description and job specification.
6. Write short notes on:
 - (a) Objectives of Job analysis
 - (b) Importance of Job Specification
 - (c) Techniques of job analysis
7. Do you think giving a job description is necessary for a company, what will happen if no job description is provided by the company?
8. What do you think are advantages and disadvantages of conducting a job analysis by simply observing a particular job (Personal Observation)?

2.10 References

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2.11 Suggested Readings

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Recruitment and Selection

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STRUCTURE

- 3.1 *Learning Objectives*
- 3.2 *Introduction*
- 3.3 *Concept of Recruitment*
- 3.4 *Recent Trends in recruitment*
- 3.5 *Recruitment Practices in India*
- 3.6 *Selection*
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3.1 Learning Objectives

After studying this chapter students may be able to understand:

- ◆ Understand the concept recruitment.
- ◆ Outline the sources and methods of recruitment.
- ◆ Define the concept of selection and explain its objectives.
- ◆ Describe the sequence of a typical selection process.
- ◆ Outline the various ways of conducting an employment interview.

3.2 Introduction

Selection is the process of locating and choosing the most qualified applicant for a position, and recruitment is the process of persuading qualified individuals to apply for



an open position in the company. Each employee's efforts are crucial to the survival and expansion of a company. Therefore, it is essential to choose the appropriate candidate for the position.

Finding the ideal candidate is a key objective for the hiring team and implementing the right procedure of recruitment and selection can improve the experience of the applicant, the interviewer, the manager, and the HR Department. HR experts should make sure they use the proper recruitment and selection procedures and recruit the most qualified employees for their company. We will discuss about both these concepts in detail below.

3.3 Concept of Recruitment

In order to achieve the goals or perform the activities of an organization, people needed to be recruited with requisite skills, qualifications and experience. Recruitment is the process of locating and encouraging potential applicants to apply for existing or anticipated job openings. It is actually a linking function, joining together those with jobs to fill and those seeking jobs. Recruitment needs are of three types- planned, anticipated and unexpected. Planned needs arise from changes in organization and retirement policy. Resignations, deaths, accidents and illness give rise to unexpected needs. Anticipated needs refer to those movements in human resource which an organization can predict by studying trends in the internal and external environment.

3.3.1 *The Features of Recruitment are as follows*

1. Recruitment is a process or a series of activities rather than a single act or event.
2. Recruitment is a linking activity as it brings together those with jobs and those seeking jobs.
3. Recruitment is a positive function as it seeks to develop a pool of eligible persons from which most suitable ones can be selected.
4. Recruitment is a positive function as it seeks to develop a pool of eligible persons.
5. from which most suitable ones can be selected.



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- 6. Recruitment is a pervasive function as all organizations engage in recruiting activity.
- 7. Recruitment is a two way process. It takes a recruiter and a recruitee.
- 8. Recruitment is a complex job because too many factors affect it, such as image of the organization, nature of jobs offered, organizational policies, working conditions, labour laws, past recruitment record, Government policies etc.

(i) Sources of Recruitment

The sources of recruitment may be broadly divided into two categories: internal sources and external sources.

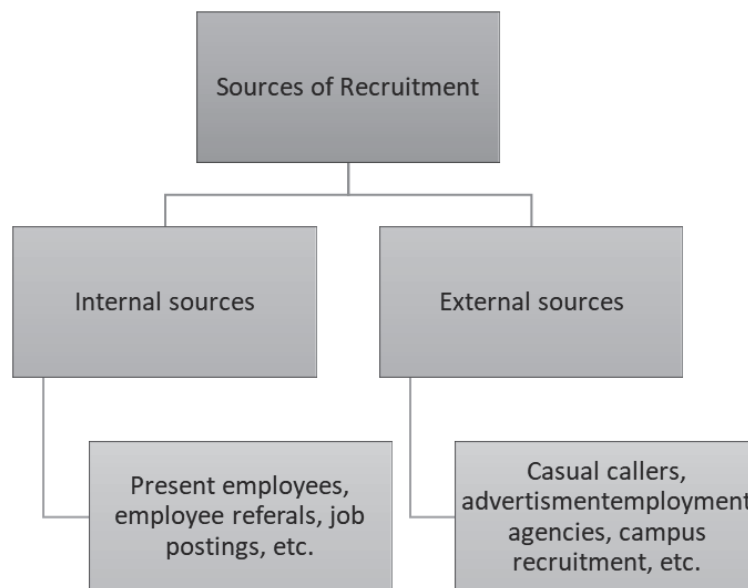


Figure 3.1: Sources of recruitment

I. INTERNAL SOURCES: Internal sources consist of following:

(a) Present Employees: Permanent, temporary and casual employees already on the pay of the organization are a good source. Vacancies may be filled up from such employees through promotions, transfers, upgrading and even demotion which are explained below:

(i) Transfer: A transfer is a change in job assignment. It may involve a promotion or demotion or no change at all in status and responsibility. A transfer does not



imply any ascending or descending change in status or responsibility. Transfer can be because of various reasons such as changes in production, replacement of an employee working on the same job for a long time, to increase the versatility of employees, to correct the wrong placements, punishment for in disciplinary action of employees. Table below shows the benefits and problems associated with transfers.

Table 3.1: Benefits & Problems Associated with Transfer

Benefit	Problems
<ul style="list-style-type: none"> ◆ Improve employee skills ◆ Reduce monotony, boredom ◆ Remedy faulty placement decisions ◆ Stabilize changing work requirements in different departments ◆ Improve employee satisfaction and morale ◆ Improve employee-employer relationship 	<ul style="list-style-type: none"> ◆ Inconvenient to employees who otherwise do not want to move ◆ Employees may or may not fit in new location ◆ Shifting of experienced hands may affect productivity ◆ Discriminatory transfers may affect employee morale.

(ii) **Promotion:** Promotion refers to upward movement of an employee from current job to another that is higher in pay, responsibility and/ or organizational level. Promotion brings enhanced status, better pay, increased responsibilities and better working conditions to the promotee. There can be “dry promotion” where a person is moved to a higher level job without increase in pay. Organisations adopt different bases of promotion depending upon their nature, size, management, etc. The well-established bases of promotion are seniority and merit.

(iii) **Demotion:** Demotion is the downward movement of an employee in the organizational hierarchy with lower



status and pay. It is a downgrading process where the employee suffers considerable emotional and financial loss in the form of lower rank, power and status, lower pay and poor working conditions.

- (b) **Job posting:** Job posting is another way of hiring people from within. In this method, the organization publicizes job openings on bulletin boards, electronic media and similar outlets. Hindustan lever introduced its version of open job posting in early 2002 and over 40 positions have since been filled through the process.
- (c) **Employee referrals:** Employee referral means using personal contacts to locate job opportunities. It is a recommendation from a current employee regarding a job applicant. The logic behind employee referral is that “it takes one to know one”. This has become a popular way of recruiting people in the highly competitive Information Technology industry.

3.3.2 Merits of Internal sources of recruitment

1. **Economical:** The cost of recruiting internal candidates is minimal. No expenses are incurred on advertisement.
2. **Suitable:** The organization can pick the right candidates having the requisite skills. The candidates can choose a right vacancy where their talents can be fully utilized.
3. **Reliable:** The organization has knowledge about the suitability of a candidate for a position. ‘Known devils are better than unknown angels’.
4. **Satisfying:** A policy of preferring people from within offers regular promotional avenues for employees. It motivates them to work hard and earn promotions.

3.3.3 Demerits of internal sources of recruitment

1. **Limited Choice:** The organization is forced to select candidates from a limited pool. It may have to sacrifice quality and settle for less qualified candidates.



2. **Inbreeding:** It discourages entry of talented people, available outside an organization. Existing employees may fail to behave in innovative ways and inject necessary dynamism to enterprise activity.
3. **Inefficiency:** Promotions based on length of service rather than merit, may prove to be a blessing for inefficient candidates. They do not work hard and prove their worth.
4. **Bone of Contention:** Recruitment from within may lead to infighting among employees aspiring for limited, higher-level positions in an organization. As years roll by, the race for premium positions may end up on a bitter note.

II. EXTERNAL SOURCES

Every organization has to tap external sources for various positions. The following external sources of recruitment are commonly used by the big enterprises:

1. **Direct Recruitment:** An important source of recruitment is direct recruitment by placing a notice on the notice board of the enterprise specifying the details of the jobs available. It is also known as recruitment at factory gate. This method of recruitment is very cheap as it does not involve any cost of advertising vacancies. It is suitable for filling casual vacancies when there is greater rush of work or when a number of permanent workers are absent.
2. **Casual Callers or Unsolicited Applications:** The organizations which are regarded as good employers draw a steady stream of unsolicited applications in their offices. This serves as a valuable source of manpower. If adequate attention is paid to maintain pending applications folders for various jobs, the personnel department may find the unsolicited applications useful in filling the vacancies whenever they arise. The merit of this source of recruitment is that it avoids the costs of recruiting workforce from other sources.
3. **Media Advertisement:** Advertisement in newspapers or trade and professional journal is generally used when qualified and experienced personnel are not available from other sources. Most of the senior positions in industry as well as commerce are filled by this method. The advantage of advertising is that more information about the organization, job description and job specification can be given in



advertisement to allow self screening by the prospective candidates. Its disadvantage is that it may bring in a flood of response, and many times from quite unsuitable candidates.

- 4. Employment Agencies:** Employment exchanges run by the Government are regarded as a good source of recruitment for unskilled, semi-skilled and skilled operative jobs. In some cases, compulsory notification of vacancies to the employment exchange is required by law. The employment exchanges bring the job givers in contact with the job seekers. Employment exchanges and selected private agencies provide a nation wide service in attempting to match personnel demand and supply.
- 5. Management Consultants or Head-hunters:** Management consultancy firms help the organizations to recruit technical, professional and managerial personnel. They specialize in middle level and top-level executive placements. They maintain data bank of persons with different qualifications and skills and even advertise the jobs on behalf of their clients to recruit right type of personnel. For example, some head-hunters are A.F. Ferguson and Co., ABC Consultants, Mantee Consultants etc.
- 6. Educational Institutions or Campus Recruitment:** Jobs in commerce and industry have become technical and complex to the point where college degrees or diplomas are widely required. Consequently, big organizations maintain a close liaison with the universities, vocational institutions and management institutes for recruitment to various jobs. Recruitment from educational institutions is a well-established practice of thousands of business and other organizations. It is also known as campus recruitment. Organizations which seek applicants for continuing apprenticeship programme usually recruit from technical institutions or polytechnics offering vocational courses.
- 7. Recommendations and Referrals:** Applicants introduced by friends and relatives may prove to be a good source of recruitment. In fact, many employers prefer to take such persons because something about their background is known. When a present employee or a business friend recommends someone for a job, a type of preliminary screening is done and the person is placed on a job.



8. **Labour Contractors:** Labour contractors are an important source of recruitment in some industries like construction industry in India. Workers are recruited through labour contractors who are themselves employees of the organization. The disadvantage of this system is that if the contractor leaves the organization, all the workers employed through him will also leave. Recruitment through labour contractor has been banned for the public sector units.
9. **Telecasting:** The practice of telecasting of vacant posts over T. V. is gaining importance these days. Special programmes like 'job watch', 'Youth Pulse', 'Employment News' etc. over the T.V. have become quite popular in recruitment for various types of jobs. The detailed requirements of the job and the qualities required to do it are publicized along with the profile of the organization where vacancy exists.

3.3.4 Merits of external sources

1. **Qualified Personnel:** By using external sources of recruitment, the management can make qualified and trained people to apply for vacant jobs in the organization.
2. **Wider Choice:** When vacancies are advertised widely, a large number of applicants from outside the organization apply. The management has a wider choice while selecting the people for employment.
3. **Fresh Talent:** The insiders may have limited talents. External sources facilitate infusion of fresh blood with new ideas into the enterprise. This will improve the overall working of the enterprise.
4. **Competitive Spirit:** If a company can tap external sources, the existing staff will have to compete with the outsiders. They will work harder to show better performance.

3.3.5 Demerits of external sources

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



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- 2. **Lengthy process:** Recruitment from outside takes a long time. The business has to notify the vacancies and wait for applications to initiate the selection process.
- 3. **Costly process:** It is very costly to recruit staff from external sources. A lot of money has to be spent on advertisement and processing of applications.
- 4. **Uncertain response:** The candidates from outside may not be suitable for the enterprise. There is no guarantee that the enterprise will be able to attract right kind of people from external sources.

3.3.6 Comparison of Internal and External Recruitment

Internal Sources	External Sources
1. Internal recruitment is a quick process. It involves search of candidates from within the organization.	1. External recruitment is a lengthy process. It involves finding candidates from outside the organization.
2. This process is cheaper. It does not involve any cost of contracting the external sources.	2. This process is costly as vacancies have to be notified in newspapers etc.
3. The existing staff members are motivated to improve their performance. Choice of candidates is limited. The scope of fresh talent is diminished.	3. The workers feel dissatisfied if external sources are used.
4. Choice of candidates is limited. The scope of fresh talent is diminished.	4. The business can hope for talented candidates from outside. This means infusion of new blood and new ideas into the enterprise.
5. Internal sources help in saving time of officials responsible for recruitment.	5. External sources of recruitment are time-consuming.



IN-TEXT QUESTIONS

1. _____ means using personal contacts to locate job opportunities. It is a recommendation from a current employee regarding a job applicant.
2. A Promotion does not imply any ascending or descending change in status or responsibility. (True/False)
3. Which of the following are valid external sources of recruitment?
 - (a) Advertisements
 - (b) Campus Placements
 - (c) Employment agencies
 - (d) All of the above
4. The insiders may have limited talents. External sources facilitate infusion of fresh blood with new ideas into the enterprise. (True/False)
5. Applicants introduced by friends and relatives may prove to be a good source of recruitment. These are referred as _____.

3.4 Recent Trends in Recruitment

1. **Outsourcing:** Under this arrangement, a company may draw the required personnel from the outsourcing firms or agencies on commission basis rather than offering them employment. This is also called leasing of human resources. The outsourcing firms develop their human resource pools by employing people for them and make available the personnel to various companies as per their needs. The outsourcing firms get payment for their services to their clients and give salary directly to the personnel. The personnel deputed by the outsourcing agencies with the clients are not the employees of the clients. They continue to be on the payroll of their employees, *i.e.* the outsourcing agencies. The advantages of getting human resources through the outsourcing agencies are as follows:
 - ◆ The companies need not to plan for human resources much in advance. They can get human resources on lease basis from an outsourcing agency.



- ◆ The companies are free from industrial relations problems as human resources taken on lease are not their employees.
 - ◆ The companies can dispense with this category of employees immediately after the work is over.
- 2. Poaching or Raiding:** Poaching means employing a competent and experienced person already working with another reputed company which might be a rival in the industry. A company can attract talent from another firm by offering attractive pay packages and other terms and conditions. For instance, several executives of HMT left to join Titan watches and several pilots of Indian Airlines left to join private air taxi operators. Raiding is an unethical practice and has become the challenge for the human resource managers of modern organizations as it will weaken the competitive strength of the firm.
- 3. Website or e-Recruitment:** Many big organizations use internet as a source of recruitment. They advertise the job vacancies through the world wide web (WWW). The job seekers send their applications or Curriculum Vitae, *i.e.* CV, through e-mail using the internet. Alternatively, job seekers place their CVs in the world wide web/internet, which can be drawn by the prospective employers depending upon their requirements. The advantages of net recruitment are as follows:
- ◆ Low cost of recruitment per candidate.
 - ◆ Reduction in time for recruitment.
 - ◆ Recruitment of right types of people.
 - ◆ Efficiency in the process of recruitment.

3.5 Recruitment Practices in India

Industries in India depend on the following sources of recruitment:

- I. Internal sources
- II. Public employment exchanges
- III. Campus recruitment
- IV. Executive search engines



V. Labour Contractors

VI. Employee Referrals

In public sector enterprises, a special proportion of vacancies are reserved for scheduled castes, schedule tribes, physical handicapped, ex-servicemen, other backward classes, etc. Some organizations give preference to local people *i.e.* sons of the soil. The recruitment programme should be evaluated periodically. The criteria for evaluation may consist of cost per applicant/hiring ratio, performance appraisal, tenure of stay, etc. The organization should first find out how the applicant was attracted towards the job. The next step is to find out whether a particular method consistently attracts better applicants. On the basis of information collected through evaluation, necessary improvements should be made in the recruitment programme. In a recent survey carried out by a leading search firm, Executive Access, recruiting companies demanded the following skills of the school graduates, in the following order of importance:

- ◆ Ability to work in a team
- ◆ Analytical and problem solving skill
- ◆ Communication and other soft skills
- ◆ Creativity and resourcefulness
- ◆ Leadership potential
- ◆ General Managerial skills
- ◆ Entrepreneurial skills

3.6 Selection

Selection is the process of choosing the most suitable persons out of all the applicants. In this process, relevant information about applicants is collected through a series of steps so as to evaluate their suitability for the job to be filled. Selection is a process of matching the qualification of applicants with the job requirements. It is a process of weeding out unsuitable candidates and finally identify the most suitable candidate. Selection divides all the applicants into two categories (*a*) suitable, and (*b*) unsuitable. Selection may be described as a process of rejection because generally more candidates are turned away than are hired. The purpose of selection is to pick up the most suitable candidates who would



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best meet the requirements of the job and the organization. To meet this goal, the company obtains and assesses information about the applicants in terms of age, qualifications, skills, experience, etc. The needs of the job are matched with the profile of the candidates. Any mismatch in this regard can cost an organization a great deal in terms of money, time and trouble, especially, by way of training and operating costs. Effective selection therefore demands constant monitoring of the ‘fit’ between the person and the job.

3.6.1 Selection Procedure

Selection is usually a series of hurdles or steps. Each one must be successfully cleared before the applicant proceeds to the next. The time and emphasis placed on each step will of course vary from one organization to another and indeed, from job to job within the same organization. For example, some organizations may give importance to testing, while others may emphasis interviews and reference checks. Following are the important steps in selection process of a typical organization:

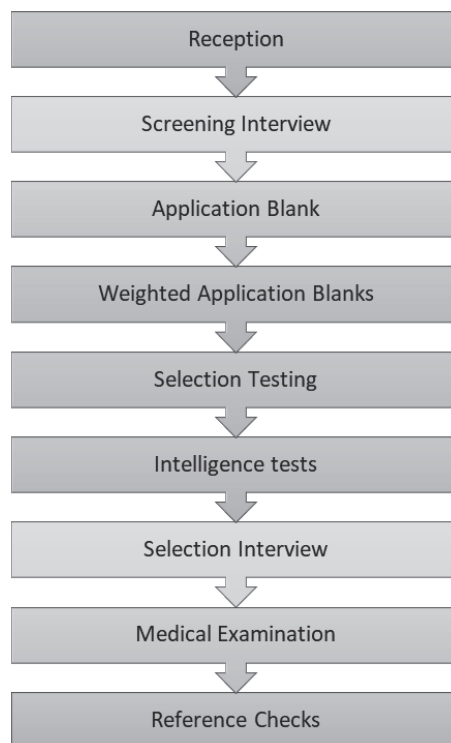


Figure 3.2: Selection Procedure



- I. Reception:** A company is known by the people it employs. In order to attract people with talent, skills and experience, a company has to create a favourable impression on the applicants right from the stage of reception. Whoever meets the applicant initially should be tactful and able to extend help in a friendly and courteous way. If no jobs are available at that point of time, the applicant may be asked to contact the HR department after a suitable period of time has elapsed.
- II. Screening Interview:** A preliminary interview is generally planned by large organizations to cut the costs of selection by allowing only eligible candidates to go through the further stages in selection. A junior executive from the HR Department may elicit responses from applicants on important items determining the suitability of an applicant for a job such as age, education, experience, pay expectations, aptitude, location choice etc. This ‘courtesy interview’ as it is often called, helps the department screen out obvious misfits.
- III. Application Blank:** Application blank or form is one of the most common methods used to collect information on various aspects of the applicants’ academic, social, demographic, work-related background and references. It is a brief history sheet of an employee’s background, usually containing the things like personal data, marital data, physical data, educational data, employment data, extra curricular activities data and references.
- IV. Weighted Application Blanks:** To make the application form more job-related, some organizations assign numeric values or weights to responses provided by applicants. Generally, the items that have a strong relationship to job performance are given high scores. For example, for a medical representative’s position, items such as previous selling experience, marital status, age, commission earned on sales previously, etc. may be given high scores when compared to other items such as religion, sex, language, place of birth etc. The total score of each applicant is obtained by summing the weights of the individual item responses. The resulting scores are then used in selection decision.
- V. Selection Testing:** Another important decision in the selection process involves applicant testing and the kinds of tests to use. A test is a standardized, objective measure of a person’s behaviour,



performance or attitude. It is objective in that it tries to measure individual differences in a scientific way, giving very little room for individual bias and interpretation. Some of the commonly used employment tests may be stated thus:

- (a) **Intelligence tests:** These are mental ability tests. They measure the incumbent's learning ability and also the ability to understand instructions and make judgments. The basic objective of intelligence tests is to pick up employees who are alert and quick at learning things so that they can be offered adequate training to improve their skills for the benefit of the organization. Intelligence tests do not measure any single trait, but rather several abilities such as memory, vocabulary, verbal fluency, numeric ability, perception, spatial visualization, etc. Stanford-Binet test, Binet-Simon test, The Wechsler Adult Intelligence Scale are examples of standard intelligence tests.
- (b) **Aptitude tests:** Aptitude tests measure an individual's potential to learn certain skills clerical, mechanical, mathematical, etc. These tests indicate whether or not an individual has the ability to learn a given job quickly and efficiently. In order to recruit efficient office staff, aptitude tests are necessary. Clerical tests, for example, may measure the incumbent's ability to take notes, perceive things correctly and quickly locate things, ensure proper movement of files, etc.
- (c) **Personality tests:** Of all the tests required for selection, personality tests have generated lot of heat and controversy. Personality tests are used to measure basic aspects of an applicant's personality such as motivation, emotional balance, self confidence, interpersonal behaviour, introversion, etc. The most frequently used tests are the Minnesota Multiphasic Personality Inventory (MMPL), the California Psychological Inventory, the Manifest Anxiety Scale, Edwards Personal Performance schedule, etc.
- (d) **Achievement tests:** These are designed to measure what the applicant can do on the job currently, *i.e.* whether the testee actually knows what he or she claims to know. A typing test shows typing proficiency, a shorthand test measures the testee's ability to take dictation and transcribe, etc. Such proficiency



tests are also known as work sampling tests. These tests are of two types; Motor, involving physical manipulation of things. (e.g. trade tests for carpenters, plumbers, electricians) or Verbal, involving problem situations that are primarily language-oriented or people-oriented (e.g. situational tests for supervisory jobs).

(e) **Simulation tests:** Simulation exercise is a test which duplicates many of the activities and problems an employee faces while at work. Such exercises are commonly used for hiring managers at various levels in an organization. To assess the potential of a candidate for managerial positions, assessment centres are commonly used.

(f) **Assessment centre:** An assessment centre is an extended work sample. It uses procedures that incorporate group and individual exercises. These exercises are designed to simulate the type of work which the candidate will be expected to do. Initially, small batches of applicants come to the assessment center. Their performance in the situational exercises is observed and evaluated by a team of 6 to 8 trained assessors. The assessors' judgments on each exercise are compiled and combined to have a summary rating for each candidate being assessed.

VI. Selection Interview: Interview is the oral examination of candidates for employment. This is the most essential step in the selection process. In this step, the interviewer tries to obtain and synthesize information about the abilities of the interviewee and the requirements of the job. Interview gives the recruiter an opportunity to:

- ◆ Size up the interviewee's agreeableness.
- ◆ Ask questions that are not covered in tests.
- ◆ Obtain as much pertinent information as possible.
- ◆ Assess subjective aspects of the candidate-facial expressions, appearance, nervousness and so forth.
- ◆ Make judgments on interviewee's enthusiasm and intelligence.
- ◆ Give facts to the candidate regarding the company, its policies, programmes, etc. and promote goodwill towards the company.



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Types of Interviews: Several types of interviews are commonly used depending on the nature and the importance of the position to be filled within an organization.

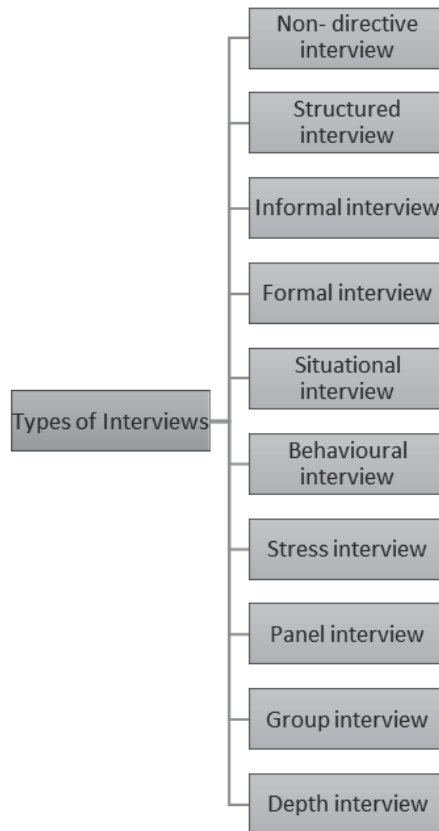


Figure 3.3: Types of Interviews

- (a) **The non-directive interview:** In a non-directive interview the recruiter asks questions as they come to mind. There is no specific format to be followed. The question can take any direction. The interviewer asks broad, open ended questions such as ‘tell me more about what you did on your last job’ - and allows the applicant to talk freely with a minimum of interruption. Difficulties with a non-directive interview include keeping it job related and obtaining comparable data on various applicants.
- (b) **The directive or structured interview:** In this kind of interview, the recruiter uses a predetermined set of questions that are clearly job related. Since every applicant is asked the same basic questions, comparison among applicants can be made more easily. Structured



questions improve the reliability of the interview process, eliminate biases and errors and may even enhance the ability of a company to withstand legal challenge. On the negative side, the whole process is somewhat mechanical, restricts the freedom of interviewers and may even convey disinterest to applicants who are used to more flexible interviews.

- (c) **Informal interview:** Such interview may take place anywhere. It is not 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 asks a few questions like name, birth place, education, experience etc.
- (d) **Formal interview:** This type of interview is preplanned and is held in a formal atmosphere. All the formalities and procedures, e.g. the venue, the time, the panel of interviewers, and the questions to be asked are decided in advance.
- (e) **The situational interview:** One variation of the structured interview is known as situational interview. In this approach, the applicant is confronted with a hypothetical incident and asked how he or she would respond to it. The applicant's response is then evaluated relative to pre-established benchmark standards.
- (f) **The behavioural interview:** The behavioural interview focuses on actual work incidents in the applicant's past. The applicant is supposed to reveal what he or she did in a given situation, for example, how he disciplined an employee who was smoking inside the factory premises.
- (g) **Stress interview:** In stress interview, the interviewer attempts to find how applicants would respond to aggressive, embarrassing, rude and insulting questions. The whole exercise is meant to see whether the applicant can cope with highly stress-producing, anxious and demanding situations while at work, in a calm and composed manner. Such an approach may backfire also, because the typical applicant is already somewhat anxious in any interview.
- (h) **Panel interview:** In a typical panel interview, the applicant meets with three to five interviewers who take turns asking questions. After the interview, the interviewers pool their observations to arrive at a consensus about the suitability of the applicant. The panel members



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can ask new and incisive questions based on their expertise and experience and elicit deeper and more meaningful responses from candidates. Such an interview could also limit the impact of the personal biases of any individual interviewer. On the negative side, as an applicant, a panel interview may make you feel more stressed than usual.

- (i) **Group interview:** In this interview, groups rather than individuals are interviewed. Generally, a topic for discussion is given to the group. The candidates in the group are carefully observed as to who will lead the discussion, how well they will participate in the discussion, how each will make his presentation and how well they will react to each other's views.
- (j) **Depth interview:** It is a semi-structured approach wherein details concerning one key area are sought. It is designed to intensively examine the candidate's proficiency in his area of special interest. The purpose is to get a true picture of the candidate through deep probing into his mind.

Steps in interview process: An effective interview involves the following sequence of steps:

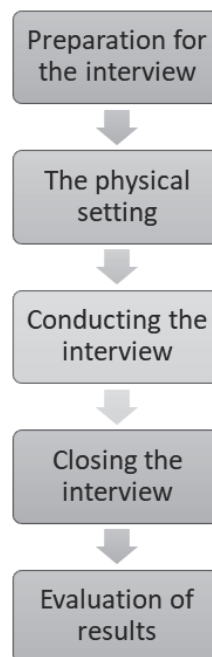


Figure 3.4: Interview Process



- 1. Preparation for the interview:** Advance preparation is essential for a successful interview. It will enable the interviewer to cover all important aspects and to remember the necessary points. The following arrangements should be made before the interview begins:
 - ◆ Determining the objectives of the interview.
 - ◆ Choosing the appropriate type of interview to be used.
 - ◆ 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.
 - ◆ Finalizing 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 and ventilated. It should be free from noise and interruptions. Adequate furniture and proper seating arrangements are necessary. 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 very important in the interview process. The activities involves in it are as follows:
 - (a) *Establishing rapport with the candidate and gaining his confidence:* Exchange of pleasantries a smile, offering seat to the candidate, etc. will help to break the ice. These will also help to put the candidate physical and mentally at ease.
 - (b) *Getting complete and accurate information:* For this purpose, the interviewer should ask open-ended question, use the language which is clear to the candidate, listen attentively and patiently.
 - (c) *Recording the observations and impressions:* The interviewer should write down in brief his observations and impressions of the candidate on the interview assessment forms. Such notes will indicate to the candidate the interviewer's interest and thereby encourage him to talk freely.
- 4. Closing the interview:** The close of the interview is as significant as its beginning. The interview is a tiring situation for the candidate.



Therefore, it should end with a happy note without any awkward or embarrassing situation. Before closing the interview, the candidate should be asked whether he wants to make any comment. In order to close the interview, the interviewer may show some sign at an appropriate time.

- 5. Evaluation of results:** After interview is over, the interviewer should evaluate the candidate's suitability for the job. The evaluation is based on the observations, impressions and information collected during the interview. But weightage should be given to the information collected through application form, tests and other steps. The evaluation may be done either by assigning grades ranging from A to E or by allocating marks.

Limitations/Mistakes of Interview: Interview is a widely used method of employee selection. But it suffers from several pitfalls, some of which are given below:

- (a) **Personal bias:** Interviewers like other people have personal biases. Their likes and dislikes about hairstyle, dress, fluency of speech etc. affect their judgement.
- (b) **Halo effect:** Under this type of error, a single prominent characteristic of the candidate affects the judgment of the interviewer on all other traits. For example, an interviewer may conclude that a poorly groomed candidate is stupid or alternatively, he may overrate the candidate's qualification just because of his pleasing personality.
- (c) **Constant error:** Such error arises because the interview of previous candidate unduly influences the interviewer in favour or against the candidate. For example, a qualified candidate may be underrated just because the previous candidate was very brilliant.
- (d) **Projection:** Error of projection arises when an interviewer expects his own knowledge, skills and values in a candidate. Therefore, he is likely to select candidates who resemble him in terms of appearance, manners, background, voice, etc.
- (e) **Stereotyping:** This error arises when the interviewer believes some association between a particular type of personality and a particular trait, commercial origin or cultural background. For example, an interviewer may be of the opinion that candidates from some areas are not good at speaking and understanding English language.



Guidelines for effective interviewing: Interviews can be made more effective by observing the following guidelines:

- (i) An interview should have a definite time schedule with ample time for its conduct, *i.e.* it should not be hurried.
- (ii) A personal approach should be adopted. The interviewer should develop a friendly and cordial relationship with the candidate. Rapport may be created by pleasantly greeting the candidate and showing active interest.
- (iii) Interview should have an element of privacy.
- (iv) The interview should be based on a checklist of what to look for in a candidate.
- (v) Competent, trained and experienced persons should be chosen as interviewers.
- (vi) Proper method of interview should be employed.
- (vii) A specific set of guidelines should be given to the interviewers.
- (viii) There should be proper coordination between the initial and succeeding interviews.
- (ix) The interviewers should listen carefully to what the applicant says and the information collected should be recorded carefully.
- (x) The interviewer should try to minimize his personal bias or prejudice.

VII. Medical Examination: Certain jobs require physical qualities -like clear vision, acute hearing, unusually high stamina, tolerance of arduous working conditions, etc. Medical examination reveals whether or not a candidate possesses these qualities. Medical examination can give the following information:

- ◆ Whether the applicant is medically suitable for the specific job or not.
- ◆ Whether the applicant has health problems or psychological attitudes likely to interfere with work efficiency or future attendance.
- ◆ Whether the applicant suffers from bad health which should be corrected before he can work satisfactorily.



- ◆ Whether the applicant's physical measurements are in accordance with job requirements or not.

VIII. Reference Checks: Once the interview and medical examination of the candidate is over, the personnel department will engage in checking references. Candidates are required to give the names of two or three references in their application forms. These references may be from individuals who are familiar with the candidate's academic achievements, or from applicant's previous employer, who is well-versed with the applicant's job performance, and sometimes from co-workers. In case the reference check is from the previous employer, information in the following areas may be obtained. They are job title, job description, period of employment, pay and allowances, gross emoluments, benefits provided, rate of absence, willingness of the previous employer to employ the candidates again, etc.

3.6.2 Distinctive Features of Recruitment and Selection

Following are the differences between recruitment and selection:

Basis	Recruitment	Selection
Meaning	It is the process of searching candidates for vacant jobs and make them apply for the same	It is the process of selecting the right candidates and offering them the job.
Nature	It is a positive Process	It is a negative process
Aims	The firm notifies the vacancies through various sources and distributes application forms to candidates.	Its aim is to reject unsuitable candidates and pick up the most suitable people for the vacant jobs.
Procedure	The firm notifies the vacancies through various sources and distributes application forms to candidates.	The firm asks the candidates to pass through a number of stages such as filling of forms, employment tests, interview, medical exam, etc.
Contract of service	No contractual relation is created. Recruitment implies communication of vacancies only.	Selection follows recruitment and it leads to a contract of service between the employer and the employee.

**ACTIVITY**

Let's assume you are an interviewer in the ABC company, and you have to interview candidates who have just completed their graduation for the position of digital marketing- Intern. Make a list of questions that you will ask these candidates to test their knowledge.

IN-TEXT QUESTIONS

6. _____ is the last step of selection process.
7. Aptitude tests measure an individual's potential to learn certain skills clerical, mechanical, mathematical, etc. (True/False)
8. In this interview, groups rather than individuals are interviewed. Generally, a topic for discussion is given. What is being referred to?
 - (a) Group Interviews
 - (b) Depth interviews
 - (c) Structured interviews
 - (d) Unstructured interviews
9. Selection is a positive process whereas recruitment is a negative process. (True/False)
10. _____ means employing a competent and experienced person already working with another reputed company which might be a rival in the industry.
11. An interviewer may conclude that a poorly groomed candidate is stupid, this is an example of _____ effect.

3.7 Summary

Recruitment is the process of searching for prospective employees and encouraging them to apply for jobs in the organization. Recruitment can be made from internal and external sources. Selection is a negative process of choosing the most appropriate persons from the available candidates. Selection is usually a series of hurdles or steps. Each one must be successfully cleared before the applicant proceeds to the next. The interview is an important source of information about job applicants.



Several types of interviews are used, depending on the nature and importance of the position to be filled within an organization.

3.8 Answers to In-Text Questions

1. Employee referral
2. False
3. (d) All of the above
4. True
5. Referrals and recommendations
6. Reference check
7. True
8. (a) Group Interviews
9. False
10. Poaching
11. Halo effect

3.9 Self-Assessment Questions

1. What are the various sources of recruitment? How can an organization evaluate the worth of these sources?
2. “Interviews suffer from limitation”. Describe these limitations. How can interviews be made more effective?
3. Distinguish between:
 - (a) Recruitment and Selection.
 - (b) Internal source of recruitment and external source of recruitment.
4. What do you mean by interview? Discuss the various types of interviews.
5. What are the advantages and disadvantages of recruiting candidates through internal sources of recruitment?
6. Recruitment is the process of searching for the best suited employees and simulating them to apply for the job. Discuss the statement.



7. What do you mean by 'selection'? Why is it considered as a negative process when compared with recruitment?
8. Imagine you are a interviewer in CDE company. What process will you follow while conducting an interview? How can interviews be made more effective?
9. What do you mean by recruitment? Discuss its features and sources.

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Placement, Induction and Socialisation

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STRUCTURE

- 4.1 *Learning Objectives*
- 4.2 *Introduction*
- 4.3 *Concept of Placement*
- 4.4 *Concept of Induction*
- 4.5 *Socialisation*
- 4.6 *Summary*
- 4.7 *Answers to In-Text Questions*
- 4.8 *Self-Assessment Questions*
- 4.9 *References*
- 4.10 *Suggested Readings*

4.1 Learning Objectives

After studying this chapter students may be able to understand:

- ◆ Understand the concept and objectives of placement and orientation.
- ◆ Understand induction training in India.
- ◆ Understand the concept and process of socialisation.

4.2 Introduction

Once an employee has been selected, he should be placed on a suitable job. Putting the right man at the right job is as important as hiring the right person. After putting the



selected candidates on proper jobs, it is necessary to make them familiar with the job, the company and the other employees so that they feel at home and can concentrate on their work.

4.3 Concept of Placement

Placement, in simple words, means sending the newly employed person to some department for work. Placement should be based on the qualifications and qualities of the person selected. It should match with the staff requirements of different departments. It is the duty of the personnel department to send the new employee to the department and job for which he is better suited. In addition, he should be introduced properly to the head of that department. The placement arrangement should be ready before the joining date of the newly selected person. The placement in the initial period may be temporary as changes are likely after the completion of training. The employee may be later transferred to the job where he can do better justice. If a candidate adjusts himself to the job and continuous to perform as per expectation, it might mean that the candidate is properly placed.

According to Dale Yoder, Placement may be defined as “the determination of the job to which an accepted candidate is to be assigned, and his assignment to that job”.

4.3.1 Importance of Placement

Placement means placing of a recruit on a suitable job position. After performing the selection procedure, the employee is placed on a particular position. The importance of placement is as follows:

1. The organisation won't have to deal with the issue of employee turnover because the employees will like their jobs if they are positioned properly.
2. If workers don't enjoy their employment, they begin to find reasons to skip work and absenteeism increases. This rate will remain low if placement is effective.
3. If properly positioned, employees receive the task of their choice, which boosts employee morale.



4. Human relations will improve in and outside organisation since workers will be comfortable with their occupations and there won't be any conflicts.
5. Misfits between the job and the individual can be prevented by careful placement.
6. Productivity, or the output to input ratio, rises when waste and unusual losses fall.

4.3.2 Problems faced by the HR Manager in placement of new employees

Following are some problems faced by the HR manager during the placement of new recruits in an organisation:

1. **Employee Expectation:** The HR manager has a crucial role in meeting the needs of the work and expectations of the new recruits. These managers have to create a balance between the expectations of the employees and expectations of the employer.
2. **Technological Change:** When the technology changes the HR manager has due responsibility of explaining the changes to the new recruits and providing them with related software's.
3. **Social and Psychological Factors:** There may be a mismatch between employees' skills and their occupations as a result of some social and psychological elements. It is the duty of the HR manager to identify these factors and help the new recruits to overcome these.
4. **Organisations Growth:** If the placement of a candidate is not correct, than the growth of the organisation could be hampered. The HR manager should ensure that all candidates are placed on the positions where desired results can be obtained from them.

4.3.3 Principles followed while making Placement Decision

Following points should be considered while making a placement decision:

1. **Job Requirements:** An employee should be assigned a position in accordance with the specifications of the position, such as physical and mental needs, stress tolerance, vision, and so forth. The position



shouldn't be modified based on the employees' qualifications and skills. To match a worker's physical and mental capabilities with the job requirements, job placement a profile chart can be adopted as it displays requirements of the job and ability of the workers, it helps the management in choosing the right candidate.

2. **Suitable Qualification:** Only the finest qualified candidate should be awarded the job. Overqualified and underqualified employees could cause long-term issues for the company. Their working habits and desires from the company might be different in accordance with their job position.
3. **Right Information About the Job:** The employee should be given all relevant and correct information and details about the position and the company, including the current working environment at the company. He/She should also be informed about the benefits and awards linked to their performance on this given position.
4. **Commitment and Loyalty:** When a new recruit is placed efforts should be made by the firm and individuals to understand their obligations and cultivate a sense of loyalty and cooperation towards the co workers and the company. This will help employees to create a sense of belongingness and trust towards the company.
5. **Awareness About the Penalties:** The employee should also be informed in advance of the consequences for any wrongdoing that may happen on the job.

IN-TEXT QUESTIONS

1. _____ means placing of a recruit on a suitable job position.
2. The employee should also be informed in advance of the consequences for any wrongdoing that may happen on the job. This is a principle one of in the placement decision. (True/False)
3. Which of the following is not considered a principle in placement decision?
 - (a) Qualification
 - (b) Job Requirement
 - (c) Loyalty
 - (d) Tools Analysis



4. Induction does not help to promote a feeling of belongingness and loyalty to the organization among newcomers. (True/False)
5. Misfits between the job and the individual can be prevented by careful placement. (True/False)

4.4 Concept of Induction

Induction or orientation is an important part of the process of socialization of a new organizational member or employee. It covers the activities involved in introducing a new employee to the organization and his work unit. Edwin B. Flippo has defined induction as the welcoming process to make the new employee feel at home and generate in him a feeling of belongingness to the organization. It is concerned with the problem of introducing or orienting a new employee to his workgroup, supervisor and the organization. It is the beginning of the fusion process which helps integration between the organization goals and the personal goals of the new employee. After selecting suitable personnel, the organization must communicate to the new employees its philosophy, policies and customs and practices. Planned induction welcomes the new employee, creates a favourable attitude, reduces labour turnover and increases commitment and productivity. Further, the employee feels at home right from the beginning. When a new employee reports for work, he must be helped to get acquainted and adjusted with the work environment and the fellow employees. It is better to give him a friendly welcome when he joins the organization, get him introduced to the organization and help him to get a general idea about the rules and regulations, working conditions etc. of the organisation.

4.4.1 Purpose of Induction

An induction or introduction programme should try to achieve the following objectives:

1. To provide information about the organization- its structure, products, rules and regulations, etc. to the new employees.
2. To build up the new employee's confidence in the organization and in himself so that he may become an efficient employee.



3. To promote a feeling of belongingness and loyalty to the organization among newcomers.
4. To ensure that the new employee may not form false impression regarding the new place of work because first impression is the last impression.
5. To give the new entrant the information he needs such as location of locker room, cafeteria and other facilities, time to break off, leave rules etc.
6. To foster a close relationship between the new workers and the old workers and supervisors.
7. To create a sense of security for the worker in his job by impressing the idea that fairness to the worker is the inherent policy in the organization.

4.4.2 Contents of Induction Programme

The range of information that may be covered under orientation training is as follows: A brief description of the early history and growth of the organization and its future potentialities. This can be made more interesting when the company's history is built around personalities than around events. An overview of the products and services offered by the company to meet consumer needs. Use of sales literature exhibits and films can also help.

1. Brief description of the organization structure, relation of new employee's department with other departments and so on.
2. Location and layout of the company's plants, stores, departments, canteen etc.
3. Policies of the company regarding compensation, training, promotion, retirement, insurance, etc.
4. Statement of available programmes and activities carried out by workers, such as recreation, mutual benefit association, credit union, etc.
5. Description of rules and regulations of the company regarding attendance, working hours, advances, sick leave, conduct etc.



6. Safety measures taken by the company for the protection of the workers and their use by the workers.
7. Grievances and disciplinary procedure and suggestion system in the company.
8. Information about the counselling service provided by the company to help individuals to sort out their problems.
9. Requirements of the particular job to which the new employee is presently assigned as well as the job to which this may lead to in the chain of promotions.
10. Information about the training programmes carried out by the company to help the employees learn new skills in doing their jobs.

4.4.3 Benefits of a Formal Induction Programme

Following are the benefits of conducting a formal induction programme:

- (1) It reduces new employee's anxieties and provides him an opportunity to know about the organization and its people.
- (2) It helps the new employees in knowing expectations of the organization and its executives.
- (3) It fosters a uniform understanding among the employees about the company's objectives, policies, principles, strategies, and what the company expects of its people. Orientation tells them how they and their unit fit into the "big picture".
- (4) It builds a positive attitude towards the company and its stakeholders. First day is crucial because new employee remembers it for years.
- (5) It builds and strengthens a two-way communication channel in the company.
- (6) It helps speed up socialization process by making the new employee understand the social, technical, and cultural aspects of the workplace.
- (7) It facilitates informal relations and teamwork among the employees.
- (8) It reduces turnover, employee grievances, and absenteeism by making new employees more aware, adjusting, and satisfied.



4.4.4 Problem Areas in Induction

An induction programme may be faced with the following problems:

1. Orientation may remain a superficial indoctrination into company philosophy, policies and rules. Sometimes, it includes the presentation of an employee handbook and a quick tour of the office or plant. The likely result is that the new employee does not feel like part of the company.
2. Giving too much information in an orientation session becomes almost as much of a problem as providing too little. If a great deal of information is given to employees all at once, they may feel overwhelmed, overloaded, and “suffocated” and may not retain much. Thus, providing an appropriate amount of information becomes a real problem in orientation.
3. Orientation programme may be considered a burden by the supervisors. Even when the personnel department has designed an elaborate orientation programme and trained supervisors to conduct their part of it, orientation still may not be effective. The supervisors might be more interested immediate production issues and may see orientation as far less important than other problems they face.
4. Orientation may suffer from “Mickey mouse” assignment, *i.e.*, small and unimportant tasks. Sometimes, the new employee’s first assignment is in the nature of insignificant duties, perhaps intended to teach the job ‘from the ground up’. Giving only menial tasks to the new employee might discourage job interest and company loyalty in him.

4.4.5 How to Make Orientation Effective

The following guidelines may be helpful in making orientation more effective:

1. Human side is the most important part of orientation. Therefore, first of all the new employee should be introduced to the people with whom he will work-his colleagues, superiors and subordinates. A tea party may be arranged for this purpose.

**Notes**

2. Make the new employee aware of the general company policies that apply to him as well as the specific work situation and requirements.
3. Administer smaller doses of information over a period of time rather than giving everything on a single day. Orientation should be a gradual process.
4. Answer any questions and clarify any doubts that the employee may have about the job and the organization.
5. Provide on-the-job instructions and counselling.
6. Keep in close touch with the new employee to check back how he is doing and offer help if required.
7. Allow reasonable time to adapt to the new work environment and job demands.

4.4.6 Induction in Indian Industry

Induction has been one of the most neglected areas of human resource management in Indian industries. Very little is done for systematic induction of a new employee in an industrial unit. The newcomer is generally expected to know the enterprise through the trial and error and stumble his way in the organization. In Indian industry, induction is necessary particularly for rural workers, young persons and management trainees. A rural worker joining a factory for the first time has to adjust not only to his work environment but also to a new social environment. When a young person above the age of 14 years joins, the aged workers might resent, proper induction will help to develop a rapport between the old and the new employees. Graduates from management schools find it difficult to adjust themselves with traditional management style in family-owned companies. Induction is required to help them adjust to a new work culture.

Thus, Induction has a greater significance in a developing country like India, where the percentage of illiteracy is very high. The worker finds himself completely at sea when by force of circumstances he has to shift from rural surroundings into an industrial unit. It is no use trying to push a handbook of certified rules and regulations into his hands and expecting him to turn out into a loyal and efficient employee. He needs a short and



simple induction conducted by someone who speaks his own language. This will go a long way in reducing turnover and, above all, in preventing a worker from the likelihood of falling a prey to subversive elements who thrive on creating labour unrest by misrepresenting employees to illiterate employees.

4.5 Socialisation

Socialisation is the process of adjustment or adaptation. It is the process by which new employees attempt to learn and inculcate the norms and values of work roles in an organisation. Learning the norms and values of work group for proper adjustment and job performance.

Some people often tend to treat socialisation and induction as synonyms. However, both are different from each other. Induction is only a part of socialisation and it only deals with new recruits but socialisation also covers cases of transfer and promotion. Socialisation reduces the anxiety of the new hires and allows them to adjust with the other existing employees in the company. The purpose of Socialization can be distinctive from firm to firm.

4.5.1 Process of socialisation

Socialisation process may be short or long. If new recruits adjust with the work environment easily the process may be short otherwise it may be long. It depends on ability to adjust. The process of socialisation has three stages:

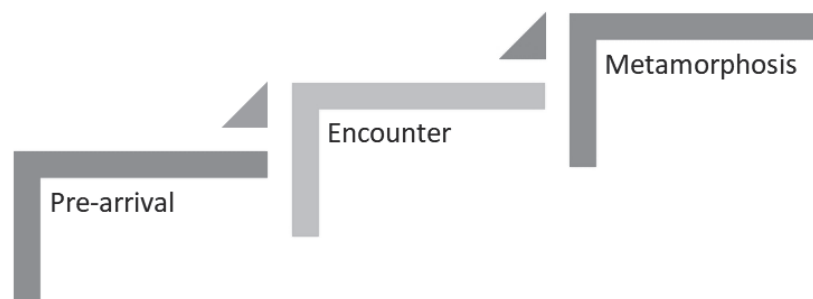


Figure 4.1: Process of Socialisation

- 1. Pre-Arrival Stage:** The first stage encompasses the learning the new employee has gained before joining the organization. Part of



the pre-arrival stage is the selection process, which is used by the hiring company to hire people who can adequately perform the job but also to select people who will fit well into the culture of the company. At the recruitment stage many organisations give job previews which helps the prospective employees to learn more about the job and the organisation.

2. **Encounter Stage:** Here the employees bump into the real working conditions of the organization. For example, the expectations of the job, co-workers, immediate seniors and the business as a whole. Here, if the expectations confirm to be more or less correct, this stage reaffirms the employees of the perceptions generated in past. If the reality is different, socialization helps the employees in understanding to replace these.
3. **Metamorphosis Stage:** The new employees, in this stage will work out solutions to meet any problems. Hence this stage is called the metamorphosis stage. At this stage the new employees will have become comfortable with their jobs and the team members. New hires will feel that they have been accepted by their superiors and peers. Not only this, they would have by now understood the organization system as a whole. They will also know what is expected of them, how they are evaluated and how productive they are towards the goals of the organization.

IN-TEXT QUESTIONS

6. _____ is the process by which new employees attempt to learn and inculcate the norms and values of work roles in an organisation.
7. Process of socialisation has four stages. (True/False)
8. Which of the following does not relates to the process of designing an induction programme?
 - (a) Description of the organization structure
 - (b) Company's policies
 - (c) Grievance procedure
 - (d) Social environment



9. Giving too much information in an orientation session becomes almost as much of a problem as providing too little. It is a big problem faced by the companies nowadays. (True/False)
10. _____ is the welcoming process to make the new employee feel at home and generate in him a feeling of belongingness to the organization.

4.6 Summary

Placement is the process of putting an employee on a specific job so as to match employee skills with the requirements of the job. Induction is the process of familiarizing new employees with the organization and the job. Induction helps to further the interests of both the organization and the new employee. A formal induction programme provides all the necessary information to the new employee. Socialisation is the process of adjustment or adaptation. It is the process by which new employees attempt to learn and inculcate the norms and values of work roles in an organisation. Learning the norms and values of work group for proper adjustment and job performance. Socialisation process is considered of three stages namely pre-arrival, encounter and metamorphosis stage.

4.7 Answers to In-Text Questions

1. Placement
2. True
3. (d) Tools Analysis
4. False
5. True
6. Socialisation
7. False
8. (d) Social environment
9. True
10. Induction



4.8 Self-Assessment Questions

1. Discuss the importance of proper induction of newly recruited employees, with particular reference to India.
2. Distinguish between placement and Induction?
3. What do you mean by socialisation? Elaborate the different stages of process of socialisation.
4. What is meant by an induction programme? What steps can be taken by the management to make it work efficiently?
5. What do you mean by a placement program? Which are the different principles considered while performing placement of new recruits?
6. “Placement is the process of putting an employee on a specific job so as to match employee skills with the requirements of the job”. Elaborate this statement and discuss the different problems faced by HR managers during placement.
7. Write short notes on:
 - (a) Metamorphosis stage in process of socialisation
 - (b) Contents of induction programme
 - (c) Problems occurring during induction process

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UNIT - III



Training and Development

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STRUCTURE

- 1.1 *Learning Objectives*
- 1.2 *Introduction*
- 1.3 *Concept of Training*
- 1.4 *Methods of Training*
- 1.5 *Benefits and Effectiveness of Training*
- 1.6 *Retraining*
- 1.7 *Summary*
- 1.8 *Answers to In-Text Questions*
- 1.9 *Self-Assessment Questions*
- 1.10 *Suggested Readings*

1.1 Learning Objectives

After studying this chapter students may be able to understand:

- ◆ Define the terms training, development and education.
- ◆ Outline the areas and types of training.
- ◆ List the various training methods that are currently employed.
- ◆ Evaluate the effectiveness of training programmes.

1.2 Introduction

After appointment in the organisation, employees join the next phase for their personnel development programme *i.e.* to gain necessary training and learn skills that will be helping them in handling their future job. Every company must have a systematic training programme for the growth and development of its employees.



1.3 Concept of Training

Training is the process of increasing the knowledge and skills for doing a particular job. It is an organized procedure by which people learn knowledge and skills for a definite purpose. The purpose of training is basically to bridge the gap between job requirements and present competence of an employee. Training is aimed at improving the behaviour and performance of a person. It is a never ending or continuous process. Training is closely related with education and development but needs to be differentiated from these terms.

Training and Education: Training is any process by which the aptitudes, skills, and abilities of employees to perform specific jobs are increased. On the other hand, education is the process of increasing the general knowledge and understanding of employees. Thus, education is wider in scope and more general in purpose than training. Training is job-oriented or occupational having an immediate utilitarian objective and the major burden of training falls upon the employers. Training is vocational whereas education is general and major burden of training falls upon the employers. Education is person-oriented while training is job-oriented. Training is essentially practical consisting of knowledge and skills required to perform specific tasks. On the contrary, education is theoretical consisting of concepts aimed at stimulating analytical and creative faculties of the individual. Education generally refers to formal instruction in a school or college, whereas training is often imparted at the workplace. There is some education in all training and in all education, there is some training. The two are complementary and both involve development of talent and human potential.

Training and Development: Employee training is distinct from management development. Training is a short-term process utilizing a systematic and organized procedure by which non-managerial personnel learn technical knowledge and skills for a definite purpose. It refers to instructions in technical and mechanical operations like operation of a machine. It is designed primarily for non-managers. It is for short duration and for a specific job-related purpose.

On the other hand, development is a long-term education process utilizing a systematic and organized procedure by which managerial personnel learn



conceptual and theoretical knowledge for general purpose. It involves philosophical and theoretical educational concepts, and it is designed for managers. It involves broader education, and its purpose is long-term development.

Training involves helping an individual learn how to perform his present job satisfactorily. Development involves preparing the individual for a future job and growth of the individual in all respects. Development complements training because human resources can exert their full potential only when the learning process goes far beyond simple routine.

1.3.1 Importance of Training

A well planned and well executed training programme can provide the following advantages:

- 1. Higher Productivity:** Training helps to improve the level of performance. Trained employees perform better by using better method of work. Improvements in manpower productivity in developed nations can be attributed in no small measure to their educational and industrial training programmes.
- 2. Better Quality of Work:** In formal training, the best methods are standardized and taught to employees. Uniformity of work methods and procedures helps to improve the quality of product or service. Trained employees are less likely to make operational mistakes.
- 3. Less Learning Period:** A systematic training programme helps to reduce the time and cost involved in learning. Employees can more quickly reach the acceptable level of performance. They need not waste their time and efforts in learning through trial and error.
- 4. Cost Reduction:** Trained employees make more economical use of materials and machinery. Reduction in wastage and spoilage together with increase in productivity help to minimize cost of operations per unit. Maintenance cost is also reduced due to fewer machine breakdown and better handling of equipment's. Plant capacity can be put to the optimum use.
- 5. Reduced Supervision:** Well-trained employees tend to be self-reliant and motivated. They need less guidance and control. Therefore,



supervisory burden is reduced, and the span of supervision can be enlarged.

6. **Low Accident Rate:** Trained personnel adopt the right work methods and make use of the prescribed safety devices. Therefore, the frequency of accidents is reduced. Health and safety of employees can be improved.
7. **High Morale:** Proper training can develop positive attitudes among employees. Job satisfaction and morale are improved due to rise in the earnings and job security of employees. Training reduces employee grievances because opportunities for internal promotion are available to well-trained personnel.
8. **Personal Growth:** Training enlarges the knowledge and skills of the participants. Therefore, well - trained personnel can grow faster in their career. Training prevents obsolescence of knowledge and skills. Trained employees are a more valuable asset to any organisation. Training helps to develop people for promotion to higher posts and to develop future managers.
9. **Organisational Climate:** A sound training programme helps to improve the climate of an organisation. Industrial relations and discipline are improved. Therefore, decentralization of authority and participative management can be introduced. Resistance to change is reduced. Organisations having regular training programmes can fulfil their future needs for personnel from internal sources. Organisational stability is enhanced because training helps to reduce employee turnover and absenteeism.

1.3.2 Types of Training

Training is required for several purposes. Accordingly, training programmes may be of the following types:

1. **Orientation Training:** Induction or orientation training seeks to adjust newly appointed employees to the work environment. Every new employee needs to be made fully familiar with the job, his superiors and subordinates and with the rules and regulations of the organisation. Induction training creates self-confidence in the



employees. It is also known as pre-job training. It is brief and informative.

2. **Job Training:** It refers to the training provided with a view to increase the knowledge and skills of an employee for improving performance on-the-job. Employees may be taught the correct methods of handling equipment and machines used in a job. Such training helps to reduce accidents, waste and inefficiency” in the performance of the job.
3. **Safety Training:** Training provided to minimize accidents and damage to machinery is known as safety training. It involves instruction in the use of safety devices and in safety consciousness.
4. **Promotional Training:** It involves training of existing employees to enable them to perform higher level jobs. Employees with potential are selected and they are given training before their promotion, so that they do not find it difficult to shoulder the higher responsibilities of the new positions to which they are promoted.
5. **Refresher Training:** When existing techniques become obsolete due to the development of better techniques, employees have to be trained in the use of new methods and techniques. With the passage of time, employees may forget some of the methods of doing work. Refresher training is designed to revive and refresh the knowledge and to update the skills of the existing employees. Short-term refresher courses have become popular on account of rapid changes in technology and work methods. Refresher or re-training programmes are conducted to avoid obsolescence of knowledge and skills.
6. **Remedial Training:** Such training is arranged to overcome the shortcomings in the behaviour and performance of old employees. Some of the experienced employees might have picked up appropriate methods and styles of working. Such employees are identified and correct work methods and procedures are taught to them. Remedial training should be conducted by psychological experts.
7. **Sensitivity Training:** Employees that receive sensitivity training become more welcoming and sensitive to the diversity that exists in the workplace. It improves communication among team members



and makes it possible to form positive interpersonal bonds with them. Sensitivity training teaches employees how to act positively and encouraging all employees to develop suitable behavioural and emotional behaviours towards everyone. It also helps the employees to understand the feelings and emotions of other employees and workers.

1.3.3 Identifying Training Needs

All training activities must be related to the specific needs of the organisation and the individual employees. A training programme should be launched only after the training needs are assessed clearly and specifically. The effectiveness of a training programme can be judged only with the help of training needs identified in advance. In order to identify training needs, the gap between the existing and required levels of knowledge, skills, performance and aptitudes should be specified. The problem areas that can be resolved through training should also be identified.

Training needs can be identified through the following types of analysis:

1. **Organisational Analysis:** It involves a study of the entire organisation in terms of its objectives, its resources, resource allocation and utilization, growth potential and its environment. The important elements that are closely examined in this connection are:
 - ◆ **Analysis of Objectives:** This is a study of short term and long term objectives and the strategies followed at various levels to meet these objectives.
 - ◆ **Resource Utilization Analysis:** How the various organizational resources (human, physical and financial) are put to use is the main focus of this study. The contributions of various departments are also examined by establishing efficiency indices for each unit. This is done to find out comparative labour costs, whether a unit is under-manned or over-manned.
 - ◆ **Environmental Scanning:** Here the economic, political, socio-cultural and technological environment of the organisation is examined.



- ◆ **Organisational Climate Analysis:** The climate of an organisation speaks about the attitudes of members towards work, company policies, supervisors, etc. Absenteeism, turnover ratios generally reflect the prevailing employee attitudes. These can be used to find out whether training efforts have improved the overall climate within the company or not.
- 2. **Task or Role Analysis:** This is a detailed examination of a job, its components, its various operations and conditions under which it has to be performed. The focus here is on the roles played by an individual and the training needed to perform such roles. The whole exercise is meant to find out how the various tasks have to be performed and what kind of skills, knowledge, and attitudes are needed to meet the job. Questionnaire, interviews, reports, tests, observation and other methods are generally used to collect job related information from time-to-time.
- 3. **Person Analysis:** Here the focus is on the individual in a given job. There are three issues to be resolved through manpower analysis. First, we try to find out whether performance is satisfactory and training is required. Second whether the employee is capable of being trained and the specific areas in which training is needed. Finally, we need to state whether poor performers on the job need to be replaced by those who can do the job. Other options to training such as modifications in the job or processes should also be looked into. Personal observation, performance reviews, supervisory reports, diagnostic tests help in collecting the required information and select particular training options that try to improve the performance of individual workers. An appropriate programme that meets the company's objectives, task and employee needs may then be introduced.

1.3.4 Designing a Training Programme

In order to achieve the training objectives, an appropriate training policy is necessary. A training policy represents the commitment of top management to employee training. It consists to rules and procedures concerning training. A training policy is required:



Notes

- ◆ To indicate the company’s intention to develop its employees;
- ◆ To guide the design and implementation of training programmes;
- ◆ To identify the critical areas where training is to be given on a priority basis; and
- ◆ To provide appropriate opportunities to employees for their own betterment.

A training programme is an integral part of human resource management. It consists of the following inter-related steps:



Figure 1.1: Steps of designing a training programme

1. Identification of Training Needs: The technological changes taking place is the main cause of identification of the training needs in an organisation. Earlier the people were acquiring training through apprenticeship and vocational courses, which are not sufficient in the modern era of industrialization. It is necessary to identify the training needs because of the following reason:

- ◆ Adoption of new techniques in an organisation and introduction of modern working methods. For example, computerization of the office as has been done in railways bookings or airline bookings.
- ◆ Poor performance by the workers is reflected by low output, lack of initiative, incompetence and bad decisions. This requires systematic training of the work force.
- ◆ Wide gaps between what workers should be doing and what they are doing.
- ◆ Analysis of the strengths and weaknesses of an organisation may reveal the areas of weaknesses which need to be handled seriously.

More information could be obtained from the organisation’s human resource plan. While preparing plans, the current skills with expected



needs for future should be kept in mind and the deficiencies be highlighted. Some organisations prepare 'skills-inventories' classifying employees according to their qualifications, technical knowledge, skills, performances and attitudes should be specified. The problem areas that can be resolved through training should also be identified.

2. **Setting Training Objectives:** Once the training needs are identified, the next steps is to set training objectives in concrete terms and to decide the methods to be adopted to achieve these objectives. The overall aim of any training programme is to increase organizational effectiveness. However, each training programme must also have specific objectives such as increased productivity, improved quality, better human resource planning, better health and safety, prevention of obsolescence and enhanced personal growth. These objectives contribute to organizational effectiveness.
3. **Organisation of Training Programme:** Every training programme includes trainees, trainers, a training period and training material. These constituents of training are discussed below:

(a) **Selection of the Trainees:** The proper selection of trainees is of major importance if permanent and gainful results are to be obtained. A trainee should be trained for the kind of job he likes and is fitted to perform. In this respect, training is closely related to the selection of personnel. Careful screening of candidates for training will raise the effectiveness of the training programme. Moreover, the trainee must be given the proper background information before he starts learning the new skills and knowledge. In case of supervisory training, it is better to include all supervisors and other employees considered suitable for promotion to such posts.

(b) **Preparation of the Instructor:** The instructor or trainer is a key figure in an effective training programme. He can contribute immeasurably to its success. Qualified instructor may be obtained from inside or outside the organisation. Trainee needs many qualifications besides knowing how to do the work. He must be able to divide the job into logical parts so that he may take up one part at a time without losing his perspective of the whole. The trainer needs professional expertise in order



to fulfil his responsibility. An effective instructor or trainer can present the operations involved in doing a particular job by various ways.

(c) **Determination of Training Period:** The length of the training period depends upon the skill to be acquired, the trainee's learning capacity and the training methodology used. For instance, a simple indoctrination programme for clerks may require an hour a day over a period of one week, while a course in computer programming may be given two hours a week for 15 weeks. The use of effective and visual material usually helps to reduce the training time. To maintain interest and secure maximum accomplishment, no single session should last longer than two hours.

(d) **Training Methods and Material:** There are several on-the-job and off-the-job methods of training. The choice of any method would depend upon the specific objectives of the training programme. To increase the effectiveness of training, some written material is usually desirable as a basis for instruction, review and reference. A complete outline of the whole course should be made with the main topics included under each heading. The training material should be distributed among the trainees well in advance so that they may come prepared in the lecture class and may be able to understand the subject prepared in the lecture class and may be able to understand the subject quickly and may remove their doubts by asking questions from the instructor.

4. Evaluation of Training: Training is indispensable for both the organisation and the individuals working therein. It is very costly and time consuming process. It is essential to determine its effectiveness in terms of achievement of specific training objectives. Self-graded tests and programmed learning kits provide the necessary feedback to a person on his progress on a particular subject. Evaluation of training would provide useful information about the effectiveness of training as well as about the design of future training programmes. It will enable an organisation to monitor the training programme and also to modify its future programmes of training.

**IN-TEXT QUESTIONS**

1. _____ helps to improve the level of performance. Trained employees perform better by using better method of work.
2. Training is the process of increasing the general knowledge and understanding of employees. (True/False)
3. Which of the following is not a step in training process?
 - (a) Identification of Training Needs
 - (b) Setting training objectives
 - (c) Organisation of training program
 - (d) Step by step learning
4. _____ involves training of existing employees to enable them to perform higher level jobs.
5. _____ training seeks to adjust newly appointed employees to the work environment. Every new employee needs to be made fully familiar with the job, his superiors and subordinates and with the rules and regulations of the organisation.

1.4 Methods of Training

A wide range of training methods and techniques have been developed over the years by various organizations and training experts. Different training methods are suitable for different categories of personnel in the organisation: managerial and non-managerial, technical, administrative, skilled, unskilled, senior, junior and so on. Each organisation has to choose those methods and techniques of training which are relevant for its training needs. The various methods of training may be classified into the following categories:

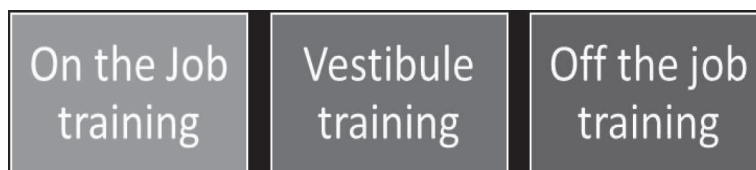


Figure 1.2: Methods of training



1.4.1 On the Job training

On the Job Training: On the job training is considered to be the most effective method of training the operative personnel. Under this method, the worker is given training at the work place by his immediate supervisor. In other words, the worker learns in the actual work environment. It is based on the principle of 'learning by doing'. The following methods of on the job training are described below:

- (a) **Job Instruction Training (JIT):** The JIT method is a four-step instructional process involving preparation, presentation, performance try out and follow up. It is used primarily to teach workers how to do their current jobs. A trainer, supervisor or co-worker acts as the coach. The four steps followed in the JIT methods are:
- ◆ The trainee receives an overview of the job, its purpose and its desired outcomes, with a clear focus on the relevance of training.
 - ◆ The trainer demonstrates the job in order to give the employee a model to copy.
 - ◆ The trainer shows a right way to handle the job.
 - ◆ Next, the employee is permitted to copy the trainer's way. Demonstration by the trainer and practice by the trainee are repeated until the trainee masters the right way to handle the job.
 - ◆ Finally, the employee does the job independently without supervision.
- (b) **Coaching:** Coaching is a kind of daily training and feedback given to employee by immediate supervisors. It involves a continuous process of learning by doing. It may be defined as informal, unplanned training and development activity provided by supervisors and peers. In coaching, the supervisor explains things and answer questions; he throws light on why things are done the way they are; he offers a model for trainees to copy; conducts lot of decision-making meetings with trainees; procedures are agreed upon and the trainee is given enough authority to make divisions and even commit mistakes. Of course, coaching can be a taxing job in that



the coach may not possess requisite skills to guide the learner in a systematic way. Sometimes, doing a full day's work may be more important than putting the learner on track.

- (c) **Mentoring/ Understudy:** Mentoring is a relationship in which a senior manager in an organisation assumes the responsibility for grooming a junior person. Technical, interpersonal and political skills are generally conveyed in such a relationship from the more experienced person. A mentor is a teacher, spouse, counsellor, developer of skills and intellect, host, guide, supporter and facilitator in the realization of the vision the young person has about the kind of life he wants as an adult. The main objective of mentoring is to help an employee attain psychological maturity and effectiveness and get integrated with the organisation. In a work situation, such mentoring can take place at both formal and informal levels, depending on the prevailing work culture and the commitment from the top management. Formal mentoring can be very fruitful, if management invests time and money in such relationship bundling exercises.
- (d) **Job Rotation:** This kind of training involves the movement of trainee from one job to another. This helps him to have a general understanding of how the organisation functions. The purpose of job rotation is to provide trainees with a larger organizational perspective and a greater understanding of different functional areas as well as a better sense of their own career objectives and interests. Apart from relieving boredom, job rotation allows trainees to build rapport with a wide range of individuals within the organisation, facilitating future co-operation among departments. The cross-trained personnel offers a great amount of flexibility for organizations when transfers, promotions or replacements become inevitable. Job rotation may pose several problems, especially when the trainees are rolled on various jobs at frequent intervals. In such a case, trainees do not usually stay long enough in any single phase of the operation to develop a high degree of expertise. For slow learners, there is little room to integrate resources properly. Trainees can become confused when they are exposed to rotating managers, with contrasting styles of operation. To get the best results out of the system, it should



be tailored to the needs, interests and capabilities of the individual trainee, and not be a standard sequence that all trainees undergo.

(e) **Apprenticeship Training:** Most craft workers such as plumbers and carpenters are trained through formal apprenticeship programmes. Apprentices are trainees who spend a prescribed amount of time working with an experienced guide, coach or trainer. Assistantships and internships are similar to apprenticeships because they also demand high levels of participation from the trainee. An internship is a kind of on-the-job training that usually combines job training with classroom instruction in trade schools, colleges or universities. One important disadvantage of the apprenticeship methods is the uniform period of training offered to trainees. People have different abilities and learn at varied rates. Those who learnt fast may quit the programme in frustration. Slow learners may need additional training time.

(f) **Committee Assignments:** In this method, trainees are asked to solve an actual organizational problem. The trainees have to work together and offer solution to the problem. Assigning talented employees to important committees can give these employees a broadening experience and can help them to understand the personalities, issues and processes governing the organisation. It helps them to develop team spirit and work unitedly towards common goals. However, managers should very well understand that committee assignments could become notorious time wasting activities.

The above on-the-job methods are cost effective. Workers actually produce while they learn. Since immediate feedback is available, they motivate trainees to observe and learn the right way of doing things. Very few problems arise in the case of transfer of training because the employees learn in the actual work environment where the skills that are learnt are actually used. On-the-job methods may cause disruption in production schedules. Experienced workers cannot use the facilities that are used in training. Poor learners may damage machinery and equipment. Finally, if the trainer does not possess teaching skills, there is very little benefit to the trainee.



1.4.2 Vestibule Training

Vestibule Training: The term ‘Vestibule training’ is used to designate training in a classroom for semi-skilled jobs. It is more suitable where a large number of employees must be trained at the same time for the same kind of work. Where this method is used, there should be well qualified instructors in charge of training programme. Here the emphasis tends to be on learning rather than production. It is frequently used to train clerks, machine operators, typists, etc.

Vestibule training is adapted to the general type of training problem that is faced by on-the-job training. An attempt is made to duplicate, as nearly as possible, the materials, equipment’s and conditions found in the real workplace. The human resource department makes ‘arrangements for vestibule training when the training work exceeds the capacity of the line supervisors. Thus, in vestibule training, the workers are trained on specific jobs as they would be expected to perform at their workplace.

Vestibule training is particularly suitable where it is not advisable to put the burden of training on line supervisors and where special kind of learning is required. The trainers include expert and specialist instructors. The trainees avoid confusion and pressure of the work place and are thus able to concentrate on training. Their activities do not interfere with the regular processes of production. Moreover, the trainees get an opportunity to become accustomed to the work routine and recover from their initial nervousness before going on to their work place.

1.4.3 Off the Job Training

Off the Job Training: It requires the worker to undergo training for a specific period away from the workplace. Off-the-job methods are concerned with both knowledge and skills in doing certain jobs. The workers are free of tension of work when they are learning. There are several off-the-job methods of training and development as described below:

- (a) **Role Playing:** It is defined as a method of human interaction that involves realistic behaviour in imaginary situations. This method of training involves action, doing and practice. The participants play the role of certain character, such as the production manager,



mechanical engineer, superintendents, maintenance engineers, quality control inspectors, foreman, workers and the like. The method is mostly used for developing interpersonal interactions and relations.

- (b) **Special Lecture cum Discussion:** Training through special lectures is also known as ‘classroom training’. It is more associated with imparting knowledge than with skills. The special lectures may be delivered by some executives of the organisation or specialists from vocational and professional institutes. Many firms also follow the practice of inviting experts for special lectures for the staff on matters like health, safety, productivity, quality, etc. The lecture method can be used for providing instructions to large groups. Thus, the cost per trainee is low. However, it has certain limitations also. The learners may be passive. It violates the principle of learning by doing and constitutes one-way communication.
- (c) **Conference Training:** A conference is a group meeting conducted according to an organized plan in which the members seek to develop knowledge and understanding by oral participation. It is an effective training device for persons in the position of both conference member and conference leader. As a member, a person can learn from others by comparing his opinions with those of others. The literal meaning of conference is ‘consultation’. But in practice, conference implies sharing some information with an audience of a large number of people. It is conducted in a big hall where the participants are allowed to exchange their views and raise queries. These days video conferencing is also gaining popularity under which people can participate in the conference.
- (d) **Programmed Instruction:** This method has become popular in recent years. The subject matter to be learned is presented in a series of carefully planned sequential units. These units are arranged from simple to more complex levels of instruction. The trainee goes through these units by answering questions or filling the blanks. This method is, thus, expensive and time consuming.
- (e) **Case Study:** The case method is a means of simulating experience in the classroom. Under this method, the trainees are given a problem or case which is more or less related to the concepts and principles already taught. They analyse the problem and suggest solutions



which are discussed in the class. The instructor helps them reach a common solution to the problem. This method gives the trainee an opportunity to apply his knowledge to the solution of realistic problems. Cases may be used in either of the two ways. Firstly, they can be used subsequent to the expansion of formal theory under which the trainees apply their knowledge of theory to specific situations. Secondly, the trainees may be assigned the cases for written analysis and oral discussion in the class without any prior explanation of pertinent concepts and theory. The case study places heavy demands upon the trainees and requires that they should have a good deal of maturity in the subject-matter concerned.

IN-TEXT QUESTIONS

6. Under _____ type of training an attempt is made to duplicate, as nearly as possible, the materials, equipment's and conditions found in the real workplace.
7. Role playing is a technique included under off the job training programmes. (True/False)
8. Which of the following is a technique under on the job methods?
 - (a) Case study
 - (b) Conference training
 - (c) Discussion
 - (d) Job rotation
9. The JIT method is a four-step instructional process involving preparation, presentation, performance try out and follow up. (True/False)
10. _____ is a relationship in which a senior manager in an organisation assumes the responsibility for grooming a junior person.

1.5 Benefits and Effectiveness of Training

Training is useful to both employers and employees in the following ways:



1.5.1 *Benefits of training to Employers*

1. **Higher Productivity:** Trained employees perform better by using better method of work.
2. **Better Quality of Work:** Trained employees are less likely to make operational mistakes. Uniformity of work methods and procedures helps to improve the quality of product/service.
3. **Cost Reduction:** Trained employees make more economical use of materials and machinery. Reduction in wastage/spoilage together with increase in productivity helps to minimize cost of operations per unit.
4. **Reduced Supervision:** Supervisory cost is reduced as well-trained employees tend to become self-reliant and motivated.
5. **Low Accident Rate:** Trained employees adopt the right work methods and make use of the safety devices. Therefore, the frequency of accidents gets reduced.

1.5.2 *Benefits of training to Employees*

1. **Self-confidence:** Training helps to improve the self-confidence of an employee. It enables him to approach and perform his job with enthusiasm.
2. **Higher Earnings:** Trained employees can perform better and thereby earn more.
3. **Safety:** Training helps an employee to use various safety devices. He can handle the machines safely and becomes less prone to accidents.
4. **Adaptability:** Training enables an employee to adapt to changes in work procedures and methods.
5. **Promotion:** Through training, employee can develop himself and earn quick promotions.
6. **New Skills:** Training develops new knowledge and skills among employees. The new skills are a valuable asset of an employee and remain permanently with him.



1.5.3 Effectiveness of Training

Training effectiveness is the degree to which trainees are able to learn and apply the knowledge and skills acquired during the programme. It is influenced by the attitudes, interests, values and expectations of the trainees and the training environment. A training programme is likely to be more effective when the trainees want to learn, are involved in their jobs and have career plans. Contents of training programme, and the ability of trainers also determine training effectiveness to a certain extent. The following criteria may be used to measure the effectiveness of training:

- 1. Reactions:** Trainees' reaction to the objectives, contents and methods of training, are good indicators of effectiveness. In case the trainees considered the programme worthwhile and liked it, the training can be considered effective.
- 2. Learning:** The extent to which the trainees have gained the desired knowledge and skills during the training period is a useful basis of evaluating training effectiveness.
- 3. Behaviour:** Improvements in the job behaviour of the trainees reflects the manner and extent to which the learning has been put to practice.
- 4. Results:** Productivity improvements, quality improvements, cost reduction, accident reduction, reduction in labour turnover and absenteeism are the outcomes of training which can be used for evaluating effectiveness.

1.5.4 Essentials of a Good Training Programme

Training is an important tool of management capable of making significant contribution to the goals of the organisation. Training tends to improve the performance of employees by narrowing the gap between expectations and achievements. Because of its significant role, it is essential to have an effective training programme in the enterprise. An effective training programme should possess the following characteristics:

- (a) The contents of training programme should be chalked out after identifying the training needs or goals. It should have relevance to the job requirements.

**Notes**

- (b) An effective training programme should be flexible. It should make due allowance for the differences among the individuals as regards ability, aptitude, learning capacity, emotional make-up, etc.
- (c) A good training programme should prepare the trainees mentally before they are imparted any job knowledge or skill.
- (d) An effective training programme should be conducted by well qualified and experienced trainers.
- (e) An effective training programme should emphasize both theory and practice. It should help in acquiring knowledge and its application.
- (f) An effective training programme should have the top management's support. The top management can greatly influence the quality of training in the organisation by the policies it adopts and the extent to which it supports the training programme.
- (g) An effective training programme should be supported by a system of critical appraisal of the outcome of the training efforts.

1.6 Retraining

Retraining is the process of providing training to persons who underwent training earlier in their job. Retraining programmes are generally arranged for employees who have long been in the service of an organisation. Such programmes are designed to avoid obsolescence of a person in terms of job requirements. Retraining is required on account of the following factors:

- I. Some employees concentrate on a narrow task and lack all-round knowledge and skills. Training is required to widen their knowledge and attitudes.
- II. Employees who are called back to work after layoff are given training so as to handle highly skilled jobs.
- III. Due to technological changes some jobs may become unnecessary. Employees working on such jobs are retrained for other jobs.
- IV. Retraining is necessary to develop a versatile workforce capable of performing more than one job.



V. Retraining becomes necessary when the knowledge and skills of employees become obsolete due to rapid changes in technology. With automation and computerization, new skills become necessary.

VI. Due to changes in demand for goods and services, some new jobs are created. Retraining of existing staff is needed to handle new jobs.

Retraining may be required at all levels. But it is more common for rank-and-file workers. This is so because technological changes make an immediate impact on these people. Moreover, they are less equipped to foresee their personal needs and, therefore, require greater assistance than others. Workers need refresher courses to help them recall what they have forgotten. They require retraining when work tools and methods change due to technological progress.

IN-TEXT QUESTIONS

11. _____ is the process of providing training to persons who underwent training earlier in their job.
12. An effective training programme should be flexible. (True/False)
13. Training helps an employee to use various safety devices. He can handle the machines safely and becomes less prone to accidents. (Yes/No)

1.7 Summary

Training is a planned programme designed to improve performance and to bring about measurable changes in knowledge, skills, attitude and social behaviour of employees. Training makes employees versatile, mobile, flexible and useful to the organization. Development is future-oriented training, focusing on the personal growth of the employee. Learning principles are the guidelines to the way people learn most effectively. More effective training incorporates more of these principles. The various types of training include: Skill training, refresher training, diversity training, and literacy training. In order to have effective training programmes, the systems approach is recommended. The systems approach consists of three phases:

**Notes**

need assessment, implementation and evaluation. Formal training methods include (i) on the job training covering job instruction training, coaching, mentoring, job rotation, apprenticeship training, committee assignments and (ii) off the job training includes lectures, conferences, simulation exercises and programmed instructions. Training can be evaluated at five levels: Reaction, learning, behaviour, organization and result.

1.8 Answers to In-Text Questions

1. Training
2. False
3. (d) Step by step learning
4. Promotional training
5. Orientation training
6. Vestibule
7. True
8. (d) Job rotation
9. True
10. Understudy
11. Retraining
12. True
13. Yes

1.9 Self-Assessment Questions

1. What are the reasons for the growing usage of external training in present day organizations?
2. What do you mean by 'training'? Distinguish between training, development and education.
3. Explain the various methods of training?
4. Explain whether and how the effectiveness of training programmes can be evaluated?



5. Distinguish between on the Job and off the Job training and explain two methods of each.

Notes

1.10 Suggested Readings

- ◆ Robert L. Mathis and John H. Jackson, “Human Resource Management”, Thomson Learning.
- ◆ Chhadha, T.N., “Human Resource Management”, Dhanpat Rai & Co., Delhi, 2004.
- ◆ Gupta, C. B. (2018). Human Resource Management. Delhi: Sultan Chand & Sons.
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New Concepts in Training

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STRUCTURE

- 2.1 *Learning Objectives*
- 2.2 *Introduction*
- 2.3 *New Methods of Training and Development*
- 2.4 *Management Development Programs*
- 2.5 *Training Process Outsourcing*
- 2.6 *Scope of Training*
- 2.7 *Summary*
- 2.8 *Answers to In-Text Questions*
- 2.9 *Self-Assessment Questions*
- 2.10 *References*
- 2.11 *Suggested Readings*

2.1 Learning Objectives

After studying this Chapter students may be able to understand:

- ◆ The concept of Hands on learning.
- ◆ The concepts of E-learning and shadowing with their advantages.
- ◆ The meaning, purpose, process and benefits of management development programs.
- ◆ The concept, benefits and activities included under Training Process Outsourcing.
- ◆ About scope of training.

2.2 Introduction

Although conventional training methods will always be useful for helping employees learn, some concepts cannot be taught using traditional knowledge transmission strategies.



In this chapter we will discuss about the concept of hands on training, e-learning and shadowing. Students might be familiar with some of the topics as they are using them in their daily lives. This chapter will help the students to become more aware about HR practices being followed now days. The field of HR is evolving with a great pace, training methods are changing and different types of training is being focused in today's world. In this chapter we will also discuss about planned and intentional learning process known as management development programme that aims to increase managerial efficacy of the employees.

When a company employs an outside provider to handle all of its learning and development activities or processes, that arrangement is known as training process outsourcing which has different benefits discussed below.

Next the chapter focuses on the scope of training that is considered to be very wide when compared to other activities of the enterprise, it covers many new concepts namely: onboarding training, quality management training, product and services training, soft skills training and technical skills training.

2.3 New Methods of Training and Development

2.3.1 Hands on Training

Training that allows each student to gain experience while performing tasks, making decisions, or using tools suitable to the job assignment for which the training is being conducted is referred to as hands-on training. Training that involves students performing tasks they will be required to perform on the job location is referred to as hands-on training.

“Hands-on training means direct practical experience in the operation or functioning of a skill or task and involves active participation by a student.”

Following are the reasons for taking Hands on approach:

1. **Employees gain knowledge by doing practical:** Many tasks in the business cannot be learnt just by reading about them but a real-life experience is necessary. Therefore, hands on training allows



employees to learn by practicing, interacting and getting instant feedback.

2. **Work seems more engaging:** Even though the majority of people are keen in improving their skills, the actual process can be tiresome and boring. By creating an in-depth experiment, practical experience that is enjoyable and engaging, a hands-on technique does the task by overcoming boredom. According to a research, having a fun and enjoyable learning increases motivation while improving focus and memory.
3. **Suits almost every task:** People prefer to learn in various methods, and learning is not a consistent process. For instance, while some students may learn just by seeing the concept, others may prefer to perform it. A hands on training suits all kinds of tasks and help the learners to engage better with their work.
4. **Employees feel confident:** Despite the fact that traditional training methods impart knowledge, it is rare for employees to use the learnings in their places of employment and instantly put that knowledge into practise. A hands-on approach however, enables participants to learn new behaviours that have an instant effect on performance and productivity which makes them feel more motivated and confident.

2.3.2 E-Learning

An planned course or learning exercise that is presented electronically is known as e-learning; it may contain study materials, practice exercises, video lectures, etc. It is sometimes referred as web-based learning. Unlike traditional learning methods, e-learning enables participants to take part in a structured learning experience regardless of their physical location.

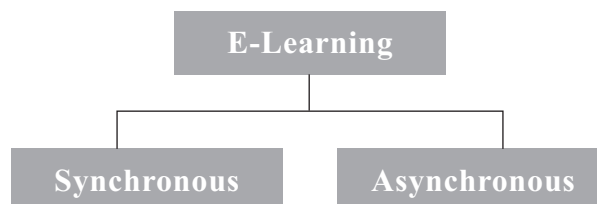


Figure 2.1: Types of E-learning



E-learning or web-based learning is of two types namely, synchronous and asynchronous.

1. Synchronous web-based learning is instructor-facilitated and it requires all participants to be virtually present at the same time and on the same platform. A live class is the example of this type of e-learning.
2. Asynchronous web-based learning is a self-paced learning and everyone can learn according to their availability and need.

Advantages of E-learning on the workplace:

1. **Cost-efficient:** It is considered as a cost-efficient solution for the employee as well as the employer. Travelling and setting a premise cost for giving training is almost nil under e-learning.
2. **Easy access to material:** The training study material can be accessed easily and in one click. Some companies also offer access to these materials for the life time of the employee.
3. **Flexibility:** E-learning is the most flexible kind of learning as it can be accessed from any place at any particular point of time. Learners (employees) have more freedom to access these sources of learning in their busy schedules.
4. **Employees become self-dependant:** Employees learn things on their own by gaining knowledge from different software's, so they feel less dependant on anyone and pursue their training according to their pace of learning.

2.3.3 Shadowing

It's a form of on-the-job training where a worker picks up knowledge from a more experienced co-worker by imitating and watching them. It can be a very effective training method because it allows one individual to learn from another. It is a practical way of learning a work. The purpose of job shadowing is to assist interns, students, or employees who want to learn more about performing a task that they are not familiar with.

Benefits of Shadowing:

1. **Helps in gaining experience:** It is an excellent way to give interns and workers valuable work experience. This kind of on-the-job training can actually help interns learn new skills and to understand



the industry and the position, when compared to internships that only involve simple and repetitive tasks.

2. **Helps in assessing the prerequisites of the job:** Job shadowing can assist you in deciding whether or not to pursue a particular field as a career by providing a glimpse into the day-to-day activities of a job position. It can also assist you in determining whether you possess the necessary skills to perform the work.
3. **Helps in building network:** Job shadowing is a good method to build networks with people in the industry who already work there or want to. Establishing professional connections is possible by job shadowing.

IN-TEXT QUESTIONS

1. _____ It's a form of on-the-job training where a worker picks up knowledge from a more experienced co-worker by imitating and watching them.
2. Synchronous web-based learning is instructor-facilitated and it requires all participants to be virtually present at the same time. (True/False)
3. Which of the following is not a benefit of E-learning?
 - (a) Cost efficient
 - (b) Flexible
 - (c) Time saving
 - (d) Requires a device to access
4. _____ means direct practical experience in the operation or functioning of a skill or task and involves active participation by a student.
5. Hands on training allows employees to learn by practicing, interacting and getting instant feedback. (True/False)



2.4 Management Development Programs

Through a planned and intentional learning process, management development programmes aim to increase managerial efficacy. When compared to traditional training, management development programmes focus on improving the conceptual and interpersonal skills of managers and leaders through planned and structured processes. These programs aim to sensitize managers about emerging issues in the corporate environment.

“It is a programme of training and planned personal development purporting to prepare and aid managers in their present and future jobs.” (Yoder)

2.4.1 Characteristics of Management Development Program

- 1. Continuous Activity:** Since managerial skills cannot be acquired overnight, it is a continuous process rather than a “one-off” event. Because there is no end to learning, it goes on throughout an executive’s complete professional career.
- 2. Improves Performance:** The goal of management development is to better equip managers with the skills they need to operate at their highest levels.
- 3. Organised Process:** Rather than learning haphazardly or through trial and error, it is a systematic procedure to prepare managers and executives for developments happening in the corporate world.
- 4. Guided Development:** The managers are guided by professionals to pursue a work undertaken in a sequential manner, so that their development process proceed towards achieving goals and mastering things.
- 5. Deficiency Improver:** Programs under management development are tailored to cater each manager’s needs in order to address both functional and personal weaknesses.

2.4.2 Purpose of Management Development

1. Participating in management development programmes helps the managers and executives to maintain and sustain their performance throughout their lives despite of challenging situations.



Notes

2. It helps to enhance the existing performance level of managers and executives.
3. Helps in preparing the current employees to become good managers in the future and handle every situation calmly.
4. To make it possible for the organisation to have access to the necessary number of managers with the necessary qualifications to meet its current and expected requirements.
5. To make sure that the organization's management resources are used effectively and efficiently.

2.4.3 Benefits of Management Development Programs

There are many benefits of opting for management development programmes at individual, manager and organisational level.

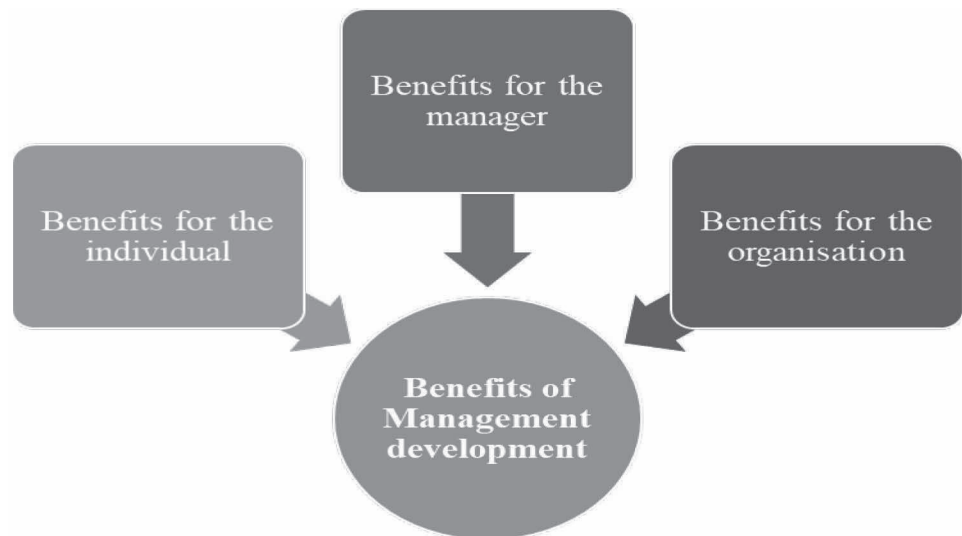


Figure 2.2: Benefits of Management Development

(A) Benefits at individual level:

1. Improves motivation and capacity of an individual to achieve his personal and professional goals.
2. Decrease in the tension caused by unresolved performance requirements gaps for individuals.
3. Individuals feel more confident in the work they perform and submit it on time.



4. Individuals develop a capacity to face any future challenges calmly.
5. Chances of getting retained in the same job in tough times (Like mass layoffs).

(B) Benefits for the managers:

1. They will face less performance related (on the job) problems as employees are fully trained and motivated.
2. They get more helping hands in facing new challenges emerging in ever changing business environment.
3. They face less challenges as all tasks are completed and submitted on time by the trained employees.

(C) Benefits for the organization:

1. An improved capacity and ability to meet the present and old organisational needs is shown by the employees.
2. Improved success and improved results in a higher level of effectiveness for the unit.
3. Increased commitment is shown by employees towards achieving organisational goals as a result of people' improved level of motivation.
4. Increased provision of continuous learning rather than on the spot training, which helps the employees to stay engaged with the tasks and finish them on time.

2.4.4 Steps Involved in Management Development Programs

The steps of a comprehensive management development programme are as follows:

1. **Considering Organisational Objectives:** This is the first stage of this programme which focuses on looking into organisational objectives. These objectives and goals provide direction and create a structure for the management programme.
2. **Ascertaining Development Needs:** Identifying development needs help in forecasting organisations present and future workforce needs. This step involves ascertaining all job-related components and helping the organisation to perform a critical job analysis.



3. **Appraisal of present management talent and preparation of Manpower inventory** is the next step. Here existing management is evaluated and their qualifications and contributions are recorded.
4. **Planning of training and development program:** Organising and conducting a training and development program is the task of the personnel department. Interests of the organisation and the individuals, both are kept in mind while framing such program.
5. **Establishment of training program:** The personnel department after finalizing a particular training program launches it. This program can contain one or a number of crash courses in different fields of human relations, creative thinking, decision making, professional development, etc.
6. **Evaluation of the launched program:** Next step focus on the systematic gathering and assessment of data obtained from the employees (participants in the training program) for determining the effectiveness of the training program.

IN-TEXT QUESTIONS

6. _____ is a programme of training and planned personal development purporting to prepare and aid managers in their present and future jobs.
7. When compared to traditional training, management development programmes focus on improving the conceptual and interpersonal skills of managers and leaders through planned and structured processes. (True/False)
8. Which of the following is not a characteristic of management development program?
 - (a) Continuous activity
 - (b) Organised process
 - (c) Does guided development
 - (d) Creates confusion
9. The first step in management development program is planning of training and development program. (True/False)



10. The last step of management development program is looking into organisational objectives. (True/False)

2.5 Training Process Outsourcing

Almost every sector has experienced changes in job roles and responsibilities. For the current workforce to effectively perform these jobs, new skill sets are required. Due to the widespread adoption of more adaptable workplace models by many organisations, employee training programmes have shifted to digital platforms. Many organisations have also adopted outsourcing to simplify the training and development programmes and give these a digital form.

When a company employs an outside provider to handle all of its learning and development activities or processes, that arrangement is known as training process outsourcing. This type of outsourcing is different from others. Or when an organisation gets its employees trained by an outside agency, it is called training process outsourcing.

2.5.1 Benefits of Training Process Outsourcing

- 1. Helps in Prioritising work:** Training is a requirement for almost every business, but the creation, administration, and delivery of training can divert attention from the main objective and core activities of a business. That is why many companies prefer to outsource training and learning experts and activities.
- 2. Reduces Costs:** Companies primarily sublet training in order to save money. They hire an agency and an amount is fixed to deliver services. This improves money management and wastage is reduced, as the expert agency is already hired.
- 3. Improvement of skills and talent:** No business has all the internal information it requires to succeed. You may occasionally require a unique collection of abilities. When specialised knowledge is needed, a managed-services expert can bring in the appropriate consultants or train staff members for the new skill emerging in the market.



4. **Reduction of Risk:** Training helps to avoid failures. If we don't give our clients or workers the training they require when they need it on upgraded software's, technologies, machines, etc. this will put the company in a bad position and the rivals will take the first mover advantage. So, due to expertise of the outsourcing agency in this area, they assist the management in lowering danger and avoiding unnecessary expenses.
5. **Helps in saving time:** When companies outsource training agencies, they are free to focus on other tasks and training does not hamper the other operations of the business. Also, when knowledge is imparted by an expert the candidates grasp things quickly and tend to come on floor using these skills in a minimal time frame.
6. **High quality learning:** When training is imparted by an expert the learning is more focused and is of high quality.
7. **Flexible contracts:** Outsourcing is flexible, giving businesses the freedom to end a contract early or alter its terms without paying huge fees if they are unhappy with the results and way services are provided.

2.5.2 Activities included in Training Process Outsourcing

Following are some of the activities that are included in training process outsourcing:

1. **Strategy Development:** In order to reskill their existing workforce, many organisations are concentrating on creating new learning strategies today. Learning strategies that optimise training will be developed through a strategic process by an experienced training provider. These outsourced training agencies helps in formulating the best training strategies, that will help the business to grow in the right direction.
2. **Learning Administrative tasks:** Training Process outsourcing involves imparting training related to various tasks of business operations like planning, budgeting, and content administration. They might also involve running a learning management system. These administrative tasks can be learned easily from experts while outsourcing.



3. **Measurement of the results:** After the training has been completed and employees start using these tools in their daily work, their current performance is compared to past performance and results are measured. This helps in determining if the training program was useful or not.
4. **Monitoring the learning:** A professional training outsourcing agency helps in monitoring the learning process of the employees, it has its own analytics to keep an eye on an employees performance. It makes the task of organisation easy and also helps the employees to improve themselves.

2.6 Scope of Training

Scope of training is very wide, and it depends on the type of employees and type of jobs to be trained. A variety of areas are covered under scope of training, which is discussed below:



Figure 2.3: Scope of training

2.6.1 On Board Training

“On board training means practical training on board training vessel or merchant ship in operation, as part of an approved training, carried out



under the direction of a qualified person, the master or an officer authorized thereof and in accordance with an approved programme”. The process of onboarding helps new hires develop the abilities, attitudes, and habits necessary to contribute positively to a company. On board trainings are intended to help new hires or internal transfers adjust to their new roles. Onboarding’s primary objectives are to familiarize new employees with the company and give them the relevant information necessary for their positions.

2.6.2 Soft Skills Training

Rather than a person’s technical abilities, social skills are a combination of abilities linked to people and socialisation. Relationship development, partnership, communication, problem-solving, and leadership are a few examples of soft skills we see around us. Organisations are seen giving more importance to development of hard skills and underestimate the importance and need of soft skills. Following are the benefits that are linked to soft skill training:

- (a) **Improvement in customer service:** Employees will perform better by being able to actively listen to customers to determine their requirements, spot issues, and offer solutions for their problems. After improving their soft skills, they are also likely to have more empathy and compassion, which can significantly improve organizations customer relations.
- (b) **Increase sales:** Sales team will gain from developing soft skills when engaging in sale negotiations. Customers will certainly appreciate this if employees can use their skills to connect with customers on a more personal level while maintaining the crucial professional limits.
- (c) **Employee retention:** Investment in employees professional learning and development, helps the company to retain more talent. Soft skills also help employees retain information and take charge of their own personal growth. Employees would always want to stay connected with these kinds of organisations.
- (d) **Retention of Customers:** The company’s that treat their customers politely and give solutions to their problems within a short time



are more likely to retain more customers as compared to their competitors.

Following are some of the soft skills whose training should be imparted to gain more competitive advantage:

- (i) **Leadership:** The soft skill that relates to the ability to lead others while achieving the objectives and purpose of the organisation is leadership. Employees who receive leadership development training will be better able to share, offer and accept constructive criticism, and assume accountability for the project's deliverables. They will also be able to distribute the work well and motivate others in the right direction.
- (ii) **Communication:** Oral and written communication abilities enable productive speech at work. Organisation will enable the employees to convey themselves more clearly, attend calls more actively and attentively, and produce better results from difficult conversations by enhancing their communication skills.
- (iii) **Time Management:** Skills in time management show the ability to use work time efficiently by planning in advance and allocating it fair work to all employees. Enhancing time management enables your staff to accomplish work objectives more swiftly and improves productivity.
- (iv) **Problem Solving:** In order to come up with answers, problem-solving skills combine analytical and creative thinking. When it comes to identifying issues and possible obstacles to projects employees will surely behave in a proactive manner. Additionally, they'll be trained better in using, and developing alternative remedies for the problems.
- (v) **Critical thinking:** This is the capacity to evaluate data neutrally, consider various viewpoints, and draw logical conclusions free of prejudice or emotion. It also encourages your staff to "think outside the box."



2.6.3 Technical Skills Training

Technical skills are the specialised knowledge and proficiency needed to carry out particular duties and make use of particular tools and programmes in practical settings. Technical skills, also known as hard skills, are the application of your practical information to tasks. Benefits of providing technical skill training:

- (a) **Equip employees:** Imparting technical skill training to employees equip them with the latest tools and up to date information about the industry.
- (b) **Increases confidence among employees:** Job satisfaction and participation can rise when workers are able to keep up with the most recent skill requirements of their positions. This is because confident workers are more likely to execute their duties with high quality.
- (c) **Timely deliveries:** When an employee is equipped with latest tools and know its correct usage, the task is tend to complete on time with quality.
- (d) **Increased productivity:** Imparting technical training to employees not only enhances employees work quality but also increases their productivity. In less time more tasks are achieved.

Types of technical skills that are in demand:

- (i) **Data analytics:** Discovering hidden patterns, unseen trends, finding correlations, and gaining insightful knowledge from big datasets are all part of the process of data analytics, which is used to make business predictions. Your company runs more quickly and effectively as a result.
- (ii) **Cybersecurity Skills:** You could assist in defending a company's networks from cyberattacks and looking into real security breaches if you have these and other technical skills in cybersecurity.
- (iii) **Social Media Management:** Social media management is the process of researching target audiences on social media, coming up with a strategy that works for them, producing and distributing content for social media profiles, keeping an eye on online discussions,



working with influencers, and doing volunteer work. It is a very popular skill in today's scenario.

(iv) Programming Languages: They are a type of written language that instructs machines on what to do. Any aspiring programmer should be acquainted with popular programming languages like HTML, CSS, and JavaScript.

(v) Financial Tools: You could assist a business track its financial performance and remain up to date on investment regulations and policies by using these and other financial technical skills and tools.

There are many more technical skills that are being imparted on a regular basis to the employees. Some of them are listed here and many more are coming up daily. It is the duty of the personnel department to identify these skills and impart them to the employees. These skills can definitely earn the company a feeling of competitive advantage over the competitors.

2.6.4 Product and Service Training

A learning programme called “product knowledge training” contains all the details about your products or services that trainees need to be familiar with in order to do their jobs well. Product training can concentrate on a variety of topics, have a variety of learning objectives, and help the company in a variety of ways depending on the roles and responsibilities of the participants. Benefits of giving product and service training:

- (i) Easy customization:** Having a full knowledge about the product and service helps the employee to create customizations easily as they are trained to do so when a customer demands about customized products.
- (ii) Upcoming technology and updates:** Products and services are seeing innovations every day. With proper training employees tend to have proper and timely information about these innovations.
- (iii) Enhanced knowledge of the product and service:** Training helps employees to have an enhanced and detailed knowledge about the products and services offered by the organisation.
- (iv) Creation of loyal customers:** When employees are well informed about products and services offered by the firm, they have answer to



all the queries asked by the customers. When customers get timely responses and answers to their queries, they tend to become loyal to the organisation and its products.

2.6.5 Quality Training

An excellent, thorough training program gives staff members a better understanding of the goals, methods, and policies of your company. Also, it equips individuals with the information and abilities necessary for them to perform their jobs well. Businesses that care about giving customers the most value for their money are preferred by the public to work with and conduct business with. By providing quality management training, organisations earn the following benefits:

- (a) **More focus on the customer:** Staff members will have a better grasp of what customers need, a delighted customer might serve as an unofficial brand spokesman, enhancing the company's toughness, prosperity, and stability. Therefore, employees are imparted with this training.
- (b) **Waste minimisation:** Employees' focus on quality will rise once they are engaged in quality management training programs, this contributes to lowering waste and errors, boosting profit margins, and driving growth.
- (c) **Better quality:** Errors can be decreased with the assistance of an effective quality management training programme. When you develop a habit of making fewer mistakes in the beginning, proficiency and customer satisfaction rise.

IN-TEXT QUESTIONS

11. When a company employs an outside provider to handle all of its learning and development activities or processes, that arrangement is known as _____.
12. Learning programming languages and data analytics is a form of soft skill training. (True/False)



13. Onboarding's primary objectives are to familiarize new employees with the company and give them the relevant information necessary for their positions. (Yes/No)

2.7 Summary

Training is a planned programme designed to improve performance and to bring about measurable changes in knowledge, skills, attitude and social behaviour of employees. Scope of training has expanded to different areas covering soft skills training, technical skills training, quality management training, products and services training etc.

Hands-on training means direct practical experience in the operation or functioning of a skill or task and involves active participation by a student it has many benefits including imparting of practical knowledge, seems more engaging and creates highly confident workforce.

Similarly e-learning is another popular concept, it means imparting knowledge electronically. It is highly flexible and time saving for employees. Shadowing is a form of on-the-job training where a worker picks up knowledge from a more experienced co-worker by imitating and watching them. It can be a very effective training method because it allows one individual to learn from another.

We have also discussed about management development program which is a programme of training and planned personal development purporting to prepare and aid managers in their present and future jobs. When an organisation gets its employees trained by an outside agency, it is called training process outsourcing it has many benefits for the employees and the organisation both. It includes activities like strategy development, learning administrative tasks, monitoring the learning and measurement of the results.

2.8 Answers to In-Text Questions

1. Shadowing
2. True



Notes

3. (d) Requires a device to access
4. Hands-on training
5. True
6. Management development program
7. True
8. (d) Creates confusion
9. False
10. False
11. Training process outsourcing
12. False
13. Yes

2.9 Self-Assessment Questions

1. What are the new methods of training and development in today's scenario?
2. What do you mean by 'e-learning'? Discuss its advantages and disadvantages for the employees.
3. Explain the concept of shadowing and discuss its benefits for the employees?
4. Explain the concept of management development programmes? List its characteristics and benefits for the employees and management.
5. What are the steps involved in formation of management development program?
6. Define the concept and benefits of training process outsourcing?
7. What do you mean by training? Discuss how scope of training has evolved during the recent years?
8. Write short notes on the following:
 - (a) Hands-on training
 - (b) Quality management training



(c) Soft skills

(d) Technical skills training

9. Differentiate between soft skills training and hard skills training. How according to you training has evolved in the recent times? Which one from these is more important for a startup?

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UNIT - IV



Performance Appraisal

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STRUCTURE

- 1.1 *Learning Objectives*
- 1.2 *Introduction*
- 1.3 *Overview of Performance Appraisal*
- 1.4 *Summary*
- 1.5 *Answers to In-Text Questions*
- 1.6 *Self-Assessment Questions*
- 1.7 *References*

1.1 Learning Objectives

- ◆ To create a competitive compensation plan aligning with the job market.
- ◆ To evaluate the company budget.
- ◆ To analyze the behaviour of individuals.
- ◆ To apply validating objectives using the SMART principle.
- ◆ To understand the employees output and increase their full potential.
- ◆ To remember the performance management system.

The evaluation system is a tool for appraising an employee's job performance. Reviewing is a prolonged process that entails gathering, investigating, evaluating, and documenting information about an employee's real value.

The foremost purpose of performance assessment is to quantify and boost employee productivity so as to boost their future prospects and value to the business. Other aspirations include formative assessment, enhancing communication, identifying training needs, articulating roles and responsibilities, and determining how to disseminate rewards.



HR leaders act as a catalyst in forming compensation plans that meet the needs and desires of employees while also keeping in sync with the company's vision. Maintaining excellent pay can escort to an improvement in Engagement, Retention, and Productivity.

Companies that would provide competitive and life-enhancing compensation can increase workplace motivation and improve work performance, resulting in greater company success.

1.2 Introduction

◆ *Meaning of Performance Appraisal:*

Performance appraisal is the critical examination of employees' effectiveness and recognition of a person's abilities for future growth and development. Performance analysis is typically carried out in the following ways:

1. Supervisors evaluate employee pay and compare it to targets and plans.
2. The supervisor explores the factors that determine employees' work performance.
3. Employers are in a position to motivate and inspire employees to improve their performance.

Performance in connection to the job's specified criteria. It involves a subjective statement of the employee's strengths and limitations, relative worth to the company, and the likelihood of future advancement.

The assessment of an employee's job-related achievement with the intention in mind of enhancing the individual's performance is recognized as performance management. It also serves as justification for determining an employee's pay and advancement opportunities.

The judgment is a process, whereas performance supervision is a system. In contrast to appraisals, which is dependent upon fixed metrics, performance management takes a pragmatic approach. Management of performance is a strategic solution or tool. Performance evaluation is a tactical solution or tool.



1.3 Overview of Performance Appraisal

1.3.1 Nature, Objectives and Process

◆ Nature of Performance Appraisal:

The evaluation system serves three primary purposes:

1. To provide valuable input on every employee's skill.
2. To provide a foundation for modifying or changing behaviour patterns toward more productive work habits.
3. To provide managers with information to assist them while determining on future job assignments and compensation.

◆ Objectives of Employee Appraisal:

Performance appraisal can be conducted with the following goals in mind:

1. To keep track so as to establish salaries and bonuses, pay structure, annual bonuses, and so on.
2. To identify employees' quality and weak point such that they place the right men at the accurate jobs.
3. To preserve and evaluate a human's potential for development and advancement.
4. To assists workforce with suggestions on their performance and related status.
5. It sets the stage for influencing employees' working habits.
6. To analyze and maintain advertising and other skills training.

◆ Advantages of Annual Reviews:

Annual reviewing is an effective assessment structure in a corporation's opportunity to invest in such a way that it can be substantiated by the numerous advantages:

1. **Advancement:** The appraisal system aids supervisors in constructing promotion activities for efficiently and effectively as possible. In this regard, inefficient employees may be dismissed or demoted.
2. **Remuneration:** Performance appraisal aids in the growth of worker compensation packages. Performance assessment allows for job



evaluation. Performance appraisal makes an attempt to allocate financial value for its effective output. Performance-based compensation packages include bonuses, maximum wage, worker profit, allowances, and prerequisites. Merit should be favoured and laced above white seniority.

3. **Employee Development:** The methodical process of performance assessment supports supervisors in creating training programs and policies. It aims to assist in evaluating workers' shortcomings and strengths in order to develop new job opportunities for competent work. It also aids in the planning of future production schemes.
4. **Selection Validation:** Job evaluation administration and compliance in recognizing the authenticity and relevance of the collection method. Supervisors gain knowledge about the truthfulness and thus the advantages and disadvantages of the selection method. Adjustments to selection methods could be ready in the upcoming period of time.
5. **Communication:** Employer and worker interaction must be effective for an entire organisation. Communication can be sought through performance appraisal in the following ways:
 - (a) Employers can comprehend and accept subordinates' skills throughout performance evaluation parameter.
 - (b) Subordinates to recognize and inculcate superiors' assurance and faith.
 - (c) It aids in the maintenance of cordial and amicable labour-management relations.
 - (d) It fosters positive job atmosphere thereby boosting employee morale.

These aforementioned factors contribute to valuable statement.

6. **Inspiration:** Performance review can be utilized to encourage workers. If goals are met, a person's effectiveness can be assessed by evaluating their performance. This efficiently and successfully encourages an individual to do a pretty good job and supports him in enhancing his performance over time.



◆ **Process of Performance review:**

1. **Setting performance benchmarks:** The very first stage in performance review is to create the benchmarks that will be utilized to draw comparisons staff members' actual performance.

Setting the yardstick for assessing employee productivity as either successful or else ineffective. This will help in determining the degrees of contribution to organizational goals, is needed in this step. The standards recognized are meant to be clear, understandable, and measurable.

If the employee's performance cannot be evaluated, the benchmarks must be made explicit.



Figure 1.1: Process of Performance review

2. **The dissemination of norms:** Once established, its management's responsibility to share information the benchmarks to all employees of the organization. Employees must be informed, and the standards must be clearly explained to them. Eventually it will lend a hand them in understanding their roles and what is expected of them. The standards should also be communicated to appraisers or evaluators, and if necessary, the standards can be modified at this stage based on relevant employee feedback or evaluators.



3. **Actual performance evaluation:** The trickiest aspect of the evaluation process is attempting to determine the performance of the employee, which refers to the staff members' final release over the period of time specified. It is a currently underway method that involves performance tracking all year long. This stage typically requires the cautious selection of suitable monitoring systems, guaranteeing that biasness does not affect the findings.
4. **Actual performance versus expected outcome:** True performance is assessed in contrast to preferred or level of performance. The comparison reveals distinctions in job performance from the accepted rules. The consequence may appear to suggest that performance level is higher than desired performance or that current results is lower than desired performance, indicating a critical deviation in organizational performance. It entails recalling, evaluating, and analyzing employee performance data.
5. **Discussing results [Feedback]:** The evaluation outcomes are communicated by debating with employees one-on-one. This conversation focuses on interaction and listening. The outcomes, problems, and potential solutions are now being discussed with the goal of conflict resolution and reaching consensus. Positive feedback must be given with a favourable feeling since it may impact the workers' future results. Management staff' job evaluation input ought to be beneficial in fixing problems made by employees and encourage them to do better, rather than disheartening them. If the assignment of supplying constructive feedback is not treated carefully, emotional outbursts can happen. Staff members should often be trained prior to actually soliciting feedback.

1.3.2 Performance Management

Performance appraisal is a commercial tool that enables managers to track and assess the work done by their staff. The objective of actual supervision is to foster a setting where individuals can conduct themselves towards the finest of their potential and deliver the work of the highest calibre in the most efficient and effective manner:



1. Achievement frameworks assist participants in conducting to the highest level possible and generating the superior work in the most effective and efficient way.
2. The quality management commandment is to perceive folks within the context of the overall workplace system.
3. The performance approach involves accountability and transparency while inspiring clear expectations.

1.3.3 Methods of Performance Management

Conventional methods for quality management involve creating and evaluating aims, expectations, and deliverables. They also want to define what effective performance looks like and create processes for measuring it. Performance management, as opposed to the traditional model of year-end reviews, perspectives every communication with an employee as an opportunity to learn.

Every employee in a company desires to progress in terms of social status, funds, and abilities. Over the last century, businesses have recognized the value of having a system for performance evaluation for marketing and remuneration decision making. However, most companies and staff are discontented with annually assessment methods.

It is believed that 45% of HR managers believe yearly review sites do not provide an accurate picture of an appraisal.

There are five modern methods of appraisal system that can be employed to create a more genuine and truthful system for performance evaluation:

- ◆ Management Based on Objectives (MBO)
- ◆ Method of 360-Degree Feedback
- ◆ Assessment Center Method
- ◆ Method of Accounting for Human Resources
- ◆ Behaviourally Anchored Rating Scale (BARS) Method

These methods are effective in evaluating the qualitative and quantitative aspects of an individual's performance. These methods should be implemented being a part of your digital system of performance management to ensure



a higher rate of success and derive maximum benefits. There are five modern methods of appraisal system that can be employed to create a more genuine and truthful system for performance evaluation:

Modern Performance Appraisal Methods:

1. Management by Objectives (MBO)

Managers and employees work together to determine strategy, arrange, and interact targets in this technique. The SMART (Specific, Measurable, Achievable, Realistic, and Time-sensitive) method is utilized to verify targets for a specific evaluation period. After establishing specific goals, managers and employees meet on a regular basis to discuss the feasibility of achieving those objectives and the progress made. These progress indicators aid in analyzing an employee's contributions towards the end of review period. Success is recognized with appraisals such as salary increases or promotions, whereas others are re-evaluated for additional training.

With constant interaction between manager and employee, success is measured on tangible and measurable goals. But in such a scenario, Intangible factors such as interpersonal skills are not taken into account. The MBO concept is suitable for various sizes of businesses wherein evaluation for 360-Degree Feedback Method is adopted.

360-Degree level of opinion is gaining popularity as a multi-dimensional method of performance evaluation. The technique concentrates on collecting input from each individual whom an employee comes into contact, such as managers, customers, peers, and so on. When data is gathered from multiple sources, the possibility of a manager's bias influencing an appraisal which is being eliminated. Furthermore, it leads to a clearer picture of the employee's work competence.

Businesses recognize that in order to stay motivated and engaged, employees seek impartial and objective feedback on their performance. A continuous 360-degree digital feedback method provides the employee with additional channels of feedback. The objective evaluation is regarded as fair and encourages employees to boost their performance in illumination of the appraisal. In fact, managers improve the profitability by 8.9%.



2. Assessment Center Method

The assessment center concept, initially launched by the German Army in the 1930s, has been modernized to fit the current business environment. Employees are evaluated based on their performance in social-stimulating activities such as position, judgments, conversations, and so on. Employee performance is examined in order to identify future leaders and managers.

The Assessment Center Method's effectiveness enables employees to gain a clear portrait of their own effectiveness as well as how others perceive them. These exercises can also demonstrate the influence of other cultures and nationalities on their performance. It is simpler to assess an employee's actual performance and predicting future performance.

This method can be tailored to meet a specific requirement, position, placement, or goals, and it can focus on providing insight into an employee's public persona. But many a times it can be time-consuming and costly activity. It is generally suitable for producers; service providers, academic facilities, and consulting firms. Evaluations are employed by Philips and Microsoft so as to recognize leaders of tomorrow in their institutions.

3. Human Resource Accounting Method

It is used to assess an employee's score dependent upon economic rewards they receive from the organization. It is also known as the Human Capital Cost Accounting Method. This means that such an employee's performance is assessed against the salary and other benefits provided by the company.

The expense of retaining an employee in terms of their contributions is calculated to determine the employee's cost to the organization. This method of performance assessment takes into account factors like work quality, overhead expenses, component average service value, communication skills, and so on. The objective is to see how the efforts compare in terms of cost (recruiting and selection, employing, mentoring, and improvement) to the organization. The company ascertains employees using this method based on the expense to the company.



The valuation an employee brings to the organisation can be effectively measured but there are no clear requirements for calculating the cost and value of an employee. It may vary based on the evaluator. Thus, it is ideal for Small and medium-sized businesses in which each employee's contribution are crucial to the company.

4. Behaviourally Anchored Rating Scale (BARS)

Both the qualitative and quantitative aspects of an employee are assessed in these modern techniques of performance appraisal. BARS compare an employee's performance to specific behavioural examples that are rated numerically. BARS have a set of pre-determined standards known as BARS statements that are based on an employee's role and job level. These statements serve as yardsticks for assessing performance at each BARS scale level.

BARS sets up typical workplace behaviours based on a job role and evaluates an employee's performance in relation to these established standards. The appropriate results of an employee in any given situation (critical incidents) are measured. BARS-based performance appraisal yields more accurate and unbiased results.

Thus, BARS establish clear standards and delivers accurate and consistent results.

Organizations comprehend the importance of providing staff with performance reviews. However, it sometimes ignores the fact that employees are also people who need guidance to stay motivated and improve. Performance evaluation will become more human-centered in the coming years. That means the human aspect of the manager-employee relationship will be prioritized.

A forward-thinking approach to your performance management system and performance appraisal can aid in the conception of a proactive working environment. Staff members will be more satisfied with their work if you take a more realistic and human approach to evaluating their performance. An employee satisfaction makes a significant contribution to the business survival by operating to the highest level possible.



1.3.4 *Potential Appraisal*

Potential appraisal is a future-oriented appraisal with the primary goal of determining and assessing employees' potential to presume higher positions and duties in the organization chart.

A highly promising appraisal system should allow every employee to know the outcomes of the assessment. The identification of a person's hidden talents and skills is referred to as potential appraisal. The person may or may not be aware of them. To put it simply, performance appraisal is a guess of how well an employee conducted, whereas potential appraisal is an estimate of how well he might perform.

Techniques of potential appraisal:–

- ◆ Self-appraisals.
- ◆ Peer appraisals.
- ◆ Superior appraisals.
- ◆ MBO.
- ◆ Psychological and psychometric tests.
- ◆ Management games like role playing.
- ◆ Leadership exercises etc.

Potential appraisal is a component of performance evaluation that aides in recognizing individuals' hidden talents and potential. Identifying these human potential assists individuals in preparing for greater positions and stances in the future.

1.3.5 *Employee Counselling*

Employee counselling: all you need to know. Employee counselling is an integral part of annual reviews and potential evaluations if they want to achieve their real purpose of aiding employees in growing and developing.

Employees may be even more displeased after counselling if not been handled carefully and sensitively. Employee guidance is a technique of understanding and trying to assist individuals who are starting to experience technological, individual, and sentimental adjustment issues that are meddling with their job performance.

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“Employee consultation involves a debate of an emotional issue with an employee with the overall goal of decreasing it”, says Keith Davis.

Employee Counseling: An Overview:

In today’s modern highly complex environment, HR consultation has become a vital responsibility of HR managers, as counselling plays a crucial role in a assortment of the job.

Thus a nostalgic moral dilemma might have resulted from the employee’s dysfunction as a result of personal attributes. The nature of the job, the nature of supervision, an emotionless work group, conflict, and others are a few of the constructs that may be causing this mental instability.

Personal factors may include the employee’s personal and family life, unwelcome events in his family life, inability to meet job requirements. All of these factors contribute to emotional maladjustment, and if its not addressed through proper counselling, the employee may exhibit signs of dissatisfaction, which is detrimental to both the organization and the employee.

There may be instances in an institution when, despite having everything in order, an employee does not accomplish it well. This continues to pose serious dangers. An individual who does the work but does not perform well is a liability to the organization. Counselling is the most effective and proven method of dealing with these types of issues. Counselling has numerous advantages. It not only encourages good employee performance but also addresses the underlying causes of poor and marginal performance.

Employee guidance is the most essential tool for a manager who wants to enhance an employee’s behaviour and performance. If glitches remain despite feedback and coaching, two other important tools with a manager, counselling may be required.

Counselling is positive and constructive, focusing on the problem rather than the employee. Counselling is a formal, face-to-face conversation between a supervisor and an employee about behaviour and performance. It is an effective way for a manager to have a positive impact on employee performance.

A successful counsellor must meet specific criteria. The first and most important requirement is that he or she be approachable and have good interpersonal and communication skills. Should have a genuine desire



to help others and an open mind, as well as a flexible and challenging attitude.

Employee counselling takes place as part of a supportive process in which the psychologist and the staff collaborate to solve a problem, change behaviour, or promote personal growth and awareness. The therapeutic relationships confidential and not reciprocal. The focus of a counsellor is to offer support and encouragement to the employee.

It is based on the assumption that if an employee is properly counselled by skilled managers, his or her performance will improve. Employee consultation is defined as working to assist poor or underperforming employees improve, so having an effective and well-documented counselling curriculum is critical for two reasons: first, to improve performance, and second, to serve as support and possible evidence for subsequent termination if the employee fails to improve.

Employee counselling is a vital part of performance review and potential appraisal, if these are to achieve their basic purpose of helping employees to improve and develop. Unless carefully and sensitively handled, employees may become more dissatisfied after the counselling than before.

Counselling is described as the help provided by the manager so as to manage the subordinates in analyzing their performance and other behaviours at the workplace, such that the performance is enhanced. Counselling is also used sometimes as a part of coaching and reviewing one's performance. Such a review identifies not only the potential for development but also the training needs for further improvements.

Employee counselling is a method of understanding and assisting individuals who are beginning to experience technical, personal, and emotional adjustment issues that are interfering with their job performance. An employee's personal adjustment is frequently improved when he is able to obtain the information he necessitates to reach an intelligent solution to his problems or when he is able to express his feelings without fear of retaliation. Counselling is a sophisticated form of communication in which efforts are made to maintain favorable perceptions.

Counselling, in this sense, has been practiced in some manner or another since the dawn of time. Psychotherapy is essential in any field that involves dealing with people. The psychoanalytic method is the basis of



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counselling as a scientific process. Though counselling in the circumstance of employment is different from counselling in a therapeutic setting, what is commonly applicable to both is a strong relationship between the client and the counsellor by developing and expressing attitudes of congruence, acceptance and empathy by the counsellor. These attitudes must have been experienced by a client and he be obliged to feel that he is psychologically well received by the counsellor.

The counselling activity in industries may be said to have emerged from the founding stages of the human relations movement when the Hawthorn Plant of the Western Electric Company in Chicago installed a personnel counselling programme that utilized special rules for interviewing derived from the need of eliciting from the employees matters of emotional significance to them.

Since then, counselling in industries has been playing a key role of special assistance in alleviating attitudes that are detrimental to mutually the individual and the organization. At present, counselling in industries can be thought of as a type of interview in which attention is paid attention towards the individual's feelings and attitudes towards a problem area and in which an attempt is made to lend a hand to the person to reach a satisfactory solution to his problem.

Counselling in industries is an extraordinary method of finding a solution to the given problem which adopts the perspective that individuals can think well when they think aloud with someone else who will question their thoughts, facilitate them to clarify their thoughts and help to start the procedure of generating solutions or managing situations more effectively.

Counselling is a two dimensional approach wherein a psychologist offers assistance and direction to workforce. There are numerous instances in the workplace when an employee considers the desire for advice and assistance. The term 'consultation' refers to the aid given by a higher authority to an underling in order to enhance the other's achievement.

It is a mechanism that assists the workforce in better adjusting to his work environment in order to behave as a mentally and emotionally thoughtful person, as well as in gaining a greater understanding with others in order for his dealings with them to be efficacious and deliberate. Thus, the primary goal of counselling is the employee's overall advancement.



According to Keith Davis – Employee counselling involves a discussion of an emotional problem faced by an individual with the general objective of decreasing it.

This definition has three concepts:

- (i) Counselling deals with emotional problems.
- (ii) Counselling involves discussion *i.e.*, it is an act of communication. Successful counselling depends on communication skills, primarily face-to-face, by which one person's emotions can be shared with another.
- (iii) The general objective of counselling is to understand and/or decrease an employee's emotional disorder. If two individuals merely discuss an emotional problem of either of them, a social relationship may be established, but hardly a counselling one, because intent is not there. For counselling to exist, an employee must be seeking an understanding or help and/or the other (known as a counsellor) must be offering it.

Need for Employee Counselling:

Employees undergo tremendous stress of completing the targets, work-load, meeting deadlines, relations with subordinates or colleagues, work-life balance, lack of time and higher responsibility.

Therefore, following are the reasons as to why there should be counselling at work places:

1. It is necessary for staff members to escape the troubles, which offers a fresh way to deal with the issues.
2. The employees need to know as to what further worries the company has about the worker.
3. A need to identify the workplace issues and ineffective results.
4. There is a need to increase the productivity of employee and the confidence about the work.

Objectives of Employee Counselling:

The main agenda behind employee counselling is a multi-dimensional approach and all concerned parties are to be benefitted due to employees counselling. The parties involved in benefits from employee counselling

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are employee, family member, peers, subordinates, seniors, organization and society as a whole.

Due to this the popularity of employee counselling is increasing day-by-day in corporate section and mainly in medium and large sizes of organizations. The role of employee counselling in future will be more important.

The logic behind counselling could be stated as follows:

- (i) Counselling is a two-person exchange of ideas and feelings.
- (ii) It is involved with both individual and professional issues.
- (iii) Counselling can be executed by both experts and non-specialists.
- (iv) Counselling is typically kept confidentially in order to make room for open conversations and debates.
- (v) It aims to improve organisation effectiveness by providing employees in resolving issues.

In an organizational setup, the trusting connection with supervisors is known as a dynamic relationship but the dyad need not always be the subordinate's supervisor. He/she may be his/her mentor with whom the subordinate has developed a gullible connect which nurture, support, and guide him/her.

Mentoring is defined as sentimental assistance and direction supplied by a senior person to a younger person known as a protege. Counselling and mentorship both involve an experienced member offering assistance and guidance to a younger person.

The three basic ingredients of the process are:

- (i) Communication
- (ii) Empowering
- (iii) Serving.

Receiving messages (listening), sending messages (responding), and providing feedback are all part of communication. All of this is done by the counsellor or mentor. The process of enabling allows the other person to exercise more autonomy by providing positive reinforcement so that the desired behaviour is enhanced further and by fostering an environment in which the person can learn from the mentor's behaviour. Finally, helping



entails identifying the formative requirements of the person being advised so that he or she can develop and increase his or her efficacy.

1.3.6 Job Transfer and Promotion

When substantive, measurable changes occur in responsibilities, a job review is in order. Reviews are handled at the local level through the HR office and may be requested by a supervisor, HR officer, or an employee. Once the request is submitted to HR, decisions are typically made within a reasonably short time period. In most cases, a salary increase is granted when a person is reclassified to a higher grade.

The motion of a worker from one task to another is referred to as a transfer. “A transfer involves a change of job without any significant increase in responsibility or income, and a promotion involves a change in which a significant increase in responsibility or income occurs”.

Only the working place is changed. Therefore, it refers to the horizontal movement of the workers. Transfer does not involve any drastic change in the responsibilities and status of the employee. Promotion: It refers to the shifting of employees from one job position to the other with a higher level of authority.

A transfer is the shift of a worker from one place to another. A promotion is the advancement of an employee from a lower to a higher level of responsibility. No change in rank, responsibility and salary. Results in increase in rank, responsibility and salary.

“Transfer” means the association of a worker from a site in a job class to a vacant position for which the employee qualifies in the similar or different job class in the same pay grade. A transfer may include a modification in duties, work location, days of work or hours of work.

Whereas, a promotion is situation in which a worker advances to a spot that is classified at a higher salary grade, or in certain circumstances, an acknowledgement of significant greater responsibilities surrounded by the equivalent grade.

A salary increase is typically appropriate at the time of the promotion, based upon an evaluation of relevant experience, performance, relative position in the new salary range, internal equity, and external competitiveness.



IN-TEXT QUESTIONS

- 1. _____ is an objective analysis of an employee’s skill with well defined standards.
 - (a) Assessment
 - (b) Planning of human resources
 - (c) Goal recognition
 - (d) None of the above
- 2. _____ is in connection with performance valuation.
 - (a) Task creation
 - (b) Training and Development
 - (c) Employment Review
 - (d) None of the above
- 3. Performance appraisal is also known as?
 - (a) Production volume
 - (b) Technical skills
 - (c) Employee evaluation
 - (d) None of the above

4. Match the following overall quality evaluation implementations to their particular reasons.

I. Managerial Usage/ Solutions	A. Performance Evaluation
II. Credentials	B. Job cuts
III. Organisational safeguarding/ Objectives	C. Assisting in reaching statutory obligations
IV. Developmental Uses	D. HR system evaluation

- (a) I-C, II-D, III-B, IV-A
 - (b) I-B, II-C, III-D, IV-A
 - (c) I-B, II-C, III-D, IV-D
 - (d) I-A, II-B, III-D, IV-C
5. Which among the following is the primary goal of performance appraisal?



- (a) Productivity
- (b) Job Knowledge
- (c) Employee Evaluation
- (d) None of the above

CASE STUDY

A doctor discharged a staff member who had been working for him for nine months. She then claimed that her civil rights were violated and that she was discriminated against because of her age. She was 46 years old. During an investigation, the doctor was asked to provide copies of her performance evaluations to justify the contention that the discharge was based on her performance, not her age. No performance evaluations had been given to any employees. This claim led to an out of-court settlement.

Considerations:—

The employee had been with the doctor for nine months and had not received a performance appraisal. She claimed that she was not aware that her performance was not satisfactory and was surprised when she was terminated. She alleged that the sole reason for her discharge was her age that the doctor wanted to hire a younger person. The doctor said she had been warned on several occasions, but nothing had been documented.

This is not an isolated incident; such claims are made against doctors every day. What can you do to prevent this from happening?

1.4 Summary

Systems for performance management are utilized to “manage and integrate” each of a organization’s resources so that it can achieve great results and overcome problems caused by individual employees who fail to meet the company’s goals. “The management of output in the organization helps determine the organization’s accomplishment or malfunction to a large extent. As a result, optimizing performance judgment for all human resources should be at the top priorities for modern enterprises”.

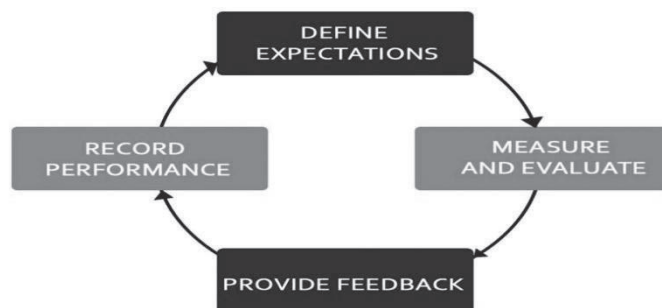


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Performance assessment can be carried out with the following objectives:—

- ◆ To keep duplicates in order to calculate reward systems, pay structure, salary increases, and more.
- ◆ Recognizing employees’ positive attributes and drawbacks in order to place the right men in the right jobs.
- ◆ Preserving and assessing a person’s potential for expansion and development.
- ◆ To provide employees with feedback on their performance and related status.
- ◆ It is the foundation for influencing employees’ working habits.
- ◆ Evaluate and maintain marketing and other training programmes.

COMPONENTS OF PERFORMANCE APPRAISAL



Its so rightly said—

“Performance management involves embracing employees’ strengths and being open to innovative ideas – even ones that change the status quo.”— Steve Jobs, Co-founder, Apple Inc.

1.5 Answers to In-Text Questions

1. (a) Assessment
2. (c) Employment Review
3. (c) Employee evaluation
4. (b) I-B, II-C, III-D, IV-A
5. (b) Job knowledge



1.6 Self-Assessment Questions

1. What do you mean by the term performance appraisal? Define the various components of performance appraisal.
2. What is the difference between job transfer and job promotion? Discuss.
3. Discuss the modern methods of performance appraisal. Which method according to you is the best for startups?
4. What do you mean by potential appraisal?
5. Elaborate four traditional and modern methods of performance appraisal with examples of each.
6. Write short notes on:
 - (a) Potential appraisal
 - (b) Employee counselling
 - (c) Promotion of employee
7. What is meant by performance review? Elaborate the whole process of performance review.

1.7 References

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Compensation

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STRUCTURE

- 2.1 *Learning Objectives*
- 2.2 *Concepts and Policies*
- 2.3 *Base and Supplementary Compensation*
- 2.4 *Individual, Group and Organizational Incentive Plans*
- 2.5 *Fringe Benefits*
- 2.6 *Performance Linked Compensation*
- 2.7 *Employee Stock Option*
- 2.8 *Pay Band Compensation System*
- 2.9 *Job Evaluation*
- 2.10 *Summary*
- 2.11 *Answers to In-Text Questions*
- 2.12 *Self-Assessment Questions*
- 2.13 *References*

2.1 Learning Objectives

- ◆ To create an incentive scheme that aligns with the task at hand.
- ◆ To evaluate the incentive plans.
- ◆ To analyze the behaviour of individuals.
- ◆ To apply a compensation philosophy.
- ◆ To understand the employee feedback mechanism.
- ◆ To remember the job evaluation system.



2.2 Concepts and Policies

The Human Resources department has the task of assisting in the stipulation and creation of a productive environment for all organisation employees that will nurture the accomplishment of the organization's top objectives of research and education through great customer delivery. Furthermore, Human Resources promotes the opportunity for employees to accomplish their full potential and maintain a high standard through the administration and explanation of corporate policies and procedures, applicable federal and provincial legislation, and participation in the administration and delivery of personal and professional growth programmes.

This responsibility starts by concentrating on excellent employee relations. The Manager, Salary Presidency is expected to establish and maintain positive working relationships with all employee groups on campus, which contributes to a favourable work environment.

Compensation is a technique of providing monetary compensation to staff in lieu of the work done. Compensation can be utilized to help with talent acquisition, work performance, and job involvement. Compensation and benefits are crucial aspects of human resources. Earnings along with paychecks are descriptions of reimbursement, so although benefits include things like group medical insurance, layoff and allowance. Benefits and compensation plays an essential part due to their ability to hire and keep talented employees.

Remuneration is generally described as a financial payment made to a person in lieu of their services. Workers earning their compensation in the place of work. It includes salaries or wages, expenses, rewards or perks along with the position of an individual.

Compensation is the oversight of the various types of compensation that an organisation provides. Compensation managers or business owners are quite often held accountable for this. There are four major types. Straightforward pay, employee compensation, incentive compensation, and assistance programs are instances of these. It is essential that organizations understand not only how each type operates. They should also understand why it is critical to communicate with employees about pay.

Compensation management is a systematic discipline that entails adjusting the task relationship through providing employees to monetary and non-

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monetary benefits. Rewards, dividends, bonus pay, goal is to convey, and commission based are all some of the examples in case of compensation. Non-quantifiable benefits to name a few business car, business habitation, and some convertible preferred shares can also be built-in within reparation. Employee productivity and organization performance are aided by compensation.

An ideal remuneration system will have a beneficial effect on the professionalism and outcomes. It will encourage employees to work harder and encounter the established standards. Workers' trust, performance, and partnership will enhance as a result of compensation. Workers will be pleased if you are just and fair. A good compensation and incentives system brings harmonious relationship to the manager-employee relationship; cooperation focuses primarily on financial compensation.

An ideal compensation system guarantees that staff is satisfied and content. This reduces worker turnover. Thus, the organisation achieves market stability.

If the industry has a talented, skillful, and pleased workforce, it can devise a compensation strategy and thrive. An effective compensation system is an indication of an organization's prosperity and wealth.

Compensation has been a key problem for both the employee and the employer.

This is due to the fact that money is a significant motivator and is directly or indirectly related to satisfaction of all social beings. Staff members sell their hands and intelligence to meet their basic needs, while employers hire them to achieve organisational goals. As a consequence, the perspectives of the employer and the employee on recompense differ. Because of the total operating costs, effective compensation management becomes critical from a cost standpoint alone. Another point of view from an employer is to evaluate its impact on a wide range of employees' perceptions, behaviour patterns, and, finally, its potency on organisational effectiveness. Compensation has a direct impact on key outcomes such as employee satisfaction, appeal, retainment, achievement, competence, partnership, and versatility, among others.

The compensation policy outlines the particulars of the compensation components in the institution, which of them are used, and the circumstances



in which the remuneration element can be used in the workers' specific situation. Many compensation elements are used by each institution and must be described. Employees are driven to show up to work if they are fully compensated. Their morale still seems to be high, and their employee satisfaction is rising. High morale guarantees that employees are motivated enough to come to work each day and perform their finest work.

Since reimbursement elements are utilized by one and all institutions and hence ought to be characterized. The reimbursement strategy describes the essential layout of compensation, the way they are calculated, who seems to be suitable for usage, and the endorsement method.

The compensation course of action is the browsed and debated in-house policies as a part of organisation since it specifies a person's salary. Every single employee is involved with the remuneration package along with forthcoming overall amount accessible within an organization. The compensation document is the principal means to gain insights on compensation mechanism and means to achieve maximum ready money.

The compensation policy is the fundamental document that drives the specific details of the organization's compensation practices. Whereas the reward policy generates the companies' reputed level of remuneration goals, the remuneration guideline talks about precise details of the individual components of compensation, followed by behavioural patterns, individual's involvement in the organization's payment system.

Compensation Policy: The way it is linked to other HR Elements:

- ◆ Compensation Strategy
- ◆ Recruitment Policy
- ◆ Performance Management
- ◆ Talent Management
- ◆ Employee Segmentation
- ◆ HR Operations
- ◆ Corporate Culture
- ◆ Business Partnering

Employee effort and achievement are inspired by compensation policies since staff is responsible for finding out the brainiest and quickest means to earn the most funds with the least quantity of individual



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performance. The incentive policy must be crafted in such a way that potential counter measures and violent behaviour are managed to avoid. The compensation policy has to be straight forward, as well as provide only one interpretation. It is crucial that managers and staff are evident about the remuneration component and comprehend the terms that pertain to the authorization of the specific compensation component.

Key principles of Modern Compensation Policy

- ◆ Engaging Processes
- ◆ Self Explanatory
- ◆ Freedom to Act
- ◆ Simple Language
- ◆ Clear guidelines
- ◆ Appealing procedure

The policy must cover all remuneration elements used in the organisation as it actually impacts large population. The extraordinary supervisory element methods can be referred to the overall pay structure, but individuals ought not to be kept under wraps. Coworkers could indeed rely on a compensation policy that does not specify all components of pay.





2.3 Base and Supplementary Compensation

Remuneration entails a variety of both monetary and non-monetary bonuses offered to staff in exchange for their services to the organisation. It is paid in the form of salaries, wage, and other benefits such as vacations, maternity leave, medical coverage, and so on. Compensation aids in employee motivation and reduces labour turnover.

Base compensation comprised of financial benefits offered to employees in the form of salaries and wages. It attempts to compensate employees for their efforts. Staff is typically paid on an hourly, daily, weekly, or monthly basis. Wage, on the other hand, is the compensation given to office workers. Wages can be calculated based on the number of units produced (piece wage system) or the amount of time worked (time wage system). However, salary is always resolute by the amount of time spent on the job. When judging the company's outcome is challenging, remuneration is paid in the form of a salary.

2.4 Individual, Group and Organizational Incentive Plans

Reward system concentrate on the best performers who accomplish individual goals, so although team incentives help to remunerate performance of the organization. Individual and collaborative benefits occur may be used in tandem. Participants in a blended rewards arrangement will still be paid fairly for their contributions.

A group incentive plan is centered on the collective achievement of a group, whereas an individual incentive plan is based on the success of individuals. Individual incentive plans of this type reward individuals for their performance regardless of the success (or failure) of their department or team all together.

Individual Incentive Plan: Individual incentive plans are emphasizes the value which has been linked to the individual performance of the employees. These plans are created for a specific group of employees. Generally, a certain pay rate is assured under this plan, and the incentives represent extra compensation.



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Individual wage incentive plans might include three types of personnel. They are blue-collar workers, white-collar workers such as sales representatives, and management staff. All of these employee categories have various needs; vary in certification and kind of work, resulting in distinct plans designed for each other.

An incentive programme is a strategy for encouraging individual or group achievement. A reward system consists primarily of cash incentives, *i.e.*, reward wage, but it could encompass non-monetary benefits.

Incentives are variable rewards given based on the level of achievement in case of specific results. Incentives include compensation for achievement and payment based on outcomes.

To put it another way, a motivation programme must incorporate elements of both time related and achievement-based salary payment system.

Basic Pay-for-performance Plans

Type of Plan	Description	Incentive Linked to Individual Performance?
Individual Incentives	Incentives based on individual performance	Yes
Group Incentives	Incentives based on group performance	Yes, but the extent depends upon group size and the disbursement method.
Gainsharing	Incentives based on the performance of an organizational unit	No, but some exceptions exist depending upon the measure and size of the unit.
Profit Sharing	Incentives based on the profits of the organization	No



2.5 Fringe Benefits

Fringe benefits belong to a category of additional benefits supplied to an employee in addition to their basic pay for completing a particular category of service. A few ancillary benefits, such as social security and health coverage, are mandated by law, whereas others are offered by the employer willingly and knowingly. Medical insurance, workers' remuneration, pension plans, and medical and family leave are just a few common examples of fringe benefits. Paid holiday, meal incentives, public transport benefits, and other less common fringe benefits may be available.

A fringe benefit is an incentive received by an employee in lieu of their regular wage. It may include a number of benefits, such as: Health coverage, meals were being subsidized, corporate phone or laptop.

While companies may involve several fringe benefits for all members of the team, they can also be promised as bonuses to specific individuals. Benefits may be provided by employers based on your sector or the corporation itself. For example, if you are employed at a restaurant, you will be given complimentary meals. Collaborating at an athletic centre may entitle you to free fitness classes.

Different types of fringe benefits:–

- ◆ **Stock Options:** Stock options provide employees with an ownership stake in the company. Beneficiaries can purchase stock at a set price and financial gains as the company grows in value.
- ◆ **Free or Discounted Meals:** As a perk, employers may provide free or discounted meals. This could include designed to cater meals, coffee, or food discounts from the company.
- ◆ **Free or Discounted Gym Memberships:** If you work in an athletic store, free or discounted gym subscriptions may be a popular fringe benefit. If your company has an in-house fitness centre, you may be able to use it for free.
- ◆ If you commute to work, your employer may provide transportation aid, such as repayment for buses, railways, car parks, or fuel. If your work entails lots of travel, your employer may provide direct exposure to a commercial vehicle.



- ◆ **Tuition Reduction or Advice:** Some employers may offer tuition reduction or assistance to help you pay for your course fees. Employers benefit from advanced degrees because they enhance team members' skill sets and the quality of their output.
- ◆ **Life, Dental, and Vision Insurance:** Some employers offer various types of coverage to their employees. The kinds of insurance and coverage plans available may differ to meet the requirements of various team members.
- ◆ **Daycare Reimbursement:** Some employers will reimburse for some or all of your childcare expenses while you are at job. Others provide on-site care for children.
- ◆ While some employers provide a set number of PTO (Paid Time Off) days, others provide unlimited PTO days to team members who consistently meet management performance objectives.
- ◆ **Subsidized Amusement Park Tickets:** Staff members who enjoy touring various amusement parks with friends or family will appreciate this fringe benefit. This is an outstanding way for employers to demonstrate their support for a healthy work-life balance.
- ◆ **Contributions to a Retirement Plan:** Employer-contributed 401(k) plans assist you in saving for retirement. When your employer matches or makes qualified contributions to your 401(k), the amount of your overall retirement can increase.
- ◆ **Paid Sick Days:** Most employers include a certain percentage of paid sick days annually for times when you are ill. These days are in addition to any other paid time off.

2.6 Performance Linked Compensation

Performance-Based Compensation (PBC) is a framework for financially lucrative workers in addition to the standard wages. Individual workers, divisions, the organisation, or the quotation which is compensated based on how people perform over a particular time period and in complies with the group's pre-set plans. These programmes are also referred to as Pay-For-Performance systems. Companies that use these systems must be prepared to describe and monitoring performance, as well as provide



compensation, such as rewards, when benchmarks are met. Employees will face tax repercussions as a result of the supplemental income.

Advantages of Performance based compensation

There are many benefits of performance linked compensation. Some of them are discussed below:

- 1. Retention of Best Employees:** Employers can distinguish between high and low-performing workers by taking the help of performance linked compensation plans. Top performers and low performers can be easily identified by the employer and they are more likely to be rewarded.
- 2. Motivation to Employees:** A performance-linked pay plan tends to encourage more significant and contributing employees to keep producing their best as they are fairly compensated for their contributions. Additionally, these employees are more likely to serve as your company better and attract more talented personnel towards your organisation.
- 3. Improved Recruitment:** Businesses can enhance their hiring procedures by identifying the workers who perform better. They can use this information to hire candidates with similar traits, objectives, and personalities rather than screening each and every application and hiring staff that might not add to the company.
- 4. Less Turnover Costs:** When employees will be paid according to their work and efforts, they are less likely to leave their current employer and switch to some other company, this helps in reducing the turnover costs of the employer.

For more understanding, do refer the article:

<https://www.businessnewsdaily.com/9712-performance-based-pay.html>.

2.7 Employee Stock Option

Employee Stock Option Plans (ESOPs) or Employee Stock Ownership Plans (ESOPs) are employee benefit strategies that allow employees to own stock in the company. Employees purchase these shares at a price below the market price, or at a discount. Employees are granted possibilities under the employee stock option plan, which allow them to buy stock

**Notes**

at a lower cost than the current market price/value of the stock, or they are given a certain proportion of their compensation in company stock.

Employee Stock Options (ESOs) are a form of equity compensation given to employees and executives by companies. Instead of directly authorizing shares of stock, the company grants derivative options on the stock.

These options are similar to regular call options in that they give the employee the right to purchase the company's stock at a predetermined price for a limited time. The terms of ESOs will be fully spelled out in an employee stock options agreement.

Overall, the getting benefits of a stock are discovered when the underlying stock of a company rises above the exercise price. Unlike standard listed or exchange-traded options, ESOs are typically issued by the company and cannot be sold. When the price of a stock rises above the exercise price of a call option, the call option is executed and the bearer acquires the company's value at a price reduction. The owner could opt to sell the stock in the market place for a profit straight away or to hold onto the stock over time.

2.8 Pay Band Compensation System

A pay band is a component of the salary process in which different jobs are ranked according to education and experience. It is used to place applicants in the appropriate position and ensure that they are fairly compensated. Employers are required by law to publish the minimum and maximum amount they are willing to pay for each band:

- ◆ A pay band is a salary range given to a specific job or group of jobs. Employers typically use pay bands to standardize their remuneration structure and establish basic pay ranges based on current market rates.
- ◆ Pay bands can also help employers regulate labour costs even though they limit the amount of money that an employee can obtain.
- ◆ Rather than a set wage, pay bands focus on providing employees with a range of possible salaries for their position. This allows employees to make more money as they gain experience and skills in their position.



- ◆ Pay bands also provide employers with some salary-setting flexibility, as they can adjust the band based on business needs or the market rate for similar roles.
- ◆ Support employee development: Organizations can encourage employee development and progression by relocating employees to different pay bands as they gain new skills and experience.
- ◆ Pay bands can help to improve organisational efficiency and effectiveness by ensuring that employees are paid fairly and in accordance with their skills and experience.

A pay band is a set salary range for a group of jobs with known to have similar characteristics, qualifications, and levels of responsibility. Pay bands can be used by an organisation to control labour costs and make salaries more equitable among employees. While pay bands can add structure and stability to a firm's payment scheme, they can also make it challenging to retain and recruit top performers.

Some of the most common difficulties encountered when implementing pay bands are as follows:

- ◆ Employees must be informed about the rationale for pay bands.
- ◆ Choosing the right size and structure for pay bands.
- ◆ Making certain that pay scales are equitable and internally consistent.
- ◆ Creating compensation programmes that work within the pay banding constraints.
- ◆ Creating an efficient procedure for managing exceptions to pay band limits.

2.9 Job Evaluation

Job evaluation is a systematic and logical approach to determining the comparative value of different jobs within such a corporation. Performance assessment seeks to compare jobs with an intention of establishing a compensation arrangement that is reasonable, egalitarian, and coherent for all.



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Job evaluation entails determining the significant meaning of various jobs within an corporate body. It takes time and patience to develop a technique for evaluating a broad range of jobs.

The ‘human factor’ complicates job evaluation schemes even more.

Despite the fact that job analysis considers the job instead of the individual employee, staff members tend to identify with the jobs they do. Making a choice of relative importance of employees within a company will surely increase anxiousness and aspirations for all parties involved.

Evaluation process does not ascertain academic results or wage scales, but it does create a job hierarchy that may not be representative of everyone’s notion. In order to provide accurate information about the jobs at hand, some basic job analysis is required. The job analysis and resulting job description are frequently used as a starting point. This is used to evaluate the job. One of the most important aspects of the evaluation is the job’s added value to the organisation. Based on this assessment, the task is introduced to the job structure. Women and minorities will benefit from equal pay and openness as a consequence of the leadership and management.



- ◆ Certain processes are used in job evaluation in such a way that the accepted means in the possession of personnel administration are trying to dodge employment rate discrepancy. As a result, it would lead to uniformity in the entire salary framework.
- ◆ Job analysis is the purposeful process of determining the value of one worker in the organization in comparison to the other. During job evaluation, the relative worth of numerous positions is assessed so that salaries can be paid regardless on the job’s worth.
- ◆ Staff members must be reimbursed based on the job they will perform in order to improve their performance and retain a high level of efficiency at work.
- ◆ Job evaluation is referred to as the method of establishing the worth of each job when compared to the worth of other jobs in a company. Its primary objective is to establish a logical, orderly power



structure of jobs based on their value to the firm by examining the complexity of the services performed as well as its contribution to the business. The aspects used to evaluate the value of a position are identified, described, and evenly distributed in the company's job evaluation plan.



Generally, job evaluation comprises four steps:

1. **Job Analysis:** Job analysis is the practice of accumulating and measuring appropriate job description. The piece of information gleaned should explain the essence of the task undertaken (primary tasks, responsibilities, and commitments) along with the level of the work being done. The data should embrace the different categories and extensiveness of data, talent, physical and intellectual effort expended, as well as the typical conditions of employment.
2. **Job Description:** The process of capturing job content information, typically in the form of a written task description, is one of the most important outcome of job analysis. Thus many job descriptions include a description of the responsibilities, instances of quintessential work, and a declaration recognizing the expertise, competences, abilities, and other qualities (KASOCs) that are required to perform the responsibilities adequately. The perfect job description for remuneration would include data about not only “what” a job does, but also “how” and “why” the responsibilities are executed.
3. **Job Analysis Based on the Organization's Job Evaluation Strategy:** In the third step, the designated duties of a job are evaluated with the help of job assessment strategy or device elected by the organisation. The job evaluation methods centre on three fundamental models:



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- (a) Job classification
- (b) Job evaluation
- (c) Point factor schemes

4. Establishing the Job Hierarchy: A job evaluation plan yields a patriarchal ranking of job positions according to their relative importance to the company. The arising ranked list, whether created by totaling the points assigned to each position, should reflect an ordering of positions that makes sense and is meaningful for a specific organisation.

The goal of a compensation plan is to develop a programme that is both internally equitable and externally competitive. The next step is to consider market pay such that the organisation can effectively complete for employees.

IN-TEXT QUESTIONS

1. _____ can take the form of Compensation.
 - (a) Monetary
 - (b) Non-monetary
 - (c) Both (a) and (b)
 - (d) None of the above
2. Wages represent _____ pay rates.
 - (a) Hourly
 - (b) Daily
 - (c) Weekly
 - (d) Monthly
3. Which of the following is also known as 'payments by outcome.'
 - (a) Allowances
 - (b) Claims
 - (c) Incentives
 - (d) Fringe benefits



4. The incentive is ascertained by _____.
 - (a) Productivity
 - (b) Sales
 - (c) Profit
 - (d) All of the above
5. _____ is paid when an employee leaves after more than five years of service.
 - (a) Perquisites
 - (b) Claims
 - (c) Gratuity
 - (d) Allowances

CASE STUDY

XYZ Ltd. is a multinational company with 10,000 employees spread across different countries. The company is facing several issues with its current compensation management system and has hired a consultant to review the current system and suggest recommendations for improvement.

1. What are the key components of Compensation Management System?
2. What are some of the common challenges faced by companies in managing compensation effectively?
3. How can XYZ Ltd. ensure that its compensation system is competitive and attracts top talent?
4. What are some of the best practices for designing and implementing a compensation management system?
5. How can XYZ Ltd. measure the effectiveness of its compensation system and make necessary adjustments?

2.10 Summary

HRM, or “human resource management,” can facilitate in the management of various human resource-related tasks. Businesses generate different



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types of employee management software to control and continuously monitor employee data, enabling them to achieve and evaluate higher efficiency. The core of compensation management is to assess positions in the organization and guarantee that pay rates for each type and level of job seem to be 'fair.' Then 'management' is required to get supervisors to place their staff members in those pay ranges, usually based on the amount of expertise the employee has in the job, gather that data, and reimburse those employees. Compensation and benefits play critical role of HRM since individuals assist in keeping employees motivated, which is one of the most essential physiological need. It assists in providing perks to employees based on their basis of employee's performance and behaviour, thereby bring out the best in workers at work.

The expanding diversity of the company's workforce has created a delicate environment when it came of opportunities and employee awareness. As a result, it is more important than ever for HR teams to look for alternatives to ensure that their employees' needs are met and that they are satisfied.

Compensation management system helps a company in assembling the data and resources needed to develop and enforce a reward program for the employees. Compensation management can be described as the simple method of assessing, maintaining, and making assumptions on each employee's salaries and benefits and perks within an organisation. It ensures that employees are appropriately and fairly remunerated.

Compensation management also aids HR in strategizing a foundation for employee benefits and perks. Managers ensure that they present an attractive compensation plan to their employees in order to keep them in the company and provide employee satisfaction. This also motivates the employee to be dedicated towards their work as they notice the company dedicated towards them. Compensation management also keeps a check on the company budget and ensures that all the benefits and salary packages fall within the limits of it.

The likelihood of earning rewards and royalties inspires staff to increase their productivity level and create a significant sense of dedication to the company and to themselves. Employment satisfaction is significantly related to their remuneration and the opportunities to increase it and complement their monthly or yearly bonus. It is a form of encouragement that is more effective than words or gifts.



Compensation is also an outstanding way to control the income statement. It enables the management to impose rewards in a deliberate way without continuously raising their overall pay while rewarding them with extra bonuses, rewards, and reimbursements.

It's so rightly said:

“A day's pay for a day's work is more than adequate when both the work and the pay are appreciated as much as they are expected.” Cullen Hightower.

2.11 Answers to In-Text Questions

1. (c) Both (a) and (b)
2. (a) Hourly
3. (c) Incentives
4. (d) All of the above
5. (c) Gratuity

2.12 Self-Assessment Questions

1. “The most basic problem is that performance appraisals often don't accurately assess problems,”
Justify the above statement with respect to Compensation Management.
2. What are the ways to judge an employee's effectiveness of being an asset or a liability to the company?
3. Write the merits and demerits of Fringe benefits?
4. Do you agree that Performance linked compensation aids in employee morale? Justify.
5. Differentiate between Base and Supplementary compensation along with its features?

2.13 References

- ◆ Mannu Garg (2020): Impact of Compensation Management on Employees performance.



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- ◆ e-Odunlami (2014): Compensation Management and Employees Performance in the Manufacturing Sector, A Case Study of a Reputable Organization in the Food and Beverage Industry.
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UNIT - V



Employee Maintenance

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STRUCTURE

- 1.1 *Learning Objectives*
- 1.2 *Introduction*
- 1.3 *Employee Health*
- 1.4 *Employee Safety*
- 1.5 *Employee Welfare*
- 1.6 *Social Security*
- 1.7 *Summary*
- 1.8 *Answers to In-Text Questions*
- 1.9 *Self-Assessment Questions*
- 1.10 *References*
- 1.11 *Suggested Readings*

1.1 Learning Objectives

After going through this lesson, you should be able to:

- ◆ Discuss the meaning and significance of Employee Health.
- ◆ Understand the meaning of Employee Safety and different causes of industrial accidents.
- ◆ Elaborate the concept, features and significance of Employee Welfare.
- ◆ Understand the concept, need, approaches and scope of social security.

1.2 Introduction

Working conditions have attracted a great deal of attention of management of business and other organizations in the recent years. There are two basic reasons for this. Firstly,



the growth of trade union movement has compelled the managements to provide better working conditions to the employees. Secondly, enlightened managements realize the significance of better working facilities to the employees for achieving greater productivity and efficiency in the organization. An employee spends about 8 hours at the place of work during any working day. He must be provided with such types of facilities which will maintain his health and keep interested in his work.

1.3 Employee Health

1.3.1 *Meaning and Significance of Occupational Health*

Health is a state of complete physical, mental and social well-being and not merely the absence of disease. It is the outcome of the interaction between the individual and his environment. He is healthy who is well-adjusted. Workers spend a great deal of their time in industrial settings. In many industries, workers are exposed to various types of health hazards. Unless the working conditions- lighting, ventilation, cleanliness, temperature, space, etc. are proper workers cannot concentrate on work. They do not feel working hard continuously for long time. As a result productivity will be low. Secondly, ill health will force workers to be absent from work. There will be high rate of absenteeism and labour turnover. The quality of work will suffer and the firm's resources will be wasted. In addition, industrial discontent and indiscipline will arise. Thus, industrial health is essential for the following reasons:

- I. To maintain and improve productivity and quality of work.
- II. To minimize absenteeism and labour turnover.
- III. To reduce industrial unrest, indiscipline and accidents.
- IV. To improve employee motivation and morale.
- V. To reduce spoilage and cost of operations.
- VI. To preserve the physical and mental health of employees.

In recent years, increasing attention is being paid to industrial health and safety due to pressure from trade unions, labour laws and enlightened attitudes of employers. National commission on Labour and other committees have stressed the creation and maintenance of as healthy an environment as possible both at the work place and in the homes of



workers. According to the recommendation of ILO “Occupational health services should be established in or near a place of employment for the purpose of (a) protecting the workers against any health hazards arising out of work or conditions in which it is carried on, (b) contributing towards worker’s physical and mental adjustment, and (c) contributing to establishment and maintenance of the highest possible degree of physical and mental well-being of the workers”.

1.3.2 Working Conditions Affecting Health

The main physical factors influencing workers’ health are as follows:

- 1. Cleanliness:** Hygiene is essential to health. Dirt should be removed daily from the workplace, furniture, staircase etc. Properly cleaned and disinfected spittoons must be provided at convenient places. Arrangements should be made for proper disposal of industrial waste. Rats, pests and insects should be destroyed as these are worst carriers of diseases. Drinking water, toilets, restaurant and canteen facilities should be provided for workers.
- 2. Lighting:** Adequate and proper lighting is essential for higher efficiency and good quality of work. Poor lighting on the other hand causes eye strain, mental fatigue, accidents and spoilage of materials. A good lighting system should provide (a) the right degree of intensity of light depending upon the nature of work, (b) well diffused and uniformly spread light all over the work place, and (c) protection from any glare.
- 3. Temperature and Ventilation:** Flow of fresh air with right temperature and humidity is necessary for protection of health. Stale air causes headache to workers. In hot and humid climate, employees feel tired and sleepy ventilators, fans, coolers/heaters, air conditioners help to maintain right temperature and humidity. These also keep the air free from dust, smoke, fumes etc.
- 4. Freedom from Noise:** Too much noise inside and outside the work place causes disturbance. It does not allow workers to concentrate on the work and their efficiency declines. Internal noise occurs due to conversations, movement of workers and machines, telephone calls, etc. Use of sound absorbent materials in walls and ceilings,



carpets on the floors, installation of noise producing machines in a separate room, etc. help to minimize such noise. External noise is caused by the movement of persons and vehicles near the work place. Proper location of factory/office, sound proof walls, double doors and glass panels may be used to avoid external noise.

5. **Dust Control:** At some work places, there is higher ratio of dust. For example, work areas in cotton and jute industries are laden with dust. Dust affects workers' health as well as the life of machinery. Therefore, it is necessary to keep the work place from dust. Several measures can be taken for this purpose. Regular cleaning of doors, windows, walls and ceilings is necessary. Floors should be washed daily to avoid accumulation of dust. Electrical installations should be regularly cleaned to maintain the level of lighting, machines, furniture and records should be cleaned regularly.
6. **Working Space and Seating Arrangements:** Adequate space should be provided for free movement of persons, machines, etc. Proper seating arrangements are essential for comfort and health of employees. Over-crowding should be avoided as it spoils health and efficiency.

1.3.3 Occupational Hazards and Diseases

In certain industries workers are exposed to health hazards and disease. These arise due to the following:

- (i) **Chemical Substances:** Carbon dioxide, sulphuric acid, limes and alkalis cause injury when they are absorbed through skin and inhaling. Workers may suffer from skin disease, neurological disorders and cancer. Their effect is slow but cumulative. These are difficult to diagnose and may become chronic and incurable. Gas, fumes and dust in stone quarries, mines, stone crushing, lead or zinc smelting, etc. cause serious diseases.
- (ii) **Biological Hazards:** Bacteria, fungi, viruses, insects, malnutrition excessive drinking and job stress affect employee health.
- (iii) **Environmental Hazards:** These include radiation, noise, vibrations shocks, etc. X-rays or radioactive exposure may cause eye strain, genetic disorders, and cancer. High noise of machinery may cause



hearing loss. Vibrations and shocks may cause nerve injury and inflammation of tissues in the body.

(iv) Atmospheric Conditions: Inadequate ventilation, improper lighting, extreme temperature, etc. affect health and efficiency of employees.

Under the Factories Act, 1948 hazardous process is defined as any process or activity in relation to an industry specified in the First Schedule where, unless special care is taken raw materials used therein or the-intermediate or finished products, wastes or effluents therefore would:

- (i) cause material impairment or the health of the persons engaged in or connected therewith, or
- (ii) result in the pollution of the general environment.

1.3.4 Protection against Health Hazards

Two types of measures can be taken to protect employee health against occupational hazards:

- ◆ Preventive Measures
- ◆ Curative Measures

The former category includes (i) pre-employment and periodic medical examination, (ii) Removal of health hazards to the maximum possible extent, (iii) check over women, and other worker exposed to special risk, (iv) training of first aid staff, and (v) educating workers in health and hygiene etc.

The curative measures consist of treatment for the affected workers of course prevention is always better than cure. Use of less toxic materials, providing protection devices, controlling noise, dust fumes, gases, etc. are some of the convenient and inexpensive measures that can be taken by employers to prevent health hazards.

1.3.5 Industrial Health Programme

Every industrial establishment should formulate and implement a positive policy and programme to maintain the good health of its employees. Such a programme should consist of the following steps:



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- I. Maintenance and supervision of satisfactory sanitation and hygiene in the factory/office.
- II. Inoculation and after programmes for the prevention of communicable disease.
- III. Active cooperation with public health agencies and accident prevention authorities.
- IV. Maintenance of adequate and confidential medical records.
- V. Health education and information services for employees.
- VI. Proper medical examination of every new employee.
- VII. Annual medical check-up of those exposed to occupational hazards/disease.
- VIII. Employment of professional physicians and nurses.
- IX. Proper first and treatment for occupational injuries and diseases.
- X. Reasonable first aid treatment for non-occupational ailments, e.g. cold, sore throat, skin disorders, etc.
- XI. Adequate emergency care and hospitalization facilities.

IN-TEXT QUESTIONS

1. _____ is a state of complete physical, mental and social well-being and not merely the absence of disease.
2. Working conditions- lighting, ventilation, cleanliness, temperature, space, etc. are covered under social security. (True/False)
3. Two types of measures can be taken to protect employee health against occupational hazards are?
 - (a) Preventive and curative
 - (b) Work and safety
 - (c) Curative and security
 - (d) None of the above
4. Maintenance and supervision of satisfactory sanitation and hygiene in the factory/office is covered under industrial health program. (True/False)
5. The curative measures consist of treatment for the affected workers. (True/False)



1.4 Employee Safety

It is the responsibility of every management to ensure workers safety while they are at work. Industrial safety and efficiency are directly related to a great extent. Safety measures not only result in reduced industrial accidents but also raise industrial efficiency. Therefore, employers should lay emphasis on safety measures in their plants. Moreover, rules and regulations, as laid down in the labour laws, - make it obligatory on the part of industrialists to provide certain minimum measures of safety for their employees. Such measures are intended to ensure protection to workers, avoid industrial accidents and raise overall efficiency of the enterprise.

Industrial safety measures include precautionary steps to be taken by the management of an enterprise in order to prevent accidents. Thus, accident prevention is the main objective of any safety programme. Accidents in an industry cause damage to property and life. It must be pointed out that the rate of industrial accidents has been on the increase inspite of several statutory regulations imposed by the government.

1.4.1 *Some benefits of a Safe and Healthy working Environment*

- ◆ The safer the work environment, the more productive it is. Productive employees are an asset to all companies. For instance, productive employees can produce more output in less time, reducing operational costs.
- ◆ Workplace safety promotes the wellness of employees and employers alike. Better safety equates to better health. Healthier employees do tasks more efficiently, and they are happier in general.
- ◆ There are very few accidents in a safe working environment. This results in less downtime for safety investigations and reduces costs for worker's compensation. This also reduces the time needed for employees to heal from injuries.
- ◆ Damage to industrial equipment creates costs for replacement and repair. Avoiding workplace injuries and damage to industrial equipment will incur fewer expenses and increase profit.



1.4.2 Causes of Industrial Accidents

Industrial accidents take place due to several reasons arising from people, working conditions, and other factors. These causes may be classified as follows:

1. **Unsafe Conditions:** These refer to work related or technical causes. These are the biggest cause of accident in industry. Work related causes are as follows:
 - (a) **The job itself:** Some jobs are inherently more dangerous than others. For example, the job of a craneman as compared to that of a supervisor is more risky.
 - (b) **Work Schedules:** Night shift is more accident prone than day shift due to fatigue and sleepiness.
 - (c) **Psychological Conditions:** Emotional disturbance and mental preoccupation often cause accidents. Over-work, monotony, boredom, anxiety, fatigue and frustration disturb concentration and mental alertness leading to accidents.
 - (d) **Machinery and Equipment:** Defective equipment, unguarded machinery, breakdown of machines, hazardous arrangement of machines and equipment inadequate safety/control devices, overloading improper illumination, insufficient ventilation, poor house-keeping, poor maintenance and supervision are common causes of accidents in industry. Safety experts point out that there are some high danger zones like handlift trucks, wheel barrows, gear and pulleys, saws and hand rails, etc.
2. **Unsafe Acts:** These arise due to lack of knowledge and skills, bodily defects and faulty attitude. Some examples are given below:
 - I. Operating without authority.
 - II. Failure to use safety devices.
 - III. Failure to listen to warning.
 - IV. Careless throwing of materials on the floor.
 - V. Operating at unsafe speeds.
 - VI. Using unsafe equipment.
 - VII. Removing or disconnecting safety devices.



VIII. Personality and behaviour which make some people more accident prone.

- 3. Miscellaneous Causes:** Young, untrained and inexperienced workers cause more accidents than old, trained and experienced workers. Alcoholic and drug addicted prone. Workers having disturbed family life are likely to cause accidents due to stress. Unsatisfactory behaviour of supervisions may also cause accidents on the part of workers.

1.4.3 Steps taken to ensure safety of Employees

The main steps that can be taken to ensure safety and security of employees, are as follows:

- 1. Safety Policy:** Every industrial establishment should formulate and implement a safety policy. Once the safety policy has been spelt out, the establishment should formulate a safety programme. The main aim of the programme should be to reduce the number of hazardous factors which are likely to cause accidents, and to develop safe working habits among its employees. The safety programme must have top management support and active cooperation of employees. Safety must be an integral part of all phases of planning, supervision and control. The job should be engineered for safety, employees should be educated in safe procedures and safety rules should be properly enforced.
- 2. Safety Committee:** A safety committee should be constituted in every large factory. It should consist of the representatives of both the employer and the employees. The committee should be constituted under the chairmanship of a safety director/manager. The committee should educate and impress upon the line managers about the safety measures required in the establishment. The safety programme should be formulated and implemented through the safety committee.
- 3. Safety Engineering:** Proper engineering procedures must be adopted to eliminate or minimize work hazards. Full attention should be paid to safety in the design, layout and installation of plant and machinery. Safety engineering helps to minimize unsafe conditions. The main elements of safety engineering are as follows:



- (a) **Guarding of Machines:** The machinery which pose danger to the employee working on it, should be properly covered or fenced. According to Rule 82 of the I.L.O. Model Safety Code, guards should be properly designed, constructed and used so that they will provide positive protection, prevent access to the danger zone, cause no inconvenience to the operator and protect against unforeseen operational contingencies.
- (b) **Mettles Handling Equipment:** Materials handling is the common source of accidents. Therefore, the flow of materials during all stages of production should be properly planned to eliminate hazards. Proper equipment, adequate space and aisles should be provided to ensure risk free and smooth flow of materials. In addition, there should be a well-designed system for the detection, prevention and control of fires. Inflammable liquids and materials expose workers to great risks. Therefore, utmost care should be exercised in handling and storage of such materials.
- (c) **Safety Devices:** Safety glasses to protect the eyes from hazards of fire, glare, dust and fumes should be provided to workers. Hard protective caps may be provided head injuries. Gas masks may be given to prevent the inhalation of poisonous fumes. Gloves to protect hands against acids, safety shoes, overalls, skin guards, and safety apparel, etc. may be provided for use by workers.
- (d) **Ergonomics:** It deals with physiological and anatomical aspects of man and his interactions with the working environment. It is being increasingly used to improve man-machine system. For example, equipment, machinery and work procedures should be redesigned to minimize accidents.
- (e) **Plan Maintenance:** All equipments and machines should be kept in perfect working order through regular cleaning, oiling, repairing, etc. There should be periodic inspections of machines, equipment, electrical installations and cables.
- (f) **General House-keeping:** All passages meant for movement of employees should be kept free all obstructions. Tools and



parts should be stored safely after use. There should be solid and even flooring. All floors should be kept clean and dry. Waste cans and sand pails should be safely stored.

- 4. Safety Education and Training:** Safety education and training should be provided to workers, supervisors and executives to develop safety consciousness and safe working habits. Workers should be trained in the proper use of safety devices. The need for good house-keeping and safe materials handling should be stressed. Principles of first aid and precautions required in case of fire and the accidents may be explained. Posters, bulletin boards, house organs, displays, cartoons, slogans, signs and safety films, may be used for safety education, training and safety publicity campaign. Safety contests may be organized and prizes awarded to the most safe employee/work group/department to develop safety competition. Disciplinary actions/punishments may be used for breach of safety regulations.
- 5. Role of Government:** The Government of India established the Factory Advice Service and Labour Institute, Mumbai. The institute renders advice on safety matters and enforces safety laws. A 'National Programme for Coordinated Action Plan' for control of hazards and protection of health and safety of workers in dangerous manufacturing process has been launched. Model scheme for setting up full safety control system cell in hazardous industries and 'Safety and Health' Accidents Reduction Plan (SAHARA) in all industries are in operation.

1.5 Employee Welfare

Employee or labour welfare is a comprehensive term including various services, benefits and facilities offered to employees by the employer. Through such generous fringe benefits the employer makes life worth living for employees. The welfare amenities are extended in addition to normal wages and other economic rewards available to employees as per the legal provisions. According to Dr. Parandikar, "Labour welfare work is work for improving the health, safety and general well being and the industrial efficiency of the workers beyond the minimum standard laid down by labour legislation." Welfare measures may also be provided by



the government, trade unions and non-government agencies in addition to the employer. According to a I.L.O. report, “workers” welfare may be understood as including such services facilities and amenities which may be established in, or in the vicinity of undertakings to perform their work in healthy and congenial surroundings and to avail of facilities which improve their health and bring high morale. The basic purpose of labour welfare is to enrich the life of employees and keep them happy and contented. Welfare measures may be both statutory and voluntary. Labour laws require the employer to extend certain benefits to employees in addition to wages. Voluntary benefits are the result of employer’s generosity, enlightenment and philanthropic feelings.

1.5.1 Features of Employee Welfare

On the basis of these definitions, the following features of employee welfare can be identified:

- I. Employee welfare is a comprehensive term including various services, facilities and amenities provided to employees for their betterment.
- II. Employee welfare is a dynamic concept varying from country to country and from region to region within same country. It is a flexible and ever changing concept as new welfare measure is added to the existing measures from time to time.
- III. Welfare measures are in addition to regular wages and other economic benefits available to employees under legal provisions and collective bargaining.
- IV. Welfare measures may be provided not only by employers but by the government, trade unions and other agencies too.
- V. The basic purpose of employee welfare is to improve the lot of the working class and thereby make a worker a good employee and a happy citizen.
- VI. Employee welfare is an essential part of social welfare. It involves adjustment of an employee’s work life and family life to the community or social life.
- VII. Welfare measures may be both voluntary and statutory. Voluntary measures are the result of paternalistic and philanthropic feelings of



employer. These may also be provided due to customs or traditions in the particular industry or region. Statutory measures are prescribed under labour laws.

VIII. Employee welfare measures are also known as fringe benefits and services.

1.5.2 Significance of Employee Welfare

Employee welfare is in the interest of the employee, the employer and the society as a whole. For the employee, welfare measures help to counteract the negative effects of the factory system. These measures enable the employee and his family to lead a good life. Welfare facilities like housing, medical and children's education, recreation, etc. help to improve the family life of employees. For the employer, welfare measures lead to higher morale and productivity of labour. Employee welfare is also in the interest of the larger society because the health, happiness and efficiency of each individual represent the general well-being of all. Well-housed, well-fed and well-looked after, labour is not only an asset to the employer but serves to raise the standards of industry and labour in the country. The important benefits of welfare services are given below:

- I. Welfare facilities provide better physical and mental health to the workers and make them happy.
- II. Such services facilities like housing scheme, medical benefits, education and recreation facilities for the workers' families. This will help them to devote greater attention towards their work. The gain in terms of productivity and quality of work will be large indeed.
- III. Employees services serve to maintain some degree of peace with the employees' unions in as much as these constitute a considerable part of the bargaining package. The harmony and the good relations that result are the kingpin of higher productivity.
- IV. Employers get stable labour force due to the provision of welfare facilities. Workers take active interest in their jobs and work with a feeling of involvement and satisfaction. They also find their work interesting.



- V. Employers secure the benefits of high efficiency, cordial industrial relations and low labour absenteeism and turnover.
- VI. Labour welfare measures raise labour productivity and bring industrial peace and cordial labour-management relations.
- VII. An employer is able to attract talented workers from the labour market by providing attractive welfare facilities.
- VIII. The social evils prevalent in the labour-force such as gambling, drinking, etc. are reduced. Welfare activities by the employer bring improvement in the health of the workers and keep them cheerful.

1.5.3 Agencies of Labour/Employee Welfare

In India, the main agencies engaged in labour welfare include: (a) Central Government (b) State Government (c) Employer's and (d) trade unions. The contribution of these agencies is discussed below:

- (a) **Central Government:** The Central Government has passed a number of Acts for the welfare of different types of workers. It also administers the implementation of industrial and labour laws. The important Acts which incorporate measures for the welfare of the workers are: Factories Act, Indian Mines Act, Employment of Children Act, Maternity Benefits Act, Plantation Labour Act, etc. Under these Acts, employers have to provide certain basic welfare facilities to the workers. For example, under the Factories Act, 1948, employer has to provide canteen, rest and lunch rooms, creches, medical aid, proper lighting, ventilation, drinking water, etc. at the work place. Appointment of Welfare Officer is also made compulsory. In the case of coal mines, the provision of welfare fund has been made. It is called Coal Mines Labour Welfare Fund. This fund is to be utilized for providing housing, medical, educational and recreation facilities to the workers in mines. Mica mines Labour Welfare Fund has been constituted under the Mica Mines Labour Welfare Fund, 1946. The Government also provides housing, medical care, canteens, educational aid etc. to the workers employed in public sector enterprises.
- (b) **State Governments:** The implementation of many provisions of various labour laws rests with the State Governments. The State



Governments run health centers, educational centers, etc. for the welfare of the workers. They also keep a vigil on the employers that they are operating the welfare schemes made obligatory by the Central or State Government. The State Governments have been empowered to prescribe rules for the welfare of workers and appoint appropriate authorities for the enforcement of welfare provisions under various laws. In Assam, a statutory welfare fund is created for offering medical, educational, recreational and other facilities to plantations workers. In Gujarat, Maharashtra, Punjab, and Karnataka, Labour Welfare Centers are administered by welfare boards. However, the number of these welfare centers is not inadequate to serve the growing needs of workers at various places. These centers do not have adequate funds and dedicated staff to carry out welfare work.

- (c) **Employers:** Many employers provide voluntarily welfare facilities along with the statutory welfare facilities. These include residential accommodation to employees, medical and transport facilities, reading rooms, scholarships to children of workers, patronize teams of employees for hockey, football, etc. Employers can provide welfare facilities individually or collectively, *i.e.* through their associations. Employers have to play a major role in providing welfare facilities to industrial workers. The welfare facilities offered by the employers on their own are called voluntary welfare facilities. Some associations of employers also provide welfare facilities collectively. Enlightened employers like TISCO, Hindustan Lever, Godrej, L&T Siemens, Voltas, Bajaj, Birlas, Sandoz, Philips, HMT, LIC, BHEL etc. have undertaken welfare activities in the interest of workers. The management of TISCO runs a well equipped hospital in Jamshedpur, supported by health centers and dispensaries in different residential localities. Family planning clinics, credit societies, gymnasiums, club, creches, canteens, schools are also set up by TISCO for the benefit of workers. Employees Associations have also joined hands with employers in doing some welfare work for their workers.
- (d) **Trade Unions:** Trade unions are supposed to raise the welfare of workers and naturally they are expected to provide certain welfare facilities to their members. Unions can provide educational, cultural and other facilities to their members. In Bombay, some unions



provide sports and educational facilities. Co-operative stores are also run by some unions. Some trade unions like the Rashtriya Mill Mazdoor Sangh are doing good work in the field of labour welfare. In addition, Textile Labour Association, Ahemdabad provides certain facilities like school, social centers, libraries, legal aid, etc. to the textile workers. Thus, Textile Labour Association of Ahemdabad is doing good work in the field of labour welfare. On the whole, the role of trade unions in the field of labour welfare is insignificant as they face the problem of shortage of funds in providing welfare services to their members.

- (e) **Charitable Organisations:** Charitable organizations conduct social welfare activities which are useful to all sections of the society including industrial workers. These agencies provide medical aid, educational facilities, scholarships, etc. However, the contribution of such organizations in labour welfare is not so significant.

The overall picture regarding labour welfare work in India is somewhat distressing. Welfare amenities have not been properly provided, except in units managed by progressive employers or in modern units where the latest technology demands maintenance of adequate standards. The latter of the law has also not been strictly observed in most units, owing to poor supervision. Employers, however, argue that welfare work would eat into the finances of the organization and where the facilities have been provided these have either remained unutilized or improperly used by the workers. The need of the hour, to sum up, is to extend the coverage of statutory welfare amenities to all units employing a minimum number of employees and create a proper administrative network to oversee the implementation strictly.

1.5.4 Types of Welfare Facilities

Welfare services relate to physical and social well-being of the employees both within and outside the organization. Within the organization, these include provision of medical benefits, recreational facilities, libraries, canteens, rest rooms etc. They may also include meals and refreshments supplied free of cost or at subsidized rates to the employees. But outside the organization, welfare arrangements include provision of housing



accommodation, education of children of employees, sports fields, medical advice for the family, etc. On the whole, these services may be basically of three types: (1) Economic; (2) Recreational; and (3) Facilitative. These are discussed below:

- (1) **Economic Services:** These provide some additional economic security over and above wage or salaries, such as pension, life assurance, credit facilities, etc. Establishing a proper pension programme will reduce dissatisfaction in the area of economic security. Pension is a kind of deferred payment to meet the needs of the employees in their old age. Generally, the amount of pension is related to the last pay drawn and the total number of years of service put in by the employee. Some organizations have a scheme of family members, in case of demise of employee. Similarly, the employer may contribute towards the premium of life insurance of each employee. Some organizations also help the employees to start co-operative credit societies to meet the urgent financial needs of the employees or consumers' co-operative stores to provide the workers with consumers' goods at 'no profit-no-loss' basis. The employees often need money for purchase of cycle, scooter, T.V., sewing machine, fan, etc. to raise their standard of living. In such cases and at other times (e.g., marriage and other religious activities), there should be some provision to meet their requirements. The employer may advance them the money which is paid back by the employees in the form of monthly instalments to be deducted from their salaries. The employees may also be induced to build up their own funds for future contingencies.
- (2) **Recreational Services:** The employees are in need of occasional diversion. Their attitude improves when the routine of everyday living is broken occasionally. For this purpose, management may provide for recreational facilities. More agreeable informal atmosphere is promoted through the contacts and relationships built up in the recreational events. The management may provide for indoor games like Table Tennis in the common room for employees. In case of big organizations, management may also arrange for playgrounds for outdoor games and induce the workers to prepare a team to play matches with other similar teams. Co-operations and understanding



among the employees will increase. Management may also provide for reading rooms, libraries, radios, T.V. etc. for the recreation of the employees.

(3) **Facilitative Services:** These are conveniences which the employees ordinarily require such as:

- (i) **Canteen, rest rooms and lunch room:** Eating is naturally a very important thing for an employee to maintain his health and efficiency. Unless proper facilities for food, tea and rest rooms are available, health and consequential efficiency of the workers will go down. Hence, almost all factories are required to provide canteens where food can be obtained either at a fair price or at subsidized rates. Similarly, lunch rooms may be provided where workers may take their food which they bring from their homes. Workers also need some place or shelter for taking rest during leisure hours. This is also a necessity for proper upkeep of health and efficiency.
- (ii) **Housing facilities:** Some organizations construct flats for their employees and provide the same either rent free or at a nominal rent. In some cases, cash compensations are given while in other cases, loans at cheaper rates of interest are advanced to the employees to enable them to construct or purchase their own houses or flats.
- (iii) **Medical facilities:** Health is one of the foremost things for the employees and it is but natural that there may be injuries because of accidents while working. So first-aid facilities must be provided for within the factory premises. In addition, medical scheme is generally in operation under which reimbursement of medical expenses actually incurred is allowed. The organization may also prescribe doctors from whom the employees may get services in case of need.
- (iv) **Washing facilities:** It is necessary to provide for wash basins and washing facilities to be conveniently accessible to all workers which should be clean, properly separated and screened for the use of male and female employees.



- (v) **Educational facilities:** Educational facilities may be provided by the organization to the employees' children by starting a school for them.
- (vi) **Leave travel concession:** Many organizations reimburse actual fares incurred by the employee in undertaking a tour along with his or her spouse and dependent children once during a specified number of years.

1.5.5 Labour Welfare Officer

The Factories Act, 1948, the Plantation Labour Act, 1951 and the Mines Act, 1951 provide for the appointment of a Labour Welfare Officer if the number of workers employed within a unit exceeds 500. The post has been created specifically to (i) eliminate the malpractices of the jobber system in the recruitment of labour, (ii) improve labour administration in factories, (iii) serve as liaison with the State Labour Commissioner. The Labour Welfare Officer was also expected to discharge the functions of a policeman, with respect to law and order situation within an organization. In each case the respective state governments may prescribe duties, qualifications and conditions of service of such officers.

The Labour Welfare Officer should possess a university degree, degree or diploma in social service/social work from a recognized institution and adequate knowledge of local language of the area where the factory is situated. The duties and responsibilities of a Labour Welfare Officer may be summarized thus:

Advisory: He can advise and suggest the formulation of company labour policies; promote training programmes, promote welfare schemes, secure housing, recreational and educational facilities for workers etc.

Service Oriented: He can offer help to workers in solving family and personal problems, in adjusting to work environment, in understanding their rights and privileges, in forwarding application for leave etc. He can offer help to management by making workers understand various problems.

Supervisory: He can supervise, inspect and regulate welfare, health and safety programmes, working of joint committees and paid vacations.



Functional: He can oversee the implementation of labour laws for the benefit of workers.

Policing: He can forward workers' grievances to management, can influence industrial relations calm it when disputes arise, can restrain workers and management from resorting to illegal strikes and lockouts.

Mediation: He can mediate and build harmony between labour and management, secure speedy redressal of worker's grievances, settle disputes through persuasive efforts, maintain a neutral stance during strikes and lockouts and thereby help in resolving troubling issues peacefully.

IN-TEXT QUESTIONS

6. _____ work is work for improving the health, safety and general well being and the industrial efficiency of the workers beyond the minimum standard lay down by labour legislation.
7. Statutory measures under labour welfare may be provided due to customs and traditions followed in a company. (True/False)
8. Under _____ Act, employer has to provide canteen, rest and lunch rooms, creches, medical aid, proper lighting, ventilation, drinking water, etc.
 - (a) Factories Act
 - (b) Mines Act
 - (c) Contract Act
 - (d) LLP Act
9. Canteen, rest rooms and lunch room are a part of Economic services. (True/False)
10. Which of the following roles are played by a Labour Officer under the Factories Act?
 - (a) Advisory
 - (b) Service oriented
 - (c) Supervisory
 - (d) All of the above



1.6 Social Security

Social security is the welfare state that a society offers to individuals and families to ensure that they have access to health care and to ensure financial security, especially in cases of old age, unemployment, illness, work injuries, maternity, or the death of a sole earner in the family.

It is based on business ethics “ideals of human dignity and social justice”.

“Social Security is a program of protection provided by society against the contingencies of modern life like-sickness, unemployment, old age, industrial accident against which the individual cannot be expected to protect himself and his family by his own ability and foresightedness.”

–Fridlander

1.6.1 Features of social security

Social security provides financial help to the deceased individuals:

- 1. Applicable to all individuals:** The social security scheme is for those who are employed and a part of society. It is intended for those in need who are elderly, disabled, jobless, or retired.
- 2. Improves standard of living:** Programmes and aids covered under social security helps in improving the standard of living of the needy individuals.
- 3.** Governments, non-governmental organisations, trusts, and volunteers all play important roles in providing the amenities.
- 4. Financial help:** It offers financial assistance in the event of unforeseen circumstances like unemployment, pregnancy, work injuries, industrial diseases, old age, widowhood, and orphanhood, among others to the needy population in a country.
- 5. Dynamic concept:** Social Security is a dynamic idea, and the scope of its benefits varies depending on the social, economic, and political climate in a particular nation at a particular moment.
- 6.** Social security is considered as an instrument of ensuring social and economic justice for individuals.



1.6.2 Approaches of social security

In general, there are three different social security approaches:

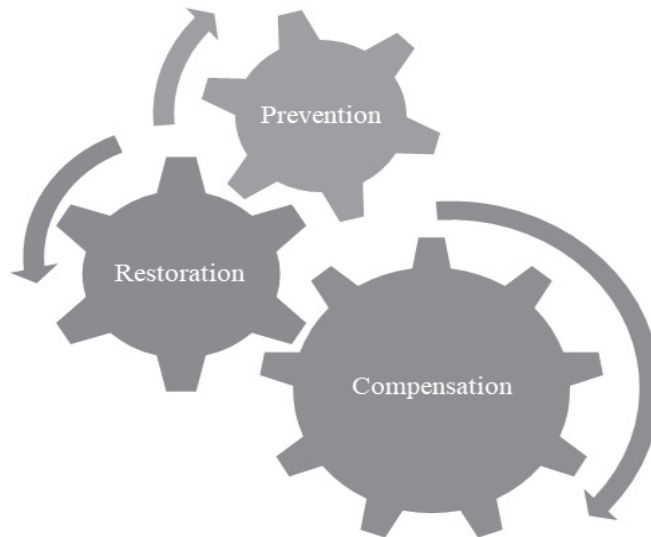


Figure 1.1: Approaches to Social Security

- 1. Compensation:** Compensation comprises income security during a period of risk so that the individual and his family are not subjected to a double tragedy involving both destitution and loss of life, health, and employment. Workers are compensated under worker compensation if they suffer a permanent disability that reduces their earning potential permanently or temporarily. It compensates workers who have suffered as a result of accidents and unexpected mishaps by providing them some financial assistance.
- 2. Restoration:** Giving people and their families the assurance that their standard of living and quality of life won't be adversely affected by any societal or economic loss is restoration. "It seeks to restore the employee's prior social and economic status by offering financial and social assistance under various social security Acts. The ability to regain one's original status and financial status helps an employee to feel confident again.
- 3. Prevention:** It not only aims at compensation and restoration of one's financial and social position, but it also aims to prevent accidents, industrial injuries, and occupational diseases. Social



Security is a fundamental instrument of social and economic justice among members of the community. The goal of prevention is to prevent loss of productivity brought on by illness, accident, or unemployment. The Industrial Safety Act, the Factory Act, and the Worker's Compensation Act all assist in preventing various industrial hazards that can result in accidents and diseases.

1.6.3 *Need of social security*

Following points show why social security is necessary:

1. **Improves morale of employees:** When employees feel socially secure, it improves their confidence in the employer and the workplace. Employees work dedicatedly and their morale improves.
2. **Improves productivity:** When the employees work with full confidence their productivity also improves. They complete their targets in time and are ready to focus on the next task.
3. **Work environment improve:** A culture of cooperation is created in the organisation by establishment of social security. There is a growing sense of trust, faith, and confidence between management and workers.
4. **Helps in attracting and retaining talent:** Companies that offer social security benefits can acquire skilled and highly experienced workers very easily. These companies become popular among candidates and employee turnover is also less in these. Social security policies enable in creating a dedicated, devoted, and cheerful workforce.
5. **For securing the workforce:** Social security offers protection and assistance to society's individuals against certain disasters that could damage their financial and social stability.

1.6.4 *Scope of social security*

International Labour organization in its convention divided scope of social security into nine components.

1. **Medical care:** Pregnancy and its effects, as well as ailments that results in a fatal state, are covered under social security under



medical care. Medical care, expert care, the distribution of necessary medications, and hospitalisation are part of this component.

2. **Sickness Benefit:** Inability to work due to illness can cause a disruption of income. Under this benefit, the employee is paid for maximum of 26 weeks a year as a benefit.
3. **Unemployment benefit:** When a worker is capable and available for work but cannot find suitable job, the social security benefit compensates for the loss of earnings during this unemployed time. According to the Act, this compensation may only be paid for maximum of 13 weeks a year.
4. **Employment injury benefit:** Under the Employment Injury benefit, an injured employee is given appropriate medical attention and regular payments in accordance with the Worker's Compensation Act's law requirements.
5. **Old age benefit:** The amount of payment under this benefit is based on the individual's working ability during the time before and after retirement. It also contains a portion of money that is provided after reaching a certain age and lasts until death.
6. **Maternity benefit:** Under the Maternity Benefit Act of 1961, women are given a fixed periodical payment three months before and three months after the birth of their kid in many organisations.
7. **Family Benefit:** This insurance provides responsibility for the children's support for the duration of their childhood in the event of the breadwinner's death.
8. **Survivors benefit:** It pertains to the benefits provided to the impacted family in the form of regular payments made to the family after the death of the family's primary breadwinner.
9. **Invalidism:** This benefit, which comes in the form of recurring payments, for taking care of the requirements of employees who are disabled due to an illness or accident faced by them on the work, if invalidism continues for full life, then after a certain age it converts into old age benefit.



1.6.5 Labour laws related to social security

The organised labour force, which is defined as employees who have a direct, regular employer-employee relationship within an organisation, is covered under the social security programmes in India. The Directive Principles of the State Policy found in the Indian Constitution give India's social security laws their power and spirit. These mandate the payment of social security payments, either entirely at the expense of the employers or jointly by the employers and the employees.

The most common schemes are:

- 1. The Employees State Insurance Act, 1948:** The purpose of this scheme is to provide health treatment and financial assistance in the event of illness, pregnancy, or work-related injuries to the employees of the organisation.
- 2. The Maternity Benefit Act, 1961:** All companies, businesses, plantations, mines, and shops are subject to the act. The benefit under the Act's terms is paid out periodically in the event of childbirth, miscarriage, or illness related to pregnancy.
- 3. The Employees Provident Fund and Miscellaneous Provisions Act, 1952:** The law offers retirement, disability, and survivorship benefits to the organised sector's workers.
- 4. The Payment of Gratuity Act, 1972:** It includes a provision for lump-sum death benefits given in addition to regular pension payments. Workers of companies that operate factories, mines, energy fields, plants, ports, and railroads are subject to the Act.
- 5. The Workmen Compensation Act, 1923:** It covers losses brought on by accidents that occur at work or in the process of job and result in death or disability.
- 6. The Industrial Disputes Act, 1947:** The legislative safeguards and compensation provided against layoffs and dismissals is covered here.

**IN-TEXT QUESTIONS**

11. _____ approach comprises income security during a period of risk so that the individual and his family are not subjected to a double tragedy involving both destitution and loss of life, health, and employment.
12. Social security is based on business ethics “ideals of human dignity and social justice”. (True/False)
13. Which of the following can be identified as point under scope of social security?
 - (a) Medical Care
 - (b) Unemployment benefit
 - (c) Old age benefit
 - (d) All of the above

1.7 Summary

Health is a general state of physical, mental and emotional well-being. Safety involves protecting the physical well-being of people. Health promotion covers areas such as healthy living, physical fitness, smoking cessation, stress management etc. The main purpose of effective safety programmes in an organization is to prevent work-related injuries and accidents. Safety members in factories cover slipping and falling hazards, collision and obstruction hazards, equipment hazards, fire hazards, hazards from falling objects etc. Supervisors play a great role in reducing unsafe conditions and unsafe acts.

1.8 Answers to In-Text Questions

1. Health
2. False
3. (a) Preventive and curative
4. True
5. True



6. Labour welfare
7. False
8. (a) Factories Act
9. False
10. (d) All of the above
11. Compensation
12. True
13. (d) All of the above

1.9 Self-Assessment Questions

1. Explain the significance of industrial health and safety in effective management of human resources.
2. How would you measure and record industrial accidents? Explain the causes of such accidents?
3. Discuss the provisions of the Factories Act, 1948 relating to safety of industrial workers?
4. What do you mean by the concept of Employee Health? What measures should be taken to protect employee health in industries?
5. Explain the qualifications, duties and responsibilities of a labour welfare officer?
6. What do you mean by employee safety? According to you what are the benefits of working in a safe and healthy environment?
7. Explain the concept of employee safety. What are different steps taken in a workplace to ensure the safety of employees and workers?
8. Why is social security needed in a workplace? Also explain the scope of social security.
9. List the types of hazards faced by employees in mines. How can an employer provide protection against these hazards?
10. Write short notes on:
 - (a) Employee safety
 - (b) Significance of Employee welfare



Notes

- (c) Types of welfare facilities
- (d) Scope of social security

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Employee Grievance, HRIS and E-HRM

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STRUCTURE

- 2.1 *Learning Objectives*
- 2.2 *Introduction*
- 2.3 *Employee Grievance*
- 2.4 *Human Resource Information System (HRIS)*
- 2.5 *E-HRM*
- 2.6 *Summary*
- 2.7 *Answers to In-Text Questions*
- 2.8 *Self-Assessment Questions*
- 2.9 *References*
- 2.10 *Suggested Readings*

2.1 Learning Objectives

After going through this lesson, you should be able to:

- ◆ Understand the concept, sources and procedures to handle employee grievances.
- ◆ Know the concept of HRIS and its application in a workplace.
- ◆ Understand the concept of E-HRM and its advantages and disadvantages to a company.

2.2 Introduction

Employee dissatisfaction with the company and its administration is referred to as an employee grievance. A business or employer is expected to give an employee a secure



work environment, a clear understanding of their duties, sufficient pay, respect, etc. Employee dissatisfaction, however, results from a mismatch between an employee's expectations and the employer's response. This lesson discusses about different sources of grievances, different procedures to handle grievances and how grievances disturb the employee as well as the work. We will further discuss about two electronic human resource tools that are making the work of personnel department easy. These tools are names as human resource information system (HRIS) and e-HRM.

2.3 Employee Grievance

2.3.1 *Concept of Employee Grievance*

There are many factors in industry which make a worker unhappy and dejected. May be his fellow worker are non-co-operative or his foreman's sarcastic or harsh remarks or his own personal problems outside the factory or domestic matters. Poverty, undernourishment, debts, unemployed dependents, etc. may be working adversely in his mind, He is aggrieved and wants to ventilate his feelings and reactions. A well-defined grievance procedure is an important element of sound industrial relations machinery. Prompt and effective disposal of workers grievance is the key to industrial peace. The grievance procedure set up by agreement with a union provides a medium for the workers to transmit his grievance to management in an orderly manner and get the answer in writing. Keith Davis has defined grievance as "any real or imagined feeling of personal injustice which an employee has concerning his employment relationship." A grievance represents a situation in which an employee feels that something unfavourable to him has happened or is going to happen. In an industrial enterprise, grievance may arise because of several factors such as:

- ◆ Violation of management's responsibility such as poor working conditions.
- ◆ Violation of company's rules and practices.
- ◆ Violation of collective bargaining agreement.
- ◆ Violation of labour laws.



- ◆ Violation of natural rules of justice such as unfair treatment in promotion.

The essentials of a grievance in an organization are as under:

The Discontentment Arises out of Something Connected with the Organization: The sources of grievances lie within the company such as unfair treatment by the supervisor, violation of company rules, etc. Personal reasons such as illness in the family, conflict with a neighbour, etc. do not constitute a grievance. Such outside sources are beyond the control of the employer.

A Grievance may be Expressed or Implied: It is comparatively easier to identify express grievances. They are manifested in several ways, e.g. gossiping, active criticism, augmentation, increased labour turnover, carelessness in the use of tools, materials and poor workmanship, etc. Grievances are also implied by indifference to work, day dreaming, absenteeism, tardiness, etc. It is not wise to recognize only expressed grievances and overlook the unexpressed ones.

The Discontent may be Rational or Irrational: Rational grievance is a genuine one which must be removed by the arrangement. On the other hand, there are grievances which are emotional in nature and are based on sentiments, distorted perception, lack of proper thinking, etc. These are totally irrational or psychological. It is difficult to handle such grievances.

2.3.2 Sources of Grievances

The causes of grievances may be grouped under three heads, *viz.*, (i) management policies; (ii) working conditions; (iii) personal factors.

(i) Grievances Resulting from Management Policies:

- (a) Wage rates or scale of pay
- (b) Overtime
- (c) Leave
- (d) Transfer-improper matching of the worker with the job
- (e) Seniority, promotion and discharge
- (f) Lack of career planning and employee development plan
- (g) Lack of role clarity

**(ii) Grievances Resulting from Working Conditions:**

- (a) Unrealistic
- (b) Non-availability of proper tools, machines and equipment for doing the job
- (c) Tight production standards
- (d) Bad physical conditions of workplace
- (e) Negative approach to discipline

(iii) Grievances Resulting from Personal Factors:

- (a) Narrow attitude
- (b) Over-ambition
- (c) Egoistic personality

2.3.3 Handling of Grievances

Grievances are symptoms of conflicts in enterprise. So they should be handled very promptly and efficiently. Coping with grievances forms an important part of manager's job. The manner in which he deals with grievances determines his efficiency in dealing with the subordinates. A manager is successful if he is able to build a team of satisfied workers by removing their grievances. While dealing with grievances of subordinates, it is necessary to keep in mind the following points:

- I. A grievance may or may not be real.
- II. Grievances may arise out of not one cause, but multifarious causes.
- III. Every individual does not give expression to his grievances.

For the purpose of handling grievances efficiently, it is necessary to find and analyze the grievances of the subordinates. If a grievance is found to be genuine or real, the corrective action should be taken immediately. But if the grievance arises due to imagination or disturbed frame of mind of the worker, then it is necessary to explain and clear up the matter. Before dealing with the grievances, their causes must be diagnosed. But when the grievances are not given expression by the subordinates, it is manager's job to detect the possible grievances and their causes. While dealing with grievances, a manager cannot depend upon any readymade



solutions. Every case has to be dealt with on its merit. The following guidelines may be followed to deal effectively with the grievances:

2.3.4 Grievance Procedure

A grievance is the embryo of more serious trouble to come because accumulation of minor grievances may lead to major explosions. Therefore, prompt and effective handling of grievances is the key to industrial peace. This calls for a systematic procedure of handling grievances for the just and speedy disposal of grievances. There are two types of grievance procedures for redressing the grievances of the employees. These include: (i) open door procedure, (ii) step-ladder procedure.

(i) Open Door Policy: Under this procedure, the employees are free to meet the top executive of the organization and get their grievances redressed. Such a policy may work well in the small organizations, but in big organizations this may not be practicable because the top executive will be too busy in other matters. Another disadvantage of open door policy is that lower level executives feel bypassed. This may complicate the human relations problems. Moreover, top management is not too familiar with the working conditions of the operative employees. It may be difficult for it to attend to employee grievances because of lack of sufficient information. Lastly, it is also said that the open door policy is suitable for executives to walk through and not the operative employees. The employees may even hesitate to go to top executives with their grievances. Because of these difficulties, step ladder procedure may be adopted.

(ii) Step-ladder Procedure: Under this procedure, the aggrieved employee has to proceed step by step in getting his grievance heard and redressed. Firstly, he has to present his grievance in writing to his supervisor or foreman. If he is not satisfied with his decision, he may go to the head of the department. There may be a joint grievance committee after the decision of the head of the department is not acceptable to the employee. If the committee also fails to redress his grievances, the matter may be referred to the chief executive. The grievance procedure will be said to be exhausted if the chief executive is also not able to redress the grievance. The workers



should not take any action against the management until the whole grievance procedure has been exhausted. The grievance assumes the form of a conflict after the worker is not satisfied with the decision of the chief executive. For maintaining industrial peace in the plant, it is advisable to refer such grievance to the voluntary arbitration. The award of the arbitrator should be binding on both the parties.

2.3.5 Industrial Health Programme

It is advisable to set up an effective grievance procedure in the organization. The procedure should be flexible enough to meet the requirements of the organization. It should be simple so that an average employee is able to understand it. Though such a procedure will vary in different organizations, yet the following principles should be observed while laying down a grievance procedure:

- I. A grievance should be dealt with in the first instance at the lowest level; that is to say, an employee should raise his grievance with his immediate superior. It may be simple to settle it on the spot and that will be the end of it. Even if it cannot be settled at that level, the man's superior will know what is happening. This is necessary not only to maintain his authority, but also to prevent him from being aggrieved as he will certainly be, if he is by-passed and later hears of the complaint from his own superior.
- II. It must be made clear to the employee what line of appeal is, so that if he cannot get satisfaction from his immediate superior, he may know the next higher authority to whom he can go.
- III. Since delay causes frustration and tempers may rise and rumours spread around the work, it is essential that grievances should be dealt with speedily.
- IV. It must be clearly understood in establishing a grievance procedure that if the grievance is against an instruction given by a superior, it is in the interest of discipline that instruction must be carried out. Only then can the employee register his protest and set in motion the procedure.
- V. The grievance procedure should be set up with the participation of the employees and it should be applicable to all in the organization.



It should be agreed that there will be no recourse to the official machinery of conciliation unless the procedure has been carried out and there is still dissatisfaction. Moreover, there must be no direct action on either side which might prejudice the case or raise tempers while the grievance is being investigated.

A good grievance procedure should be simple so that an average employee is able to understand it. Secondly, it should lay down the time limit which should not be exceeded at every step of the grievance procedure, and lastly, the grievance procedure should be developed with the participation of the leaders of the employees and must be applicable to all.

IN-TEXT QUESTIONS

1. A _____ represents a situation in which an employee feels that something unfavourable to him has happened or is going to happen.
2. Under step ladder procedure, the employees are free to meet the top executive of the organization and get their grievances redressed. (True/False)
3. Which of the following are grievances Resulting from Personal Factors?
 - (a) Overtime
 - (b) Wage rate
 - (c) Over ambition
 - (d) Unrealistic
4. A Grievance may be Expressed or Implied. (True/False)

2.4 Human Resource Information System (HRIS)

Human Resource Information System (HRIS) is a system designed to supply information required for effective management of an organization. Any organization is managed by taking various decisions at the various levels of its management hierarchy. Information is needed to take these decisions. Quality of decisions will largely depend upon the nature, and type information provided for taking the decisions. Therefore, designing of an effective information system is vital for the efficient working of



an organization. It can be built around electronic computers in case of big organizations. Human Resource Management Information System is designed to supply information required for effective management of human resources in an organization.

2.4.1 Computerised Human Resource Information System

Computers can amplify the capabilities of human resource managers in their job of efficient management of human resources. That is why; modern organizations use computerized Human Resource Information Systems. A computerized HRIS is designed to monitor, control and influence the movement of people from the time they join the organization till the time they separate from the organization. Thus, the scope of computerized HRIS is very vast and it includes information about the following sub-systems:

- (i) **Recruitment sub-system Information:** It includes advertisement module, applicants' profile, appointment and placement data.
- (ii) **Manpower Planning sub-system Information:** It includes information that could assist human resource mobilization, career planning, succession planning and inputs for skill development.
- (iii) **Personnel Administration sub-system Information:** It is intended to keep personal records of each employee as regards leaves, transfer, promotion, increments, etc.
- (iv) **Training sub-system Information:** It provides information for designing course material system for need based training, appraisal of training programme, etc.
- (v) **Maintenance sub-system Information:** It is designed to contain data about health, safety and welfare of employees.
- (vi) **Appraisal sub-system Information:** It contains information about performance rating which serves as input for transfer, promotion, increment, succession planning and career planning, etc.
- (vii) **Payroll sub-system Information:** It consists of information concerning wages, salaries, wage incentives, allowances, perquisites of fringe benefits, deductions for provident fund, etc.



(viii) Personnel Research Sub-system Information: It is a bank of historic and current data about employees' attitude, absenteeism, turnover, etc. which may be used for different types of analysis.

(ix) Job Analysis and Design Sub-system Information: Since individuals are employed for various jobs, it is essential to computerize job-related information about every job before and after redesigning.

The computerized HRIS virtually integrates the information relating to various sub-systems of human resource management as discussed above. It, in fact, serves as a common database of information on jobs, people and organization variables. The Integrated HRIS involves the following elements:

- ◆ **Automated Analysis Methods:** Data on people, jobs and organisation are gathered by the system through diagnostic questionnaires that query human respondents and analyse the data.
- ◆ **Decision Support:** This supports specific HRD decision making. The formats are designed to answer specific questions.
- ◆ **Multiple Applications:** Various segments of the Human Resource Information System are integrated so that data generated by or used by one HR sub-system can be accessed and used in other sub-systems or functions.
- ◆ **Easy Access and User Friendliness:** The computerized HRIS facilitates easy access to data whenever required. Whosoever knows the operations of a computer can retrieve the required information.

Application of computers in modern organizations can help in processing Organisational data, Job data and Personnel data. Organisational data include market or competitive information, e.g., the life cycle of a company's products; the mission, values and strategy of the company, its structure and culture, management style, employee attitudes and its output results. Job data include the proposed duties and responsibilities, performance standards, compensable factors and competency requirements. People or personnel data may include current and potential employees' demographic information, work history, education level, training and development history, competency-assessments, performance appraisal data and career path.



2.4.2 Need for HRIS

In order to conduct human resource audit and human resource research, the human resource manager requires considerable amount of data. Planning and control of human resources need a sound information base. The information required for various functions of human resource management are as follows:

- 1. Procurement Function:** (a) Inventory of present and future needs for manpower; (b) Reliable performance standards; (c) Possible changes affecting skills; (d) Location and matching of required and available skills; (e) Valid measures for testing and selection; (f) Costs of recruitment and replacement.
- 2. Development Function:** (a) Valid measures of employee performance; (b) Cost benefit calculations of training and development; (c) Linkages between individual aspirations and organizational needs; (d) Career and succession plans.
- 3. Compensation Function:** (a) Linkage between wages and productivity; (b) Impact of money on work motivation of employees; (c) Employee costs in terms of turnover; (d) Effect of inflation and technology on wage levels and productivity; (e) Value of collective bargaining, fringe benefits programmes, etc. to the company.
- 4. Maintenance Function:** (a) Absenteeism, turnover, accidents, grievances, discipline, Mondays lost and other indicators of organizational health; (b) Environmental standards for physical and mental health of employees; (c) Causes and costs of employee separation; (d) Incentives for voluntary separation if necessary.
- 5. Integration Function:** (a) Communication and leadership climate in the company; (b) Adaptation to environmental changes; (c) Causes of changes in productivity level; (d) Impact of changes in technology and markets.

2.4.3 Objectives of HRIS

Some of the common objectives of HRIS in operation in various enterprises are as follows:



- I. To make the desired information available in the right form to the right person and at the right time.
- II. To supply the required information at a reasonable cost.
- III. To use the most efficient methods of processing data.
- IV. To provide necessary security and secrecy for important and/or confidential information.
- V. To keep the information up-to-date.

2.4.4 Functioning of HRIS

Human Resource Information System can be broadly classified into two processes:

- (a) **Data Collection:** Who should collect what data and in what form and how often? The nature and the form of data will vary from organisation to organisation depending upon its objectives. The manner of data collection will depend upon the purpose for which data is required. After collection of data, irrelevant data should be filtered out and the relevant data should be properly classified and tabulated so that it can be used easily when needed.
- (b) **Data Management:** A good data management system involves following sub-functions:
 1. Processing operations, *viz.*, classifying, analyzing, summarizing and editing the data.
 2. Storage of data *viz.*, indexing, coding and filing of information.
 3. Retrieval of data, whenever required.
 4. Evaluation, *i.e.* judging the usefulness of information in terms of its relevance and accuracy.
 5. Dissemination, *i.e.* providing the required data in the right form at the right time.

The data management system should be capable of giving efficient service in terms of day-to-day processing of information. At the same time, the system design should not be rigid. With the changes in conditions, demand on the information system may change. The same information may be needed in different format or different levels of aggregation may



be needed. An efficient system should be able to quickly respond to these types of demands from different sources.

2.4.5 Designing of HRIS

HR Information System is the linking mechanism which connects all decision-making centers in an organisation. The development of an HRIS should be a well thought-out process. It should consist of the following steps:

1. **Planning of System:** Planning of Human Resource Information System requires the identification of objectives of the system. This further requires a clear formulation of objectives of the organisation; spelling out of the activities required to be carried out; work relationship, work patterns and their sequence; and above all the defining of physical boundaries of the system. Thus, this step involves the description in generalized terms of the course of action and the limitations within which the system has to be designed.
2. **Organising Flow of Information:** The system designer should study what is the prevailing flow of information and compare it with what should be flow of information. He should also study how this gap could be removed. This study is based on the following premises:
 - I. The critical deficiency under which most managers operate is the lack of relevant information.
 - II. The manager needs the information he wants for decision-making.
 - III. If a manager has the information he needs, the decision-making will improve.
 - IV. Better communication between managers will improve organizational performance.
 - V. A manager does not have to understand how his information system works, only how to use it.

The system designer has to take the decision in respect of the number of files to be maintained, the equipment to be used for processing of data such as manual, electronic or automatic processing, etc. the personnel to be employed for this purpose and the ways of



processing, etc. the personnel to be employed for this purpose and the ways of processing and storing the information required on an exceptional basis. Above all, a cost-benefit analysis of the system is essential.

- 3. Implementation:** This phase deals with the fitting in of HRIS into the organisation structure. The various alternatives available in this connection are: (i) the old information flow may be allowed to continue as it is and new system may be installed to meet the requirements of the new operation; (ii) the old system may be scrapped completely and supplanted by the new one; and (iii) phasing the installation of the new system and scrapping the old one.

It is important to appoint and train personnel for operating the HRIS. The procedures for actual installation of the installation of the equipments to be used and development of the support facilities is yet another major decision area. Obtaining the printed formats and reports is the next task. The most difficult part of this phase is the amalgamation of the information system and the organisation structure.

- 4. Feedback:** The regular feedback regarding the actual functioning of the HRIS is a must for the designer to fill up the gap between its planning and implementation. The changes in the environment also need to be incorporated. If the HRIS is not corrected for these deviations, it will lead to malfunctioning of the HRIS. Hence the system should be continuously reviewed in the light of changes in the environment both within the organisation and outside the organisation. Necessary steps will have to be taken to modify the system in the wake of these changes.

2.4.6 Applications of Computerised HRIS

The specific applications of computerized human resource system are as follows:

- 1. Job Description:** Produce printouts that describe jobs according to user specification and information input into the system. As a minimum job description includes job title, purpose, duties and



responsibilities, the computer programme should allow the authorized users to update and reformat job descriptions.

2. **HR Planning:** Forecast demand for key jobs as well as employee turnover and patterns of inter-organisational mobility. It can be used to project future employee and competency needs for staffing and development activities.
3. **Staffing:** Address recruitment, selection and placement functions and can include the following modules:
 - (a) **Applicant Tracking:** Track key information on job applicants and other relevant selection process information.
 - (b) **Job Posting:** Provides a listing of open jobs within the organisation. The listing typically identifies title of the job, job location, primary responsibilities and job requirements.
 - (c) **Job Requirements Analysis:** Analyse job duties and responsibilities to identify competencies that predict effective job performance.
 - (d) **Job person Matching:** Compare competency assessments of candidates to job competency requirements.
4. **Succession Planning:** Report information on the availability of competent candidates for key positions. It will help in identifying candidates for each key position. It will help in identifying candidates for each key position and the development needs of candidates where they fall short of the requirements for a target job.
5. **Training and Development:** Track recommended training for skill levels, training site availability, course schedules, enrolments, attendance, completion of course, trainer and trainee evaluation results. It includes the following:
 - (a) **Career Planning:** Help employees understand alternative job options and compare their competencies with the competency requirements for these jobs.
 - (b) **Development Needs Analysis:** Identify employees and employee groups that will best benefit from training and development.
 - (c) **Development Advisor:** Provide feedback to employees by identifying gaps between an employee's competencies and job competency requirements of his or her current job.



- 6. Performance Appraisal:** Help managers direct employees to achieve organizational goals and develop their competencies. Generate performance appraisal forms based on the goals and standards and competencies required of a job and record appraisal ratings for employees on goal accomplishment and competency assessment:
- (a) **Performance Assessments:** Appraisals keep employees competency data upto date.
 - (b) **Goals Accomplishments:** Record goals set for employees at the beginning of the performance period and appraise employee performance against these goals.
 - (c) **Reward Management:** Support compensation benefit administration ensuring that internal and external pay equity is maintained and that pay effectively motivates employee towards appropriate goals.
- 7. Job Evaluation:** Computer assisted job evaluation system helps manager determine job evaluation points or classification levels and job hierarchies.
- 8. Compensation:** Track, analyse and report compensation information on pay grade structures, merit guidelines, support salary budgeting e.g., by allocating increases according to alternative criteria and tracking results in terms of ratios and other statistics.
- 9. Organisational Climate Analysis:** Employee attitude survey data which provide composite profiles of employee morale, concerns and values, help managers take appropriate actions.

IN-TEXT QUESTIONS

5. A _____ is designed to supply information required for effective management of human resources in an organization.
6. First step in designing a HRIS programme is Planning of the system. (True/False)
7. Application of HRIS can be done on which of the following?
 - (a) Training and Development
 - (b) Appraisal



(c) HR Planning

(d) All of the above

8. HRIS can be broadly classified into four processes, namely data classification, data operation, data analysis and data interpretation.
(True/False)

2.5 E-HRM

E-HRM is the use of information technology in human resource procedures to facilitate simple exchanges between employees and employers. It maintains data for various HR services like payroll, employee information, performance management, training, hiring, etc. E-HRM is also termed as electronic human resource management.

E-HRM has been defined as “a way of implementing HR strategies, policies and practises in organisations through a conscious and directed support of technology-based channels”.

2.5.1 Advantages of E-HRM

Adopting electronic HRM has the following advantages:

- 1. Providing Services Efficiently:** E-HRM improves the quality of services and fixes a particular form in which service is to be provided, it has also been noticed that mistakes are also less in the work.
- 2. Help in Cost Saving:** Routine tasks like record keeping, collecting and storing records, maintaining portfolios, etc. can be done easily using software's, therefore less workforce is needed by the company which helps in saving money.
- 3. Maintenance of Employee Data:** Huge bundles of data are stored using electronic data and making any updations is also super easy as compared to manual record keeping.
- 4. Quick Analysis of data:** Employee performance can also be analysed in no time using some analytical software's, that help the company to provide fair appraisal to the employees.
- 5. Improving Accuracy:** Data stored here is more accurate and there exists no chance of human biasness.



2.5.2 Types of E-HRM

In general, there are three types of E-HRM:

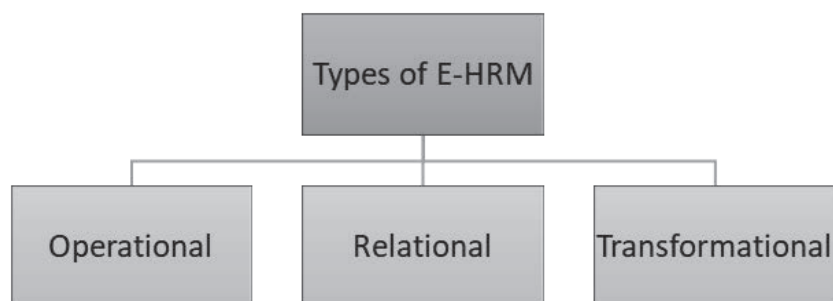


Figure 2.1: Types of E-HRM

1. **Operational:** Operational E-HRM is concerned with administrative functions – payroll and employee personal data, for example. This kind of e-HRM system is intended to increase the effectiveness of HR procedures and simplify the work of HR professionals.
2. **Relational:** Relational E-HRM is concerned with supporting business processes by means of training, recruitment, performance management, etc. The relational E-HRM system is used to improve communication and interaction between HR specialists and workers. The goal of this kind of E-HRM system is to enhance employee and HR expert interaction and communication.
3. **Transformational:** Transformational E-HRM is concerned with strategic HR activities such as knowledge management, strategic reorientation. An organization may choose to pursue E-HRM policies from any number of these tiers to achieve their HR goals. This kind of E-HRM system is intended to totally revamp how HR functions are carried out, improving their effectiveness and efficiency.

2.5.3 Practices of E-HRM

E-HRM is widely used by leading firms all over the world. Its areas are expanding gradually. Following are some areas where E-HRM is used:

1. **E-recruitment:** Recruitment through traditional advertising, print media, booklets, and magazines are replaced with online recruitment



process. It makes the process of finding candidates and new business opportunities quicker, cheaper and more efficient.

2. **E-Selection:** E-selection is a process of web-based testing, face to face interviews and job offers. Most organizations use e-selection to achieve some specific purposes, such as cost reduction, maximum utilization of human resources and sustainability. To operate e-selection properly, organizations need to consider few procedural requirements, including design upfront, vendor selection, and project steps, assessment steps, and protocol for the test event, and feedback to candidates.
3. **E-learning/web-based training:** E-learning includes numerous types of media that deliver text, audio, images, animation, and streaming video, and includes technology applications and processes. There are two primary models of Web-based instruction: Synchronous (instructor-facilitated) and asynchronous (self-directed, self-paced).
4. **E-performance management:** E-Performance Management, a web-based tool, has been designed to make the performance reviews easier than ever. An online performance appraisal system is a software program that facilitates the completion of performance evaluations online. It may be integrated with an employee position description module, allowing managers to pull data from the employee's position description and insert this information into the evaluation.
5. **E-compensation:** E-Compensation represents a web-enabled approach to an array of compensation tools that enable an organization to “gather, store, manipulate, analyze, utilize, and distribute compensation data and information”. Introduction of electronic technology in the human resource task results in better controlling and cost-saving.
6. **Biometrics:** It is the latest electronic technology design for accurate attendance maintenance of human beings with zero errors or frauds. Biometrics scan finger of human and stores permanently as his identity and proof that he is present.

2.5.4 Disadvantages of E-HRM

1. **Involvement of high costs and funds:** It involves a high cost to maintain and implement E-HRM.



2. **Maintenance of confidentiality:** It is difficult to maintain the confidentiality of the input data. Extra security needs to be purchased for securing this sensitive data.
3. **Huge amounts involved in training:** Organizations need to invest more on training and development before adopting e-HRM as this is a new concept and expertise is required to use and maintain it.
4. **Data can be attacked:** Electronic media are vulnerable, which may be attacked by viruses from anywhere on the Internet. Contracting a virus can disable your HR management system severely enough to render it unusable for an indeterminate time. E-HRM is subject to corruption, hacking or data losses.

IN-TEXT QUESTIONS

9. _____ has been defined as “a way of implementing HR strategies, policies and practises in organisations through a conscious and directed support of technology-based channels”.
10. E-recruitment and E-selection can be performed with the help of E-HRM. (True/False)
11. Which of the following is a disadvantage of E-HRM?
 - (a) Improving accuracy
 - (b) Quick analysis of data
 - (c) Involvement of high costs
 - (d) Completion of work efficiently

2.6 Summary

For the purpose of handling grievances efficiently, it is necessary to find and analyze the grievances of the subordinates. A grievance is the embryo of more serious trouble to come because accumulation of minor grievances may lead to major explosions. Therefore, prompt and effective handling of grievances is the key to industrial peace. This calls for a systematic procedure of handling grievances for the just and speedy disposal of grievances. There are two types of grievance procedures for redressing the grievances of the employees. These include: (i) open door procedure, (ii) stepladder procedure.

**Notes**

A web-based tool called E-HRM is used to streamline and assist HR procedures. E-HRM is a method of implementing HR strategies, policies, and practises in organisations through deliberate and directed support of and/or with the full use of web-technology-based channels. It is an effective, dependable, easy-to-use tool that is available to a wide range of different users. It covers every facet of human resource management, including hiring practises, employee personal pages, job descriptions, education and training, career development, corporate structure and yearly employee interviews. With so many advantages it also has some drawbacks namely more trained staff is required, expensive software's need to be purchased, trainings need to be imparted to existing staff and the data may be prone to attack of online viruses.

2.7 Answers to In-Text Questions

1. Grievance
2. False
3. (c) Over ambition
4. True
5. HRIS
6. True
7. (d) All of the above
8. False
9. E-HRM
10. True
11. (c) Involvement of high costs

2.8 Self-Assessment Questions

1. Explain the legal provisions relating to labour welfare in India.
2. Explain the qualifications, duties and responsibilities of a labour welfare officer.
3. State the concept and nature of grievance. What are the sources of grievances in industry?



4. What are the essentials of a good grievance procedure? Discuss in brief. Explain the concept of employee safety. What are different steps taken in a workplace to ensure the safety of employees and workers?
5. Discuss the uses and advantages of human resource information system.
6. The field of Human Resource Management has changed considerably over the years. Explain with suitable examples how this change has taken place in Indian industries and what challenges do you foresee for the human resource specialists in the 21st Century?
7. What do you mean by E-HRM? Discuss its advantages and disadvantages to businesses.
8. Write short notes on the following:
 - (a) Functions of HRIS
 - (b) Advantages of E-HRM
 - (c) Step ladder employee grievance procedure

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Employer-Employee Relationship

Dr. Virender Kaushal

STRUCTURE

- 3.1 *Learning Objectives*
- 3.2 *Introduction*
- 3.3 *Components of Employer-Employee Relationship*
- 3.4 *Standards for Establishment of Good Employer-Employee Relationship*
- 3.5 *Summary*
- 3.6 *Answers to In-Text Questions*
- 3.7 *Self-Assessment Questions*
- 3.8 *References*
- 3.9 *Suggested Readings*

3.1 Learning Objectives

After studying this Chapter students may able to:

- ◆ Understand the concept, need, features and importance of employer-employee relationship.
- ◆ Know about the components, fundamentals, advantages and poor causes of employer-employee relationship.
- ◆ Be acquainted with the standards and approaches used to establish good relationship and settle disputes among employer and employee in an organisation.

3.2 Introduction

When we talk about “employee-employer relationship,” we’re talking about the dynamic between workers and their superiors at the office. Managers and employees depend on one another to succeed in order to benefit the company. It’s imperative, then, that they have



a solid bond. Keeping this pair in check is essential in the contact point industry. The greater the bond between the two parties, the happier and more productive the employees will be. In order to reap these benefits, it is critical to remember the significance of the employer-employee partnership. An employment relationship exists between an employer and an employee. It occurs when a person accepts a paid position or delivers paid services under certain conditions.

3.2.1 Need for Employer-Employee Relationship

Keeping up positive ties between employees and employers can result in a number of positive outcomes. The following points reveal the need for employer-employee relationship in an industrial establishment:

- ◆ **Cordial Relationship:** Relationships between employees and employers that are friendly contribute to economic growth and development, which in turn contributes to greater levels of productivity. A higher level of performance and development can be attained when efficiency is improved.
- ◆ **Interaction:** If an employee feels valued by their employer, they will do everything in their power to ensure that the business achieves its goals. Good employee relations are the cornerstone of any successful business. Bad employee relations will have a negative impact on performance and will likely result in a high turnover rate.
- ◆ **Understanding:** When employees have positive interactions with senior management, they tend to remain with the company for longer periods. This provides them with the opportunity to acquire a comprehensive understanding of the company's policies, practises, and processes. Workers who have significant knowledge about the organization's operations are great assets to the company.
- ◆ **Empowerment:** Businesses that have employees who are engaged in their work as a result of great relationships between employees and employers have higher levels of production. Disengagement on the part of employees can cost firms millions of dollars due to the damage it does to output. It is imperative for organisations to



make their staff members feel valued and empowered in order to increase morale and self-assurance.

- ◆ **Conflict Management:** Conflicts in the workplace have a detrimental impact on the performance of an organisation. Concerns around potentially discriminatory recruiting practises or hostile work conditions are two examples of the kind of conflicts that can arise in any type of company. Conflicts can also create an atmosphere of mistrust between employees and managers, which can hinder performance.
- ◆ **Productive Workforce:** The most valuable resource that a firm possesses is its workforce. If they are involved in their work and driven, they will make an effort to meet the requirements set out by the organisation. A strong relationship between employees and employers is beneficial not only to the workers but to the company as a whole.

3.2.2 Features of Employer-Employee Relationship

The following are some of the key features of employer-employee relations:

- ◆ **Employment Relationship:** The employment relationship in the workplace is what leads to employer-employee relations. Without the two parties-the employer and the employees-these relations are impossible.
- ◆ **Employer-Employee Relations:** It encompasses both individual and group relationships. Individual relationships imply employer-employee relationships. Collective relations refer to the relationship between employers' associations and labour unions, as well as the state's involvement in regulating these relationships.
- ◆ **Complex Relationship:** The idea of the relationship between an employer and an employee is complicated and has many parts. The idea isn't just about how trade unions and employers work together; it also includes how employers, employees, and the government all work together. It includes both institutionalised and individual relationships, as well as those that are regulated and those that are not.



- ◆ **Dynamic Relationship:** Relations between employers and employees are always changing and growing. It changes as the structure and environment of the industry do. It is not a fixed idea. It grows, stays the same, or dies along with a society's economic and social institutions. Institutional forces in a country shape how employers and employees work together.
- ◆ **Social Relationship:** Employer-employee connections do not exist in isolation. Rather, these are the product of the attitudes and methods of employers and employees towards one another. Relations between employers and employees are a fundamental aspect of social connections.
- ◆ **Harmonious Relationship:** The primary goal of this is to keep management and labour in good terms. The participants learn skills and methods for adjusting to or cooperating with one another. They also use collective bargaining to try to solve their problems. To govern the workplace, every employer-employee relations system develops a complex set of rules, regulations, and procedures.

3.2.3 Importance of Employer-Employee Relationship

The importance of employer-employee relationship is given as under:

- ◆ **Productive Workforce:** A strong relationship between an employer and an employee creates a pleasant place to work for the employee and makes the organisation more productive. After that, he works with more confidence and motivation. This helps people do their jobs better and makes them more productive.
- ◆ **Loyal Workforce:** An improved employer-employee relationship fosters more employee loyalty and increases the likelihood that employees will stay on the job. The cost of an employee relations programme is typically outweighed by the increased cost of employee turnover for the majority of organisations. Additionally, it guarantees that the company has a professional and trained workforce.
- ◆ **Positive Working Conditions:** Conflicts are less likely to occur in the workplace when employer and employee relations are good. This boosts productivity and promotes the growth of friendly relationships among employees.

**ACTIVITY**

Employer-employee relationship is essential for establishing cordial relationship in an organization. Analyse the need and importance of employer-employee relationship in doing so.

3.3 Components of Employer-Employee Relationship

The essential components of employer-employee relationship are given as under:

- ◆ **Employers:** Employers attempt to gain employee loyalty in a variety of ways. They are primarily concerned with imposing motivation, commitment and labour efficiency. Management can also have an impact on workers' interests by exercising their right to relocate, close or merge a factory. Many employers employ dubious methods to break unions and strikers.
- ◆ **Workers:** Workers attempt to better their job terms and circumstances. They communicate with management and express their complaints. In addition, they desire to share decision-making authority with management. Workers receive assistance in their struggle from trade unions and labour laws. Unions wield influence at both the plant and industry levels.
- ◆ **Government:** The government is becoming more involved in employer-employee relationships to protect both employers' and employees' interests.

3.3.1 Fundamentals of Employer-Employee Relationship

The basic elements must be taken into consideration while focusing on creating healthy employer-employee relationship in an establishment:

- ◆ **Respect:** Respect should exist between employers and employees. Disrespectful behaviour is detrimental to the connection and also results in low retention and negative word of mouth.
- ◆ **Knowledge:** Understanding each other's strengths and shortcomings is crucial for the beginning of a strong relationship. By identifying



their shared and distinctive characteristics, it helps people comprehend one another.

- ◆ **Open Communication:** An open line of communication between an employer and employee is essential. They end up being on the same page, heading in the same direction, and working towards the same thing as a result.
- ◆ **Unbiased:** There should be a separation between personal and professional ties. It is advisable to keep your distance from employees because doing so could confuse the line between employer and employee. As a result, it could lead to claims of favouritism at work.
- ◆ **Acknowledging Appreciation:** Employers need to keep in mind that praise and reward are just as significant as criticism. Use any chance you have to thank your staff for their contributions, whether it's a town hall discussion or a celebration of spirit week.
- ◆ **Rules and Regulations:** Employers are not required to use their power to manage their workforce. The employer-employee relationship should be maintained by using the usual legal test as a check and balance.

3.3.2 Advantages of Employer-Employee Relationship

The effective management of employer-employees relationship at workplace results in positive outcomes and advantageous for an organisation in the following ways:

- ◆ **Lesser Conflicts:** Less fighting happens when people get along at work. When employees don't fight with each other and work towards the same goal, their trust in the company grows. That makes them more productive by keeping them from getting confused and causing more discord.
- ◆ **Increased Output:** As was said above, when employees have a good relationship with their boss, they are more productive and help the company make more money. Because when the work environment is good, people are more motivated and have better morale. And when workers are happy, they're more likely to do their best at work.



- ◆ **Employee Engagement:** It is directly related to the organisational relationship. The majority of employees believe that their relationship with their employer is important to their job satisfaction. As a result of feeling valued, employees are more likely to grow and stay with the company in the long run.
- ◆ **Employee Retention:** Successful businesses understand the need of cultivating great relationships with their staff in order to retain their hard-working, dedicated employees. Costs associated with replacing and retraining former employees will be avoided if they remain loyal to the team and company.
- ◆ **Easy Delegation of Responsibilities:** It is essential for an employer to be aware of the employees' strengths, limitations, and current and future expertise ranges. It assists in distributing responsibilities and preventing confusion. It enables the staff to remain motivated and efficiently execute the assigned task. Some firms also design assignments to help employees overcome their limitations. As people discover new strengths, they experience happiness at work and can be themselves.
- ◆ **Problem Solving:** When employer have good relationships with the employees, they can communicate freely and honestly about the day-to-day business. Such open conversations help people understand the problems and flaws in their business, which makes it easier to find quick solutions.
- ◆ **Equality:** Most employers don't treat everyone the same at work. And employees don't feel important if they don't work in a fair and equal place. Because of this, they don't usually work harder and get more done. By making sure all employees are treated the same, employer can build a strong and productive team, which is important for the success of any business.

3.3.3 Causes of Poor Employer-Employee Relationship

Frequent strikes, gheraos, lockouts, and other forms of industrial disputes show that there are problems between employers and employees. Having bad relations between an employer and an employee can be caused by a



number of economic, social, psychological, technological, and political factors. These are given as under:

- ◆ **Economic Causes:** Poor pay and working conditions are the main causes of strained relationships between management and labour, as well as unauthorized wage deductions, fringe benefits, lack of advancement possibilities, and flawed incentive programmes.
- ◆ **Organisational Causes:** Poor relations between employers and employees in industry are caused by the way the workplace is set up. This includes a bad communication system, a lack of supervision and command, not recognising trade unions, unfair practises, and breaking collective agreements, standing orders, and labour laws.
- ◆ **Societal Causes:** Workers are now under the control of machines because of the large-scale factory system and the high level of specialisation in the production system. This is called bringing machine culture into production systems. Because of this, workers in these factories are less proud of their work and less happy with their jobs. The breakup of the joint family system and impatience has caused tensions and conflicts that have made things worse between employers and employees.
- ◆ **Psychological Causes:** Unhappy employer-employee relationships can be caused by things like a lack of job security, a bad organisational culture, not being recognised for merit and performance, a bossy boss, and bad relationships between employees.
- ◆ **Political Causes:** There are a lot of political issues that have made it hard for employers and employees to get along. Some of these problems include the fact that trade unions are very political, that there are now many trade unions, and that competition between these unions has made them less powerful in negotiations.

ACTIVITY

Analyse the basic causes of poor employer-employee relationship in an organization. Why we have to consider these causes? Discuss in the class and prepare an assignment on the same topic. Submit it with the subject teacher.



3.4 Standards for Establishment of Good Employer-Employee Relationship

In order to establish healthy employer-employee relations, it is essential for the parties involved must have to follow certain standards. The standards are give as under:

- ◆ **Good Policies for Human Resources:** When it comes to pay, transfers, promotions, etc., an organisation with clear and transparent human resources policies has better relationships with its employees than one that doesn't make its policies clear to its staff and top management. All of the human resource policies should be clear to everyone in the business, including the leaders of the unions. Not only do fair and strong policies need to be made, but they also need to be carried out in a fair way.
- ◆ **Positive Attitude:** Trade unions and management need to respect and trust each other's decisions and work. Management should see union leaders as the ones who protect the rights of workers. On the other hand, union leaders should know what the employers can and can't do. If each side has such a positive view of the other, it would be much less likely that they will fight with each other.
- ◆ **Collective Bargaining:** Collective bargaining between employers and workers should be seen as a very important way for both sides to negotiate. No unit should try to use its strong position in an unfair way. Employers must want to bargain with workers on an equal basis and be serious about it. The government has a big part to play in making things better between these two groups.
- ◆ **Participative Management:** Employees feel more a part of the organisation if management gives them opportunity to participate in the creation of policies and human resource initiatives. Employees can have faith in their employers because they feel a sense of belonging. Because of this, they view themselves as employees of the business and give their all during the production process. Management ought to view trade unions as a resource rather than a source of obstacles. Employers are better able to gain the loyalty of their workforce in this way.



- ◆ **Accountable Labour Unions:** Many people have seen that labour unions take a political stance rather than acting responsibly. Conversely, unions must take a responsible stance towards employer-employee relations. Each union should understand how crucially dependent the efficient operation of the business and its output is on the wellbeing of the workforce.
- ◆ **Worker Welfare:** Businesses should be aware of the importance of employee wellness. Companies must guarantee fair pay, comfortable working conditions, chances for training and growth, and other labour-related necessities. It is essential to have a sincere interest in the welfare and advancement of the working class.
- ◆ **Grievance Handling Process:** Improved employer-employee relations can be achieved by implementing a quicker and easier grievance resolution process. Employee tension and annoyance would have a channel thanks to this. When workers perceive that their employers care about their issues and are working to address them, they will undoubtedly have positive opinions of the management and business as a whole. As a result, their bosses and them would get friendly.

3.4.1 Approaches for Settlement of Disputes Among Employer-Employee

The government of each and every country is particularly concerned with the absence of strikes and the goodwill between employers and employees. Each strike results in several issues and dislocations. Strikes, however, are occasionally unavoidable because trade unions and associations boost employee expectations to the point that the government occasionally finds it nearly impossible to meet them. Yet, it is against the law for government employees in India to organise into groups or unions. Strikes against vital services are therefore strongly discouraged. Some of the techniques used to resolve issues with employees include the following:

- ◆ **Express Issues:** Opportunity is given to the employee representatives to express their issues during departmental seminars, and every effort is taken to ensure that any issues that are specific to a department and may be resolved there are resolved as soon as possible. The system of conferences and committees for debating employee issues



is encouraged by the government. The government makes an effort to address human issues from a human perspective.

- ◆ **Negotiation:** On a national level, employer employee representatives gather occasionally and attempt to negotiate a solution to all disputes that affect the vast majority of all government employees.
- ◆ **Instructions:** The Ministry of Labour and other relevant ministries have instructed all parties to analyse all employee demands and accept those that may be implemented promptly in order to avoid strained relations.
- ◆ **Lesser Unionism:** The government aims to have only one association or union for each department and each class of employee so that it is easier for the government to reach an agreement with the workers.
- ◆ **Employer's Constraints:** Efforts are made to help government workers understand their employer's constraints, particularly its financial ones, so they can make appropriate requests. So, despite efforts to prevent strikes, it is regrettable that they occasionally happen. These strikes inconvenience the public and lead to an unfavourable conflict between employers and employees.

ACTIVITY

Visit the Hero Motors Plant situated at Manesar, Haryana and ask the HR manager what strategies they are following to establish the harmonious relationship between employer and employees? Prepare a report on this and give suggestive measures to cope with the problem of disputes. Submit this report with the course-coordinator.

IN-TEXT QUESTIONS

1. Who among the following depends upon one-another for the success of an organisation?
 - (a) Employees
 - (b) Manager
 - (c) Both (a) and (b)
 - (d) Only (a)
2. Why organisations need positive ties between employers and employees?



Notes

- (a) For cordial relationship and productive workforce
 - (b) Interaction and understanding
 - (c) Empowerment and conflict management
 - (d) All of the Above
3. What are the main features of employer-employee relationship?
- (a) Employment relationship
 - (b) Rigid Relationship
 - (c) Both (a) and (b)
 - (d) Only (a)
4. Why favourable employer-employee relationship is essential in an organisation?
- (a) Productive workforce
 - (b) Loyal Workforce
 - (c) Favourable working conditions
 - (d) All of the above
5. Which of the following are the essential components of employer-employee relationship?
- (a) (i) Employer, (ii) Customer, and (iii) Government
 - (b) (i) Employee, (ii) Financial Institutions, and (iii) Employees
 - (c) (i) Employer, (ii) Employee, and (iii) Government
 - (d) All of the above
6. Which of the following elements have been taken into consideration while focusing on creating healthy employer-employee relationship in an industrial establishment?
- (a) Respect and Appreciation
 - (b) Two way communication and fairness
 - (c) Knowledge, skills and abilities
 - (d) All of the above



7. Which of the following are advantages of managing harmonious relationship among employers and employees in an industrial establishment?
- (a) Conflict and higher output
 - (b) Higher Labour turnover and delegation
 - (c) Problem solving and biasness
 - (d) None of the above

CASE STUDY

Employee Relationship

Ms. Raksha works in the HR department at Prime Financial Services, a payroll management company, and is well-known for her participation in departmental activities. She is frequently burdened with duties, which she accepts and sometimes accepts herself. However, she learns that many of her coworkers accomplish their work on time and attend to their personal lives in similar measure. This causes her to question her skills due to her inability to complete her task on time. Raksha came to the conclusion that it was time to leave her job and scheduled a meeting with the head of human resources, Mr. Johnson. Johnson devised alternative strategies to deal with her, such as persuading her to work from home and minimising her tasks. Mr. Yashasvi confronted Mr. Johnson with the question of how he convinced Ms. Raksha to accept the offer to work from home, as the manner in which she does her duties is an essential part of her job description. Mr. Johnson answered with a smile, saying that she should stick to her job description and that she won't be able to limit her responsibilities due to the way she works. He thought that Johnson's last words made him worry about how to replace her in Johnson's job as Head of HR.

Questions:

1. Who is more likely accurate, Raksha or Johnson's assumption?
2. What do you think may be the cause of Raksha's workload being so high? Do you think it could be due to the organisational structure or the very makeup of Raksha?



3. In addition to that, please respond to Mr. Yashasavi's inquiries that were posed in the previous paragraph. Was this a show that was prepared in advance?

Answers:

1. This is a question that is posed in the form of an imaginary scenario. If Raksha's identity could be ascertained, then it would indicate that her assumption is probably accurate. But if she were to be that rigid about her intention to minimise responsibilities.
2. Mr. Johnson's presumption would be accurate. If we examine the evidence, there is a clue that suggests that Raksha is the candidate of choice for Mr. Yashasavi, the President of the company. This demonstrates that he is aware of everything that is going on in the department. Also, he is aware of who is working with a significant level of participation. As a result, the structure of the organisation seems to be appropriate. In the case, it is said that she takes on tasks even if they are not listed on her profile. This is in spite of the fact that she is not directly involved in the case. Both of the possibilities outlined above might be the cause of her feeling overwhelmed, with her nature being the primary contributor and the structure playing a secondary role.
3. It would seem that Mr. Yashasavi, the department's President, is well aware of everything that is taking on inside the organisation. His desire to find someone else to take Johnson's place is an indication that he does not have a high level of satisfaction with Johnson. As a result, he has some reservations about Johnson and wonders if he is intentionally weighing her down with responsibilities in order to get her to take use of the work-from-home option he offered her. He is gaining two things as a result of this situation:
 - ◆ His rival Raksha will only work from home, which means she will be absent from the corporation. Second, because of Raksha's type of involvement, he is able to get the task out of her with relative ease. After examining the situation, Mr. Yashasavi came to the conclusion that it was likely an act that had been organised by Mr. Johnson.



3.5 Summary

Hiring a new employee is more than just adding a body to the workforce; it's the beginning of a brand-new connection between the company and worker. Relationships between employers and employees are inevitable due to the close confines in which they spend much of their time. Maintaining these connections is critical to a company's success since it can enhance employee satisfaction and output. Those who are employed by a company do their services directly for that company rather than as independent contractors. The federal government considers everyone whose job is directed or controlled by the company on a regular basis to be an employee, especially if the manner in which the work is performed is specified and routine. Workers typically report to an office or work from home between the hours of 9 a.m. to 5 p.m. or 10 a.m. to 6 p.m., or in shifts like the night shift and the day. Dependence on one another should characterise the relationship between an employer and an employee. It is the responsibility of the worker to carry out their duties and ensure that the company continues to function normally as a result of their efforts. On the other hand, the employee is dependent on the employer to pay them and provide them with the means to financially support not only employees but their family too.

3.6 Answers to In-Text Questions

1. (c) Both (a) and (b)
2. (d) All of the Above
3. (d) Only (a)
4. (d) All of the above
5. (c) (i) Employer, (ii) Employees, and (iii) Government
6. (d) All of the above
7. (d) None of the above

3.7 Self-Assessment Questions

1. What do you mean by, "Employer" and "Employee"? Discuss with the help of suitable example.



Notes

2. What do you mean by employer-employee relationship? Discuss its features and need for an organisation.
3. Why it is important to maintain good relationship between employer and employees in an organisation? Elaborate with the help of suitable example.
4. Discuss in detail the basic components of employee-employer relationship.
5. What are causes of poor relationship among employer and employees? Elaborate.
6. Being a manager of an organisation discuss the standards established by you for managing or creating harmonious relationship among employer and employees in your organisation.
7. What approaches have been undertaken by the management for settling disputes between employer and employees? Discuss

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3.9 Suggested Readings

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Notes



Industrial Disputes and Stress-Free Environment

Dr. Virender Kaushal

STRUCTURE

- 4.1 *Learning Objectives*
- 4.2 *Introduction: Industrial Disputes*
- 4.3 *Stress Free Environment: An Overview*
- 4.4 *Rejuvenation Breaks*
- 4.5 *Leisure Activities*
- 4.6 *Summary*
- 4.7 *Answers to In-Text Questions*
- 4.8 *Self-Assessment Questions*
- 4.9 *References*
- 4.10 *Suggested Readings*

4.1 Learning Objectives

After studying this Chapter students may able to:

- ◆ Understand the concept, characteristics, classification, reasons and effects of industrial disputes.
- ◆ Know about the methods used for resolving the industrial disputes.
- ◆ Be acquainted with the meaning, importance, benefits of stress free environment.
- ◆ Be familiar with the sources of stress and techniques for managing stress at the workplace.
- ◆ Value the suggestions to create an effective stress free environment at his workplace.
- ◆ Learn the concept, benefits and methods of rejuvenation breaks.
- ◆ Gain knowledge about the meaning, importance, need, types and advantages of leisure activities.



4.2 Introduction: Industrial Disputes

The establishment of harmonious relationships among labour and employer is of the utmost significance for economic growth and prosperity. Even if the workers prevail in a labour dispute, both the employers and the employees will suffer a loss. It is also injurious to society as a whole. A labour dispute is a disagreement or conflict between management and employees about employment. It is a dispute between an employer and a trade union representing workers. Often, wages or working conditions are the source of dissatisfaction. During a labour dispute, both sides exert pressure on one another to accept their terms and conditions. The industrial disturbance is characterized by worker strikes, lockouts, picketing, gheraos, and indiscipline. Either particular organizational issues, such as inadequate compensation, absence of benefits and help programmes, or broader socioeconomic issues, such as poverty, unemployment, etc., are responsible for this discontent.

4.2.1 Characteristics of Industrial Disputes

The characteristics of industrial disputes are as under:

- ◆ **Actors:** Several parties might be involved in industrial conflicts. It is between parties such as employers and employees, employers and workers, and workers and workers.
- ◆ **Association:** Disputes may include either the employee or the employer, or both. Often, it pertains to a person's appointment or dismissal; terms of employment or working circumstances.
- ◆ **Structures:** Industrial conflicts may take several forms, including strikes, lock-outs, Gheraos, go-slow tactics, pens-down strikes, etc.
- ◆ **Verbal or Documented:** There is no need to document a labour disagreement. It may be verbal.
- ◆ **Factual:** It must be authentic. It should pertain to the worker's employment, its termination, the terms and conditions of employment, etc. Personal issues have no bearing on workplace disputes.
- ◆ **Participation:** In matters concerning industrial disputes, either the employer or the employee must have an interest.



- ◆ **Connected to an Industry:** When a conflict involves industry, it might be classified as an industrial dispute. Disputes must often pertain to a functioning industry. Complaints from a now-defunct industry shouldn't be included.
- ◆ **Clarity:** Disputes in the workplace should include transparent issues. It is not feasible to resolve the matter unless it is transparent. Unambiguous matters are readily resolved. When the matter is unambiguous, the concerned party may safeguard its interests.
- ◆ **Source:** Disputes often emerge when employees or trade unions present their requests to the employer and the latter refuses to accept them.

4.2.2 Classification of Industrial Disputes

Industrial disputes may be categorized according on the basis of given factors:

- ◆ **Economic Disputes:** Conflicts of interest and economic disputes pertain to the introduction of new employment terms and conditions. Often, such disagreements arise from union demands or suggestions for a raise in salaries or other remunerations, fringe benefits, job security, or other work conditions. There are no guiding principles for resolving such conflicts. Conflicts of interest and economic disputes relate to the nature of the relevant concerns.
- ◆ **Unfair Labor Practices:** Disagreements between employees and management can be resolved in line with the Act's rules on labour disputes. Such disagreements develop as a result of management's mistreatment of employees or labour unions. Examples of such misconduct include interference, restraint, or violence of employees from exercising their right to organize, join, or assist a union.
- ◆ **Grievances and Rights Conflicts:** Conflicts between employees and management are often referred to as "conflicts of rights" and "legal disagreements". These disputes involve issues such as punishment, promotion, transfer, or termination of an employee, payment of salary, fringe benefits, overtime, retirement benefits, seniority work-rules, leave rules, etc. There are specific standards for settling a conflict, such as the applicable section of the Act or collective agreement.



- ◆ **Recognition Disputes:** Conflicts develop when management refuses to recognize a labour union for collective bargaining reasons. The management's objection might be based on the fact that the union seeking recognition does not represent a precise number of Employees. Such norms may be codified by legislation, as they may be Customary or drawn from the country's prevalent practices.

4.2.3 Reasons of Industrial Disputes

The following are the basic reasons or causes of industrial disputes:

- (a) **Economic Reasons:** The majority of industrial disputes are caused by economic factors. Industrial conflicts are caused by economic factors, either directly or indirectly. The following are the primary economic causes:
- ◆ **Poor Pay:** Most common cause of workplace conflicts is a demand for greater wages. Workers demand that their salaries be proportionate to the amount of labour they do. Wages in industries are low and as a result, it is very difficult for labourer's to satisfy their basic needs. Such a demand results in labour conflicts.
 - ◆ **Dearness Allowance:** Another element contributing to labour conflicts is raising living costs. Workers want more pay in the manner of dearness allowance to offset it. Increasing prices are at the core of demand for dearness allowance, and refusal to provide this need leads to a labour conflict.
 - ◆ **Earnings from Industry:** Employees' desire to be seen as a collaborator in production leads to a labour conflict when employers reject their profit-sharing proposal.
 - ◆ **Bonus:** Bonus demand is often a source of industrial conflict. Employees see bonuses as postponed wages. The demand for bonus payment is the source of the industrial conflict.
 - ◆ **Working Environment:** Workers' working conditions in India are unacceptable. Machine obsolescence, a lack of safety requirements and insufficient lighting are common elements of industrial units.



- ◆ **Working Time:** Working hours is another point of conflict between companies and employees. Despite regulations to the contrary, companies always want to keep employees working long hours for low compensation.

(b) **Management Reasons:** An organization's success is heavily reliant on its management ability. The growth of the industrial unit will be automatic if the management adopts proper strategies. Disagreements are often exacerbated as a result of poor management procedures. These are as under:

- ◆ **Non-Recognition of Unions:** Companies' attitudes towards labour unions have been hostile from the start. As a result, companies discourage employees from banding together; they refuse to recognise their unions. This causes tension between employers and employees. Employers purposefully recognise the other union in order to sow discord among the employees.
- ◆ **Breach of Contract:** Employers and employees do reach agreements on a variety of topics. In many situations, employers do not enforce or rigorously comply with these agreements. It also takes into consideration any disagreements between the two parties.
- ◆ **Neglect by Managers and Supervisors:** Managers and bosses believe they are superior. They mistreat the employees because they are influenced by this superiority complex. The trade unions are adamantly opposed to the same.
- ◆ **Poor Recruiting Procedures and Policies for Employee Development:** Poor recruitment systems can lead to labour problems. Workers are often recruited by intermediaries who get bribes from them. They take advantage of the employees' weakness. Defective development strategies, such as partiality in promotion, needless and biased transfer, and employers' careless attitude towards training facilities, all lead to industrial conflicts.
- ◆ **Injustice in Retrenchment, Demotion, and Termination:** All employers' inflammatory actions provide fodder for industrial confrontations. Labourers are sometimes laid off as a result



of a drop in output. Workers who actively participate in trade union activity are demoted. Employers may terminate employees' services without providing a cause. This is highly opposed by trade unions, but also provides fodder for confrontations between employers and workers.

- ◆ ***Self-serving Leadership:*** The lack of appropriate and effective leadership undermines trade unions, which the employer class exploits. These leaders form an unholy alliance with employers in order to fulfil their selfish interests at the expense of the workers. This is often a source of contention.
 - ◆ ***Collective Bargaining and Employee Management Participation:*** The labour class is experiencing a new awakening and is being affected by management concepts. Trade unions want to defend their interests as much as possible via collective management. Employers are opposed to it and the unavoidable outcome is a Labour-Industrial Union.
- (c) **Political Reasons:** In accounting for industrial conflicts, political factors are just as important as economic and managerial ones. The following are the most important:
- ◆ ***Political Influence:*** Politics has a strong impact on trade unions in a nation like India. Political parties have abused their control over labour unions for selfish reasons. Parties deceive unions and cause industrial discontent.
 - ◆ ***Trade Union Activity:*** Industrial conflicts have increased since the trade union movement gained legitimacy. At times, trade unions take unfair advantage of their position, resulting in a labour conflict.
 - ◆ ***Strikes:*** Throughout the war for independence, the working class played a key role. This class is now directing their effort towards the government, fueling industrial problems.

4.2.4 Effects of Industrial Disputes

The following are some effects of industrial disputes:



- ◆ **Production and service disruption:** The disruption of manufacturing activities and massive man-day loss caused by industrial conflicts. A strike at a public utility disrupts all of public life and causes the economy to falter. When an industrial dispute results in a work stoppage, the supply situation for the item in question worsens and its prices rise.
- ◆ **Effect on Employers:** Employers incur significant costs in addition to those caused by strike-related labour stoppages, sales declines, and market loss as a result of insufficient or non-existent product supplies. Employers must engage in public relations and propaganda to present their viewpoint to the general public.
- ◆ **Effect on Employees:** To pay for their daily costs, they must take on debt. Future outlooks turn miserable. Family disruption, personal difficulty, mental anguish, tortures and tensions grow. Workers are oppressed by police, prosecuted, often intimidated, even victimized or brutally assaulted by lenders and anti-social elements.
- ◆ **Effect on Society and Public:** The law-and-order issues caused by industrial unrest results in significant extra costs to the public funds. Moreover, tension and animosity persist long after issues are resolved, harming harmonious interpersonal and professional relationships.
- ◆ **Effect on the national economy:** The national economy is also negatively impacted by industrial disputes when equipment and labour in all or a portion of the industry is idle due to a strike or lockout. The national economy is negatively impacted when equipment and labour in all or a portion of the industry are idle due to a strike or lockout. As a result, output declines, which eventually lowers national revenue and reduces government spending on public welfare. It can happen in one of two ways: on the one hand, it can reduce the demand for goods made by other industries by making the workers poorer as a result of the work stoppage; on the other hand, if the struck industry provides goods and services to other industries, it can reduce the supply of raw materials or working equipment to those other industries.



4.2.5 Methods for resolving Industrial Disputes

The Industrial Disputes Act of 1947 includes many methods for resolving conflicts after they have occurred, *i.e.*, when they could not have been avoided voluntarily. Under the Act, a system for resolving disputes has been developed. The dispute resolution apparatus consists of the following aspects:

- ◆ **Formation of Works Committees:** Every industrial facility with 100 or more employees is required to create a works committee. The primary purpose of the works committee is to eliminate sources of contention between the two parties about the industrial life of employees. In 1960 a tripartite committee of the Indian Labour Conference compiled two lists of functions, one for works and the other for works not to be dealt with by works committees.
- ◆ **Grievance Handling Authority:** The Industrial Disputes (Amendment) Act of 1982 authorised the establishment of a Grievance Resolution Authority and the referral of specific cases to such agencies. When such a disagreement develops, the affected worker or the union to which he belongs may submit it to the Authority for resolution. Such references must not be submitted to the Board or Tribunal.
- ◆ **Conciliation Officer:** The Central or State Government appoints conciliation officers for certain regions or businesses within a state. Their primary responsibility is to bring the two parties together and assist them in resolving their issues. From the date of dispute registration, he is required to provide a ruling within 14 days. If the conflict is resolved via his mediation and an accord is achieved, he should send a report to the relevant government along with a signed agreement of settlement.
- ◆ **Court of Inquiry:** When conciliation officer and board of conciliation efforts fail to settle an industrial dispute, the subject is submitted to a court of inquiry. The court will examine the whole issue and deliver a report to the government. The statute provides a three-tiered mechanism for forced adjudication in the event that a settlement cannot be reached.
- ◆ **Conciliation Committee:** The government appoints an *ad hoc* board of conciliation consisting of a Chairman and two to four persons



representing the employer and the employees. Within two months after the dispute's referral date, the board reports to the government on the success or failure of its efforts, initiatives taken, and reasons for its inability to reach a solution.

- ◆ **Labour Courts:** State governments have established courts to investigate disputed orders of employers, including dismissals, discharges, and suspensions of employees by management. These courts will render decisions and provide the government with a report. They will decide the legality or otherwise of any order passed by an employer under the standing orders.
- ◆ **Industrial Tribunals:** The State Government is authorised to appoint as many industrial tribunals as it deems necessary for the adjudication of disputes concerning wages, hours of work and rest. The panel will be comprised of a judge of the highest court. The decisions of these courts are binding on both parties. State Government: Bonus, profit sharing, provident fund, discipline, retrenchments, establishment closure, etc.
- ◆ **National Tribunal:** The tribunal decides on problems submitted by the Central Government. If an issue is referred to the National Tribunal by the Central Government, labour courts and industrial courts are prohibited from hearing such disputes. It decides on problems submitted by the Central Government.
- ◆ **Restrictions on Strikes and Lockouts:** The Act prohibits strikes and lockouts in public utilities during the pendency of a dispute-related process and during the duration of a settlement or award.
- ◆ **Restrictions on Layoffs and Reductions in Force:** Industrial Disputes (Amendment) Act of 1984 stipulates that no industrial business with 300 or more employees may lay off or retrench a worker without the government's authorization. The Act also specifies the terms of layoff and retrenchment, the right of laid-off workers to compensation and the method for shutting down an enterprise.

**ACTIVITY**

Analyse that disputes among management and workmen are not beneficial for the growth and development of the economy of a nation. Note down all the negative consequences of industrial disputes and suggests the measures to cope with such disputes.

IN-TEXT QUESTIONS

1. What are the essential characteristics of Industrial disputes?
 - (a) Association and Participation
 - (b) Structures and Clarity
 - (c) Factual and Source
 - (d) All of the above
2. Which of the following are the different types of industrial disputes?
 - (a) Economic Disputes
 - (b) Unfair Labour Practices
 - (c) Grievances and Rights Conflicts
 - (d) All of the above
3. The economic causes of industrial disputes are:
 - (a) Poor pay
 - (b) Dearness Allowance and Bonus
 - (c) Earning from Industry
 - (d) All of the above
4. Which of the following methods have been used for resolving the disputes in an industrial established?
 - (a) Formation of works committee & Grievance handling authority
 - (b) Conciliation officer & Court of Inquiry
 - (c) Conciliation committee and labour court
 - (d) All of the above



5. Which of the following is not a form of resolving industrial disputes?

- (a) National Tribunals
- (b) Layoffs
- (c) Restrictions on strikes and lockouts
- (d) Both (a) and (c)

4.3 Stress Free Environment : An Overview

Stress is a normal part of life. As an employee, you might feel stressed about meeting organisational requirements, getting used to a new place to live, or making new friends. The stress you feel might not always be bad for you. Stress that isn't too bad can be a motivator and get you going. But if your stress level is too high, it can cause health and social problems. One of the main causes of employee absences and poor output is stress in the job. The research shows that stressed workers are less reliable, less productive, and more likely to quit their jobs. Workplace stress may be caused by many things, including but not limited to working long hours, having too much work to do, having unrealistic deadlines, not getting enough breaks, being in an unpleasant environment, or being afraid for one's job. Workplace drama with co-workers or superiors may also be a major source of stress.

4.3.1 Sources of Stress at Workplace

The following are common sources of stress reported by stressed-out workers:

- ◆ **Overtime:** Find out more about alternatives to excessively lengthy work weeks.
- ◆ **Repetitive tasks:** Learn how the workload is related to the stress levels, and take steps to reduce both.
- ◆ **Uncertainty:** It creates emergency response plans using remote workers.



- ◆ **Role Conflict:** Define the role of employee with clarity in order to avoid role ambiguity.
- ◆ **Communication:** Never doubt your ability to delegate, advice, or coach.

4.3.2 Importance of Stress Free Environment

Human Resource Management (HRM) recognises the importance of stress free environment in assisting workers in meeting both the mental and physical demands of their jobs. Anxiety, despair, impatience, and inability to focus are just some of the side effects of stress that workers may encounter on the job. Lack of attendance, tardiness, and overall dissatisfaction with work might result. Interventions aimed at managing stress may help workers relax and become more productive.

4.3.3 Benefits of Stress Free Environment

There are several reasons why stress free environment has to be maintained among workers is so important:

- ◆ **Managing Productivity:** When workers are anxious, they are less efficient. As a result, deadlines may be missed, mistakes made, and other problems may arise that hurt productivity and profitability.
- ◆ **Decreasing Absenteeism:** It's possible for stress to increase the likelihood of absenteeism or presenters, both of which have negative effects on efficiency and, ultimately, the bottom line.
- ◆ **Managing Health:** Heart disease, anxiety, and depression are just some of the health issues that have been linked to stress in the workplace.
- ◆ **Organisational Effectiveness:** Organizations may boost productivity, profits, and employee health by taking steps to reduce stress in the workplace by providing the stress free environment.
- ◆ **Educate:** Promote positive coping mechanisms for stress by instructing employees in this area both at the outset of their employment and at regular intervals when progress is made towards company objectives.



4.3.4 *Creating Stress free Environment at Workplace*

The following points should take into consideration in order to create a stress free environment at the workplace:

- ◆ **Promotion of Workplace Health and Openness:** This is something that should be actively fostered in the workplace. More productivity will result from the improved working conditions and employee interactions that this fosters. Better communication and productivity are the final result.
- ◆ **Reforming the Office Layout:** Employers should evaluate working conditions and make adjustments to ensure a positive work environment and culture for younger workers.
- ◆ **Adaptable Work Hours:** Workers who have more freedom to work remotely or set their own hours can benefit from increased productivity and contributions.
- ◆ **Promote Teamwork:** Employers organise these events so that workers can socialise and connect outside of the office. In contrast to more traditional workplace environments, these sessions allow for open communication between employers and workers.
- ◆ **Recreational Area:** A leisure space at work has prevented a number of conflicts from growing. A lot of arguments and tension may be avoided if people simply find a quiet place to think and regain their composure. Several things may lower morale in the workplace, including lengthy, difficult meetings, criticism, and torture.

4.3.5 *Techniques for Managing Employee Stress*

The different methods or techniques used by the managers to manage the stress and providing a stress free environment for its employees:

- ◆ **Facilitating Conversations:** Doing so may be accomplished by making sure everyone in the company knows what they're supposed to be doing. Meeting consistently and having defined roles might help with this.



- ◆ **Productivity Boosting:** This is accomplished by communicating clearly what is expected of workers and why, and by giving them with the tools they'll need to succeed.
- ◆ **Reduce expenditures:** To that end, it's important to eliminate or at least significantly lower the number of sources of stress in the workplace. This might include, for example, deadlines that are too short, workloads that are too heavy or unsatisfactory working environment.
- ◆ **Establish and improve new standards for performance:** Employee stress may be reduced by eliminating the need for them to make snap judgments about whether or not to take on random duties if those assignments are clearly defined in advance. Managers should also do regular audits and assessments of staff workloads to prevent any individuals from becoming overburdened.
- ◆ **Culture of Incentives and Recognition:** Before beginning to implement any changes, ensure that the whole team is on board with the concept of a rewards and recognition culture. Managers are likely to face pushback if they attempt to execute changes without team buy-in.
- ◆ **Promote social interaction:** Since they spend so much time together, employees will experience less stress if they are comfortable. Expectations and communication barriers are lowered as employees get to know one another, smoothing the way for future encounters.
- ◆ **Mental Health Counselling:** HR personnel must conduct mental health workshops in order to identify workers who are dealing with their mental health. Furthermore, these workshops may contribute to a more supportive workplace for all workers.
- ◆ **Work-Life Balance with Flexible Work Schedule:** Employers should provide flexible work hours to reduce employee stress and increase productivity, as well as paid time off for doctor's visits and errands to promote a healthy work-life balance.
- ◆ **Healthy and Safe Workplace:** HR professionals must provide a healthy and secure workplace, clear rules and processes, access to mental health treatments, relaxation methods, and routine supervisor



check-ins, and recognise the indicators of stress to intervene before it escalates.

- ◆ **Management:** There will always be friction amongst co-workers in the workplace. It is the responsibility of HR to handle these disputes in a manner that is equitable to all parties and doesn't negatively impact business morale.
- ◆ **Surveys and Feedback:** Regular employee surveys and feedback gathering are essential for HR practitioners to monitor workplace stress levels and make necessary adjustments. This can be done through annual performance evaluations, departure interviews, or casual check-ins.
- ◆ **Harmonious Work Environment:** HR is essential in fostering a pleasant workplace culture to reduce employee stress levels by promoting open communication, building a feeling of camaraderie, and having a clear vision and set of core values. Employees should be able to resort to a stress management policy if they are feeling overburdened, and HR should make sure staff members are aware of the tools and services available to manage stress. Regular communications like emails, newsletters, or posters should be used for this.

4.3.6 Suggestions to Create an Effective Stress Free Environment at Workplace

The following are the suggestions to create an effective stress free environment for the employees working in your organisations:

- ◆ **Effective Recruitment Procedure:** Employers with poor or average employee performance records, high turnover rates, or both have low employee satisfaction ratings due to recruiting procedures that do not account for management approval, team player skills, cultural fit, and personality tests.
- ◆ **Careful Working Environment:** Organisational initiatives and the availability of people are inversely correlated. The more people who are available to do the work, the more tasks a company may



be able to manage or do more quickly. Poor production efficiency results in lower revenue and cash flow, which sometimes results in the company's inability to continue operating.

- ◆ **Focus on Work Profile:** Businesses should provide individualised orientation classes to assist new workers comprehend and accept the demands of the workplace, according to our staffing service. Before a candidate is recruited, our staffing firm suggests a consultation meeting and online project-based training before a job is advertised.
- ◆ **Growing and Learning:** These businesses are able to teach their personnel and help them gain the knowledge, skills, and potential necessary to handle the demands of complicated projects.
- ◆ **Compensation Guidelines:** Many organisations have strict financial compensation practises, which is a major barrier to recruiting and retaining top employees. The hiring qualifications are restricted to those who are willing to accept rigid work pay. These businesses often have to make do with a less integrated work atmosphere and affect employee interaction.
- ◆ **Consult an Expert:** It wouldn't hurt to speak with an expert if an employer who is interested in fostering a stress-free work environment. Improve company recruiting and training procedures to find practical answers to workplace issues.

ACTIVITY

What is the significance of stress free environment? Why it is essential to maintain stress free environment in an industrial establishment? Analyse the positive and negative consequences and discuss with your friends about their thoughts on this topic.

4.4 Rejuvenation Breaks

When the monotony of a long day at work is broken up with rejuvenating breaks at strategic intervals, the day may be made to seem much shorter and significantly less stressful. Employees may put their worries aside during a rejuvenation break and sit quietly by themselves or with pleasant coworkers to reenergize their spirits. During their daily break for renewal,



the majority of the staff felt reenergized and prepared to go back to work. An employee that puts in a lot of effort deserves the opportunity to take a break, receive some sustenance, and then come back to work feeling more energised. It is even possible that it will lessen the amount of weariness that workers experience and the number of accidents that occur on the job.

4.4.1 *Benefits of Rejuvenation Breaks*

The following are the benefits of rejuvenation breaks for the employees:

- ◆ **Foster Creativity:** Having employees take time off is not only good for their physical and mental health, but it also helps the business. When employees go back to work, they will be rested and full of energy, which will help them be more efficient and creative.
- ◆ **Reduced Employee Burnout:** Adopting this kind of policy shows that the company cares about its employees' health and wants to reduce the chances of employee burnout.
- ◆ **Increased Productivity and Well being:** Employers may be better served by exploring strategies to reduce the fear and anxiety workers connect with being away and unplugged if the objective is to build a workplace culture where rest and rejuvenation are encouraged as a means of increasing productivity and well-being.

4.4.2 *Methods to Rejuvenate Mind and Body*

The methods or techniques used by the management and individual to rejuvenate the mind and body are given as follows:

- ◆ **Just go outside and enjoy nature:** The simple act of spending some time in nature, whether on the beach or a city sidewalk, may do wonders for your state of mind. More movement during the day is also beneficial.
- ◆ **Take in some reading material:** The stress levels dropped after just 10 minutes of reading a book or any other article. Think about the effects of reading the book from beginning to end. Reading is a



great way to relax and get lost in another world, and it can might teach an individual something new also. If a person want to meet new individuals who have common interests, consider joining a book club.

- ◆ **Pranayama and meditation:** Maintaining emotional and psychological balance is part of a healthy frame of mind. Your health and wellbeing may improve dramatically if you take a minute to quiet your rushing thoughts and pay attention to your breathing. It may assist you in unwinding, appreciating the present moment, and setting constructive goals for the day.
- ◆ **Plan a Trip:** Enjoying time with friends might improve your outlook on life in general. Reduce stress by checking off that irritating item on the list of places to visit.
- ◆ **Join fitness class:** Exercise is fantastic therapy for the body and spirit, whether it's a spin class at a studio you've been itching to try, barre work, or a trying a jogging group with a buddy. You could even shed a few centimetres or kilos.

4.5 Leisure Activities

Workers are the most valuable resources in any business since they have the power to either improve or harm a firm's reputation. Hence, many businesses prioritise leisure activities in an effort to satisfy their customers. Leisure is referred to as being utilised to “recharge the batteries” and enhance performance. Recreational exercise has a significant part in boosting employee productivity since the objective of Human Resource Management (HRM) is to ensure that employees and organisations reach a high level of performance. People are exerting more effort to maintain their standard of living in this challenging and unstable environment since they have so little time left over for self-care. Everyone who works longer hours may experience severe stress as a result of working too much. Those who work longer hours and pay less attention to their health are more likely to experience depression and other mental illnesses. Workplace recreation will be advantageous to both parties.



4.5.1 Importance of Leisure Activities for Employees

“Leisure has many diverse meanings; some include time, others involve an activity being performed, and some involve a state of mind.” By participating in various events planned by the business, workers may engage in a variety of leisure activities that can help them relax. Companies should get their staff involved in activities that encourage social interaction, creativity, physical activity, and intellectual stimulation. Maintaining a healthy work-life balance in the contemporary world is getting more difficult. The pressure to meet goals at work and the need to spend quality time with family is taking a toll on professionals in the modern workplace. Employment is no longer limited to a 9-to-5 schedule. A worker is no longer confined to his workstation with the development of technology, particularly mobile devices. But, with authority comes responsibility. Currently, the employee is expected to be accessible 24/7 through all electronic methods.

4.5.2 Need of Leisure Activities for Employees

The need for leisure activities for an employees are given as follows:

- ◆ **Stress and productivity go in the opposite direction:** Stress can lead to a lack of balance between work and life, so companies are looking for ways to give their employees more energy and a positive attitude.
- ◆ **Combining work and play:** The companies do many things to make their employees feel comfortable, such as letting pets in the office, having poker nights, and going on adventure trips. These activities are important for the growth of the company and its employees, as well as for improving communication and breaking down barriers between employers and employees. Recreational activities are a great way to break this pattern, as they give employees a chance to talk to senior leaders about their problems and break up monotony. This keeps people on the job happy and spreads a good mood among them, which leads to more work being done.



- ◆ **Cost of Company:** When a business grows in size, the expense of providing leisure activities for the workforce may become a significant drawback. Time lost may result in missed deadlines and financial losses, and staff disagreements can cause rifts, lower productivity, and lower retention rates. Employee engagement is a managerial endeavour that calls for a long-term perspective and is more concerned with the efficacy and efficiency of each resource than with controlling a flock of employees.

4.5.3 *Types of Leisure Activities*

The following are the types of leisure activities:

- (a) **Active Leisure:** The term “active leisure” refers to pursuits that require some level of physical or mental exertion, often overlap with “recreational pursuits,” and typically take place in public settings with other people (like volunteering, hobbies, and exercise).
- (b) **Passive Leisure:** Most forms of passive recreation require little to no effort on the part of the participant and may be enjoyed in private (think vegging out in front of the television until bedtime).

4.5.4 *Advantages of Leisure Activities*

Leisure activities provide a break from daily obligations and can be used for enjoyment, relaxation, or personal development. The advantages are as follows:

- ◆ **Feeling of direction:** Leisure activities help people get to know themselves better, which helps them adapt and react to events and keeps them from spiralling into stress and depression. Also, it encourages self-care since self-awareness allows one to make time for their own wellbeing.
- ◆ **Person’s mood is improved:** Being more positive about oneself and life will make it easier to manage time and responsibilities. Doing something one is interested in is most likely to bring mental relaxation and pleasure since it involves a free option of what to engage in. So, this will aid in mental clarity and mood elevation.



- ◆ **Increased production:** Taking a pause and engaging in leisure activities might assist one's thinking become more clear, giving them the chance to approach problems with a new perspective. Working continuously without taking a break lowers productivity since errors might happen, according to experts.
- ◆ **Increases self-confidence:** Participating in these activities will also help boost your feeling of empowerment and self-worth. These tasks will test people's cognitive talents and improve their problem-solving ability, which will increase their feeling of empowerment and self-worth.
- ◆ **Experiences:** People make friends providing various experiences and meet people with diverse and similar interests. Participating in leisure activities strengthens relationships with others. This socialising facilitates learning from many professionals in various industries.
- ◆ **Lessen stress:** Participating in activities allows one to clear their minds by immersing themselves in a peaceful environment, which decreases heart rate, improves mood, and reduces stress.
- ◆ **Enhances both physical and mental health:** An inactive lifestyle increases the risk of heart disease, emotional anguish, and obesity, which may be fatal. Participating in leisure activities, particularly physical ones, enhances one's body and, as a result, their mental health. Actively engaging in these activities strengthens the immune system and promotes lifespan, which benefits the body.

IN-TEXT QUESTIONS

6. Which of the following is the source of stress among employees at workplace?
- (a) Role Clarity
 - (b) Overtime
 - (c) Open Communication
 - (d) All of the above



7. What are the benefits of stress free environment?
- (a) Managing Productivity
 - (b) Decreasing Absenteeism
 - (c) Only (a)
 - (d) Both (a) and (b)
8. Which of the following is not taken into consideration while creating a stress free environment?
- (a) Promotion of workplace health and openness
 - (b) Flexible work hours
 - (c) Individual working system
 - (d) All of the above
9. Which one of the following is a technique used by the management for managing employee stress?
- (a) Productivity boosting
 - (b) Restricted Communication
 - (c) Increase in expenditure
 - (d) Restricted social interactions
10. Which of the following are essential conditions to create stress free environment at workplace?
- (a) Effective recruitment procedure
 - (b) Consult an expert
 - (c) Employing unskilled workers
 - (d) Both (a) and (b)

CASE STUDY**Toyota Unrest****Introduction**

Toyota Kirloskar Motor Private Limited (TKM), an Indian subsidiary of Toyota Motor Corporation (Toyota) 4, announced a lockout at its



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facility in Bidadi, Karnataka, on January 8, 2006, in protest of the firing of three of their colleagues. This strike cast doubt on the viability of the Japanese management model in the Indian setting. Honda Motor Company Limited (HMCL) 7 employees also brought up the July 25, 2005 incident at the Gurgaon plant of Honda Motorcycle & Scooter India Private Limited (HMSI), a wholly-owned subsidiary of HMCL. These events demonstrated the need for healthy industrial relations to guarantee the well-being of company management, employees, and infrastructure. Sonar Group Surinder Kapur, Chairman of the automotive component company Sonar Group, commented on the rising incidences of disagreement between management and employees at an event. He suggested that governments should seek to raise minimum salaries if the public views them as inadequate. Toyota Kirloskar Motor Private Limited (TKM) is a Japanese automaker and an Indian auto component manufacturer that partnered to become TKM. The case study analyses the labour relations issues at TKN and explores the factors that contributed to the conflict between its upper management and its staff. It also shows how external parties like trade unions and political parties in India may influence and inflame tensions between workers and company management.

Focal Points

- ◆ Take into account the causes of industrial strikes and lockouts, as well as their effects on both workers and management.
- ◆ Look at how companies are using HR strategies to reduce the likelihood of strikes.
- ◆ Analyze the part that upper management plays in maintaining harmony in the workplace.
- ◆ Examine how outside groups like unions, political parties, and others might impact a company's culture and productivity.

Situation

TKM, a Toyota and Kirloskar Group joint venture, invested Rs. 7 billion (about \$160 million) to open its Bidadi facility in 1997. Toyota controlled 74% of the partnership and their ownership climbed to 89



per cent in 1999. personnel issues have been tensed since the company began producing goods in 2000. In April 2001, TKM had its first strike, which lasted for around two days, and in 2002 it was necessary to implement a two-shift schedule for the employees. In 2006, three of the fifteen employees who had been placed on administrative leave were fired after a year-long investigation revealed they were guilty of misconduct, including violent behaviour, disruption of work, and assault on a supervisor. The management of TKM, TKMEU, and CITU met with V N Hittanagi from Karnataka to discuss the labour problem. The management decided to end the lockout on January 21, 2006, and announced that it would be removed. The dispute is still ongoing. TKM, TKMEU, and CITU were all involved in a dispute with the management of TKM in Karnataka in February 2006. The management decided to remove the lockout in response to the request of numerous workers who had indicated readiness to resume work. To meet with V N Hittanagi, the Deputy Labour Commissioner (DLC) for the state of Karnataka, they discussed the labour problem with him and the management said they would not change their minds about the decision to not reinstate the individuals who had been fired. The employees were requested to submit their case before the office of the DLC and overtime pay in the amount of four hours was requested to the employees on this shift between the hours of 4 and 8 p.m.

Outcome

TKM was able to foresee no significant difficulties from the strike by its employees or the lockout at its factory, as the company had made enough preparations to fulfil the demand for their automobiles on the market.

4.6 Summary

Workplace disputes are a common occurrence and can have a negative impact on both economic expansion and prosperity. These disputes can be caused by either the pay or working conditions of the job, or by specific organizational concerns or socioeconomic issues. Stress in the workplace



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can lead to difficulties in health and social life, and can also lead to employees calling out sick and producing subpar work. Factors such as working long hours, having an excessive amount of work, having deadlines, not receiving enough breaks, being in an uncomfortable atmosphere, and the potential for conflict at work can also contribute to stress. HRM is a goal to ensure that both individuals and organizations attain a high level of performance. During the rejuvenation break, employees are encouraged to put their troubles to the side and either sits quietly by themselves or with friendly colleagues. It is important to take breaks, get nutrition, and return to work feeling more energized in order to reduce exhaustion and accidents. Recreation activities can also be beneficial in enhancing employee productivity and helping to keep up with life despite the instability and difficulty of the environment. However, those who put in longer hours at work and pay less attention to their health are at a greater risk of developing mental diseases such as sadness and anxiety. The participation of both parties in recreational activities at work will be to their mutual benefit.

4.7 Answers to In-Text Questions

1. (d) All of the above
2. (d) All of the above
3. (d) All of the above
4. (d) All of the above
5. (b) layoffs
6. (b) Overtime
7. (d) Both (a) and (b)
8. (c) Individual working system
9. (a) Productivity boosting
10. (d) Both (a) and (b)

4.8 Self-Assessment Questions

1. How you define industrial disputes? Do these disputes are beneficial for an economy? Explain.



2. What do you mean by industrial disputes? Discuss its features and effects.
3. Describe the methods used to settle the disputes in an industrial establishment.
4. What do you understand by stress free environment? Discuss its importance and benefits.
5. What are the sources of stress? Is stress is beneficial for enhancing the performance of an employee? Discuss
6. Describe the techniques used by the management for managing employee stress at workplace.
7. What are the benefits of rejuvenation breaks for employees? Do such breaks help in enhancing the performance and morale of the employees? Elaborate
8. Leisure activities act as motivators. Do you agree? Give reasons to support your answer.

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Human Resource Audit and Talent Management

Dr. Virender Kaushal

STRUCTURE

- 5.1 *Learning Objectives*
- 5.2 *Human Resource Audit: Introduction*
- 5.3 *Talent Management*
- 5.4 *Summary*
- 5.5 *Answers to In-Text Questions*
- 5.6 *Self-Assessment Questions*
- 5.7 *References*
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5.1 Learning Objectives

After studying this chapter students may able to:

- ◆ Understand the concept, features, objectives, kinds, strategies, procedure, advantages and disadvantages of HR audit.
- ◆ Know about the concept, need, objectives, elements, procedures, pillars, obstacles, benefits and drawbacks of talent management.
- ◆ Be acquainted with the factors influencing and recent trends in talent management.

5.2 Human Resource Audit: Introduction

The auditing procedure is used by organisations to monitor the varied actions and results of their numerous people. It is a process through which the finance department evaluates and verifies the financial records of any department. In the context of the HR department, it is an action that regularly evaluates the efficacy of all human resource policies, practices, and activities carried out by the people employed by the organisation. HR audits are used



to plan and measure financial data, enhance processes, and serve as a tool for organisational development. Auditing of human resources is an essential component of HR management that is used to evaluate different aspects of personnel operations. It evaluates the effectiveness of the policies and procedures pertaining to human resources and gives feedback on the degree to which operating managers are meeting their obligations.

5.2.1 Features of Human Resource Audit

A human resources audit will include the following features:

- ◆ An HR audit is an investigation of how well an organization's human resources department is operating.
- ◆ It's a research method that digs into the inner workings of a company to learn more about the people there, the policies they implement, and the daily operations that keep the business running. Human resources auditing helps find and fix the places where real performance falls short of expectations.
- ◆ It's a metric that can tell you whether the HR department is following the rules or not, as well as how well your employees are doing. Human resources audit must take immediate action to correct the problem.
- ◆ Human resource audits are performed once a year, either in-house by knowledgeable personnel or by outside specialists in HRM who have a thorough working knowledge of auditing procedures.
- ◆ Human resources audit reports are sent up the chain of command in the event of a mistake being made in the report.

5.2.2 Objectives of Human Resource Audit

A human resources audit objectives to accomplish the following:

- ◆ Human resources audits ensure that the HR division is running smoothly. As part of its mission, it assesses the HR department's working conditions and the thoroughness with which its rules and procedures are put into practise.



- ◆ Errors made by human resources while carrying out their duties are quickly identified *via* audits and appropriate remedial actions are implemented.
- ◆ The HR processes are examined to determine if they are being executed in accordance with the company's established rules and norms.
- ◆ It's an indicator for the HR division's flaws and triumphs. The HR department is audited to determine if it is fulfilling the organization's rules and regulations in terms of things like hiring, education, posting, advancement, working atmosphere, handling complaints and so forth.
- ◆ Human resources audits evaluate the various business processes within an organisation to identify wasteful or unnecessary spending. Human resource management encompasses a broad range of activities, such as recruiting new workers, selecting and training them, keeping hold of promising ones, dividing up the workforce and so on.
- ◆ The regular evaluation of employee behaviour and activities *via* HR audits helps keep workers disciplined and aware of their own personal accountability for the sake of the business.
- ◆ In addition, it reveals the HR division's trouble spots. Thus, actions are done to boost the efficiency of the HR department. That's why it's important to keep an eye on their performance and praise them suitably if they start showing signs of development.
- ◆ By doing so, HR management is transformed from a theoretical to a measurable field.
- ◆ Human resources audits should also help businesses be ready to defend themselves in court if any of their troublesome workers decide to sue the company.

5.2.3 Kinds of Human Resource Audit

There are several kinds of audits that may be classified based on the following criteria:

- (a) **Time Frame:** Most organisations conduct an irregular audit, which means that the time period for auditing is not specified; it may occur



once a year or once every three years. Yet, due to the changing times, audits should take place on a specified time-period and on a frequent basis so that a continual check can be maintained on the workers' performance.

(b) **Manner:** Assessment in this sort of auditing may be performed by any of the following:

- ◆ **Internal Control:** Internal management conducts this sort of audit inside the organisation in order to analyse and supervise the HR department's operations.
- ◆ **External Review:** The external audit may take place inside or outside of the organization's facilities. It is carried out by external specialists who have been contracted specifically for this reason. Unlike internal audit, the conclusion of external audit review is always neutral.

(c) **Function:** Audits may be classified according to their function as follows:

- ◆ **Compliance Check:** A compliance audit determines whether or not all departments are adhering to the organization's rules and regulations.
- ◆ **Organizational Best Practices Audit:** The duties performed by the HR department are compared to the 'best practises' of the other organisation in this audit. Efforts should be taken to ensure that their procedures are the "best practises among all other comparable organisations".
- ◆ **Strategy Review:** Strategic auditing assesses the significance of HR practises to the achievement of the organization's strategic objectives. It also monitors employee improved results by offering them with safe working conditions.
- ◆ **Job-Specific Inspection:** This audit focuses on the HR department's unique functions. These duties involve hiring, training, remuneration, and promoting, among others.



5.2.4 Strategies of Human Resource Audit

The following are numerous ways that auditors might use to analyse HR functions:

- ◆ **Comparison Strategy:** The development of one organisation is compared to the success of another organisation in this technique. The outcomes of both organisations are comparable. In this situation, the other organisation is regarded as a model organisation, and the goal is to accomplish the same outcome as the model organisation.
- ◆ **External Authority Strategy:** External experts establish the benchmarks for comparison in this strategy, and the internal auditors of the organisation utilise these yardsticks to assess their job.
- ◆ **Analytical Technique:** In certain circumstances, a statistical or analytical technique must be used to construct statistical performance metrics using current information from the organisation. To assess performance, for example, particular mathematical procedures are necessary to quantify the rate of absenteeism, the quantity of income collected and so on. As a result, this statistical method assists auditors in obtaining the necessary information.
- ◆ **Regulatory Strategy:** Past performance and actions of workers are evaluated in this technique to ensure compliance with organisational norms and regulations and the absence of any violations of legal obligations.
- ◆ **Management by Objectives (MBO) Strategy:** In this technique, the auditor requests that department heads and operational managers identify specific goals for their departments. The extent to which these goals are met may readily assess the performance of departmental personnel. This evaluation is then used by the HR audit to verify the employee's true performance and compare it to the stated objectives.

5.2.5 Procedure of Human Resource Audit

HR audit takes the following steps to make sure the evaluation is accurate:

- ◆ **Step 1 - Determining the Goals:** The HR audit is the first step in an organization's history. It evaluates the functions and activities



of the HR department, following the law and order, and ensuring that the HR strategies are in line with the corporate strategies. The organization's goal, schedule, and plans made by the HR audit must be aligned in order to ensure success.

- ◆ **Step 2 - Drafting Rough Plan:** An auditor should create a framework for their audit plan to identify the number of people needed, cost, and tools needed for the whole audit process. This plan should include policies, areas need more attention, and best information can be gathered.
- ◆ **Step 3 - Gathering information:** Background data is essential for an auditor to understand internal and external factors that can affect the HR auditing process. External factors include the organization's goals, policies, and people doing their jobs in different parts of the organisation.
- ◆ **Step 4 - Selecting Data Collection Method:** HR auditors use various methods to gather information, such as the interview method, questionnaire method, task force method, and observation method. The time and cost of the assessment are also set ahead of time to ensure a efficient and timely process.
- ◆ **Step 5 - Finalizing Audit Plan:** The sole responsibility of the assessor is to have a clear idea of the goals to be reached, the methods to be used, the areas to be covered, and the amount of time and money needed for the whole auditing process before finalising the audit plan. Background information and new information can help improve an auditing plan.
- ◆ **Step 6 - Getting All Audit Information:** The assessor must gather information from various sources to understand the HR department's strengths and weaknesses. This information is then compared to the final audit plan and the HR auditor should have gathered all the information needed to do their job.
- ◆ **Step 7 - Putting together an audit report:** The HR department is assessed through an assessment programme which covers tasks such as hiring, training, promoting, rewarding, keeping employees, moving them to new jobs, transferring them and retiring. The audit also looks at the working environment, how employees do their



jobs, the HR unit's goals, and the policies and strategies used by HR audit and HRIS. The auditor then reviews the whole valuation process and writes a detailed audit report.

- ◆ **Step 8 - Decision Based on Final Audit Report:** HR is the last step in the organisation's decision-making process, which involves asking auditors for suggestions to make decisions. The HR auditor can provide valuable insights into how the HR department sets goals, strategies, and employees perform their jobs.

5.2.6 Advantages of Human Resource Audit

The advantages of HR audit are as under:

- ◆ **Communication of Strategic Plans:** Strategic plans are essential for organisations to achieve their goals, and workers share their ideas on how to achieve them. The HR auditor must persuade management to reveal these goals to workers to engage in the decision-making process.
- ◆ **Role Clarity:** HR audits should be used to raise employee knowledge of their involvement in HRD and encourage upper management to offer assistance. Clear job and responsibilities should be followed, as this will ensure the organisation's best interests are met.
- ◆ **Enhancing Competence:** HR audit helps to determine the competence level of an organisation by looking at strengths and weaknesses of the current administrative structure. It helps to establish strategies to increase productivity and improve employee performance. This can be done through HRIS, working practises, role and responsibilities delegation, clarity and information exchange.
- ◆ **Future Preparation:** HR auditing is essential for the HR department to prepare for future challenges and assess employee performance. It also advises on environmental, policy creation, training, promotion, maintenance, counselling and more.
- ◆ **Evaluation of Return on Investment:** Organisations invest a significant amount of money in HR development to achieve a higher Return on Investment (ROI). HR auditing determines ROI and establishes the need for different training courses to be used most effectively for the



development of human resources and the organisation. Developing these programmes cost-effective also equips management to perform these duties with ease.

- ◆ **Enhancing Employee Involvement:** Human resource audits can be used to gain employee involvement through employee performance planning, discussing ambitions, recording duties, and providing a pleasant working environment.

5.2.7 Disadvantages of Human Resource Audit

The disadvantages of HR audit:

- ◆ **Managers see audits as a threat:** Managers in certain organisations may be concerned about HR audits due to the fear of detection and potential for wrongdoing. Organizations may use audit ratings to judge performance, but manager evaluations should take into account the implementation of remedial steps to mitigate the guilt. However, certain unethical criminal behaviour cannot be avoided and must be dealt with.
- ◆ **Lack of Well-Established Performance Criteria:** Organisations lack set metrics and performance criteria for evaluating the efficacy of the HR audit process, so it is recommended that top management should not undertake audits without acceptable metrics and perform requirements. A meaningful audit process may be used to create measures and performance criteria.
- ◆ **Absence of unity:** Managers must possess relevant abilities and impartiality to effectively analyse data, as the audit is often outsourced to auditors with experience and knowledge. During auditing, the senior audit specialist should be aware of potential misunderstandings that may arise.

ACTIVITY

Organize a class seminar on the topic, “Importance of HR Audit for Present Day Organizations”. Also prepare an assignment on the same topic and provide your viewpoint.



5.3 Talent Management

The process of talent management involves making a conscientious and intentional effort to recruit, engage, cultivate, and retain employees who have the potential to satisfy both the present and the future requirements of a business. In light of the issues that now confront businesses, talent management has evolved into an absolute need. Businesses are coming to the realisation that effective personnel management is the key to good performance in progressively greater numbers. HR managers are responsible for bringing in and keeping talented employees, but it is also the responsibility of each and every worker at the organisation. Senior management must demonstrate their commitment to people processes by authorising finances, motivating staff, and developing policies that are employee friendly. HR professionals need to work hand in hand with line functions in order to produce value addition.

5.3.1 Need for Talent Management

The reasons for which talent management needed in an organisation are given below:

- ◆ **To ensure that the demands of the company are met by the workforce:** Talent management ensures that the right individuals are matched to the right needs for the job, creating synergy between the personnel process and the organisation's requirements.
- ◆ **To motivate the workers to achieve and maintain the higher level of productivity:** Production in the workplace increases when workers are actively engaged in their task. To achieve this, a culture of talent must be developed and nurtured, which encourages individuals to learn, develop professionally, and achieve their full potential. An EVOSKILLS model should be used to develop and maintain this culture, so that it can achieve its maximum level of production.
- ◆ **Efficient management of human resources contributes to increased levels of employee satisfaction:** Employee satisfaction is a state of mental, emotional, and social contentment experienced by workers due to their employment in a company that upholds ethical practises and values the opinions of its workers. It is an essential



component of talent management and is seen in the Great Place to Work designation, where organisations use efficient personnel management practices to ensure employee happiness.

- ◆ **To cultivate competent leaders inside the organisation who are able to contribute their knowledge to the expansion of the business in the following ways:** Businesses have formed partnerships with prestigious business schools to help their organisational leaders acquire the appropriate skill set, in return for a minimum amount of time.
- ◆ **To achieve an effective diversity balance in the workforce, therefore allowing the best potential level of employee engagement:** Organisations are investing in diversity training to ensure employees are treated equitably, and the legitimacy and access paradigm asserts that businesses can benefit from the different experiences and perspectives of their workforce.

5.3.2 Objectives of Talent Management

The objectives of talent management are as under:

- ◆ **It assists firms in improving their overall performance:** If your firm has access to the best professionals, it can accomplish anything. When talent management incorporates three essential components, such as quick talent allocation, a great employee experience, and a strategic HR team, it is the most successful kind of talent management.
- ◆ **It enables businesses to maintain their competitive edge:** Your company will grow more robust and better able to weather the effects of change and uncertainty if you continue to seek out and cultivate outstanding personnel.
- ◆ **It is the engine behind invention:** No matter what sector you work in, there is a constant influx of new technological developments. Employees with talent are able to develop solutions to solve difficulties or come up with creative ideas by maximising the potential of new technologies.



- ◆ **It assists in the formation of effective teams:** If you have the right plan for managing your people, you will be able to put together a team that is more productive. Having this rather than simply a lot of creative and brilliant individuals in your business is going to be of much more help to you.
- ◆ **It results in a lower turnover rate:** If a firm makes its workers feel appreciated and gives them confidence that there are many prospects for advancement inside the organisation, such workers are less inclined to look for employment elsewhere.
- ◆ **It results in a powerful brand for the employer:** The management of your company's talent builds your reputation as an employer. This makes it easier for you to entice the most qualified applicants for positions in the future.
- ◆ **It inspires others to continue developing:** Having people on your team that are motivated and challenged by their work can help them develop personally and professionally.

5.3.3 Elements of Talent Management

The following are some of the primary elements that make up a model for talent management:

- ◆ **Planning:** Integrating corporate objectives with a talent management approach is essential for success. Planning is an essential component of any model for managing talent, as it ensures that the organisation will invest in the most suitable talent for meeting those requirements.
- ◆ **Attracting:** Companies must have backup plans to prevent employees from being transferred away from the company and create a pool of desirable talent. Companies can increase their exposure to prospective workers through recommendations, social networking, and job portals to better attract the most qualified applicants.
- ◆ **Selecting:** The selection process in a talent management model consists of recruiting potential workers *via* in-person interviews and written examinations, and then selecting the candidate who is the best fit for the job description.



- ◆ **Developing:** The model for talent management should be able to guide employees towards a job that will be beneficial for them, while also enabling them to recognize activities such as orientation, coaching, mentoring, leading, and counselling to motivate them to reach their potential.
- ◆ **Retaining:** The model has to make it easier for the company to keep hold of its most talented employees. It is a fantastic approach to accomplish this goal to provide an employee with the opportunity to grow further in his or her professional career by giving periodic training, as well as providing incentives and bonuses along with promotions.
- ◆ **Changes made to Employees:** Since the corporation may transfer or promote its current workers to different job profiles within the organisation, the model has to provide room for employee transition in order to function well.

5.3.4 Procedure of Talent Management

The procedure for managing talent entails the following steps:

- ◆ **Step 1 - Planning at work:** It entails strategic planning to access talent in terms of prospective and present employees' behaviours, knowledge, and skills in order to accomplish the aims and objectives of a company organisation.
- ◆ **Step 2 - Career preparation:** It includes locating excellent job openings inside the company and pursuing training to prepare the person to manage the move successfully.
- ◆ **Step 3 - Business branding:** An employee ought to feel proud of their affiliation with the company. His professional accomplishments and advancement are essential for his entire development.
- ◆ **Step 4 - Talent co-ordination:** Aligning current talent with needed talent is a step in the talent management process that helps close gaps and deficits.
- ◆ **Step 5 - Recruitment process:** Key talent must be successfully hired *via* interviews and advertising as part of the talent management process.



- ◆ **Step 6 - Efficient onboarding:** In order to make new hires feel welcome, the process must involve a seamless onboarding through orientation. New hires tend to be a little anxious in their first few days.
- ◆ **Step 7 - Professional growth:** The talent management process synchronises strategies, training objectives, and career planning and goal achievement.
- ◆ **Step 8 - Receiving comments:** Obtaining employee input *via* stages like 360-degree assessments or surveys is a crucial component of the talent management process.
- ◆ **Step 9 - Planning strategically:** Using strategic planning as part of this talent management process phase will help it attain its goal in the long run.
- ◆ **Step 10 - Performance management and expectations:** To ensure that objectives, duties, roles, expectations, and ultimately performance are aligned with expectations, the talent management process involves establishing clear communication channels.
- ◆ **Step 11 - Developing leadership skills:** In order to build a bridge between employees and leadership, the process entails offering activities that will improve leadership traits.
- ◆ **Step 12 - Appreciation and payment:** The talent management process places a strong emphasis on rewarding workers for their contributions *via* raises, perks and promotions. Also, the company has to have a fair pay plan that balances the interests of both employees and employers.
- ◆ **Step 13 - Retention:** The goal of talent management is to keep a company's best employees by getting to know their personalities and behavioural quirks. Ensure that the appropriate actions are made to comprehend the issues and resolve any difficulties in order for the business to retain high retention rates.

5.3.5 Pillars of Talent Management

The pillars of the talent management are as under:



- ◆ **Talent Acquisition:** Selection is the process of selecting competent members of the workforce for a position. Recruitment involves creating a recruitment strategy that focuses on recruitment channels and content, such as brand promise, employee value proposition, and brand image. Selection decisions revolve around which selection techniques should be used and which methods should be given.
- ◆ **Talent Development:** Training programmes are essential for developing the dynamic competencies of individuals, such as formal training programmes, coaching and mentoring, job rotations, on the job learning, special assignments, action learning, committee work, stretch assignments, developmental assignments, job shadowing and more. Formal training programs are the most often employed approach for enhancing workers' capabilities, but only 10-15% of learning takes place through formal training programs.
- ◆ **Talent Engagement:** It is essential for successful recruitment and cultivating talent. It involves actively invested in work, going beyond work obligations, and mentoring and assessing the performance and potential of workers. Performance management involves performance planning, performance coaching, and performance counselling, as well as professional development plans and prospective appraisals. Initiatives that promote Corporate Social Responsibility (CSR) also contribute to the successful engagement of talent.
- ◆ **Talent Retention:** Organisations are attempting to increase the likelihood of employee turnover by requiring employees to sign a bond to commit to terms and conditions indicating they will not quit the organisation for a minimum period of time for a minimum of xyz years. This clause is important to rationalise investment in college graduates and ensure the continued viability of a competitive staff, as incentives no longer just refer to monetary remuneration.

5.3.6 Factors Influencing Talent Management

The most important aspects that have a direct influence on the talent management situation in companies today are:

- ◆ **Globalisation:** Emerging countries are responsible for 88% of global revenue growth, and developing nations are making efforts to keep



both their consumers and their workers. Companies such as TCS and Infosys have a significant portion of their workers located outside of India, and employees can be recruited away by competitors.

- ◆ **Age is a demographic variable:** It affects workforce growth and productivity. It is likely that developed countries will look to emerging nations as the centre of their economic activity, as they will eventually access the Asian market to sell goods and services and recruit young workers. Globalisation has already brought about the transformation of the world into a small town, and in the future, it will become much more interconnected.
- ◆ **Future Leadership:** Business organisations' internal leadership pipelines are a major issue, with 56% of executives having severe gaps in their capacity to fill senior management posts. Boris Groysberg found that only 22% of organisations had effectively prepared their organisations for the future, while 19% did not have much trouble attracting competent potential recruits. Companies must have the capacity and effort to attract, recruit, develop, engage, and retain personnel to gain a competitive advantage.

5.3.7 Obstacles in Talent Management

The various obstacles faced in the companies by the manager:

- ◆ **Communication:** Effective communication can strengthen relationships and lead to misunderstandings, but can also have a negative impact on production due to cultural and linguistic barriers.
- ◆ **Controlling organisational culture:** Organisations must conduct regular cultural studies to identify problem areas and make changes to manage organisational culture to create a more positive working environment. This will help to increase communication and transparency among employees.
- ◆ **Rigidity:** It is possible that some sectors of the workforce may reject this shift in order to create preparations for managing inclusion. As a result, the task of the HR team to bring about a change will be made even more difficult by this opposition.



- ◆ **Establishment of diversity-focused policy:** It is not sufficient to only provide training on diversity in order to bring about a diversity management plan; rather, the HR department has to come up with a strategy in order to bring about a culture of diversity.
- ◆ **Employee Involvement:** Line managers must understand the history, culture, values, and discrimination of the organisation in order to do business successfully. They must be able to maintain a good morale among their personnel by recognising the unique contributions of their demographically varied workforce. Any prejudice, whether genuine or perceived, among a varied collection of workers will lead to disengagement on the part of the workforce, which can have an effect on performance.

5.3.8 Benefits of Talent Management

There are several benefits to using a talent management system, including:

- ◆ There is a reduction in the complexity of sharing information.
- ◆ Establish a solid foothold in the market.
- ◆ Facilitates Clear and Concise Speech.
- ◆ Kept the top employees.
- ◆ Making smart business choices is simple.
- ◆ Time is not wasted.
- ◆ Has a simple structure that permits in-depth examination.
- ◆ Facilitates the development of staff members for the future.
- ◆ Recruitment and hiring are simplified.
- ◆ Improves morale and productivity.
- ◆ Enhances satisfaction among workers.
- ◆ With a stress-free beginning.

5.3.9 Drawbacks of Talent Management

The following are some of the drawbacks associated with talent management:



- ◆ The execution is seen as costly due to the significant amount of time, effort and money it requires.
- ◆ If it is put into action, it will result in an increase in the company's total expenses.
- ◆ Not every company has the resources necessary to put the talent management concept into action.
- ◆ It is not appropriate for companies that have a significant number of workers who are employed on a contractual basis or who work part-time.
- ◆ Obtaining assistance from each and every division is a difficult task.
- ◆ It has the potential to cause friction between management and the staff.
- ◆ It's possible that a lack of a more thorough understanding might result in a breach of trust.

5.3.10 Recent Trends in Talent Management

In order for businesses to successfully navigate situations that are in a state of perpetual change, they need to build up their competencies and abilities so that they can handle both known and unexpected difficulties. But, modern businesses are struggling mightily to find and retain qualified employees. Because of this, there is increased demand on firms to develop systems that are efficient and competitive in acquiring, managing and keeping personnel. Companies all over the globe are always striving to develop more efficient methods of talent management; nevertheless, only a select few firms are in a position to establish themselves as industry leaders in such practises.

The leadership abilities of CEOs and the management teams that they oversee have been put to the test by recent global events such as the recession, the economic crisis, and the rise and fall of economic powerhouses. As megatrends are shaking up and reshaping the business landscape all over the globe, it is becoming more challenging to provide an adequate supply of skills and knowledge at the appropriate moment. As a result, CEOs in today's businesses devote a significant amount of their time to the process of recruiting and supervising employees. They are aware that

**Notes**

owning talent and keeping it is the only way for a business to prosper in a market that is volatile.

Studies based on research have highlighted many important characteristics that demand the attention of businesses that are attempting to manage talent effectively. These characteristics are important for acquiring new talent, managing existing talent's performance, determining appropriate remuneration, and keeping existing talent. According to research, talent management should not be divided down into its component elements but rather regarded as an integrated whole instead. This necessitates having a solid ideology as well as culture.

ACTIVITY

Discuss in the class about the need and significance of talent management. Also analyse the necessity of managing talent in an organization.

IN-TEXT QUESTIONS

1. HR Audit includes:

- (a) Evaluation of HR Policies
- (b) Evaluation of the practices and activities carried out by the employees
- (c) Only (b)
- (d) Both (a) and (b)

2. HR Audit(s) is/are performed:

- (a) Thrice in a year
- (b) Twice in a year
- (c) Once in a year
- (d) On Monthly basis

3. The Audit conducted by internal management to analyse and supervise the HR department activities is known as:

- (a) Internal control
- (b) Internal management



- (c) External review
(d) Both (b) and (c)
4. Which strategy has been used by management to identify specific goals for their departments?
(a) Analytical Approach
(b) Regulatory Strategy
(c) Management by Objectives (MBO)
(d) Comparison Strategy
5. Which of the following is first step in the procedure of HR Audit?
(a) Drafting Rough Plan
(b) Gathering Information
(c) Selecting Data Collection Methods
(d) Determination of Goals
6. Effective personnel management results in:
(a) Higher Labour Turnover Rate
(b) Reduced Productivity
(c) Increased Absenteeism
(d) Higher Performance
7. Why talent management needed in organisation?
(a) Meeting demands and requirements of the company by workforce
(b) To motivate the workers to achieve higher productivity
(c) Contributes to increased level of employee satisfaction
(d) All of the above
8. The main elements of talent management model are:
(a) Planning, Attracting, Selecting, Developing, Retaining, Changes
(b) Planning, Selecting, Retaining and Changes



(c) Attracting, Selecting, Developing and Retaining

(d) Selecting, Developing, Retaining

9. Which of the following are the essential pillars of talent management?

(a) Acquisition and Development

(b) Engagement and Retention

(c) Only (a)

(d) Both (a) and (b)

10. Which of the following factor(s) have direct influence on the talent management?

(a) Globalisation

(b) Age

(c) Future Leadership

(d) All of the above

CASE STUDY

Human Resource Audit Million Meal Movement

Introduction

Million Meal Movement is a non-profit group that distributes meals to low-income families in Indiana. It has grown to 29 million meals since 2007 and plans for expansion with four permanent workers and a Board of Directors of seven business experts. The current head of Human Resources (HR) for the company hopes to expand the company to 20 full-time workers in the next three to five years. The Executive Director is concerned about the company's expansion, as no one has an experience in human resources and the company may be threatened by major threats. Human resource analysis/audit performed by BEST Human Capital & Consulting Group is needed to identify potential risks and provide a road map for optimal preparation and planning.

Objective

Assisting the company in understanding compliance challenges, risk reduction, and providing resources and tools to create the groundwork for compliance and HR function assistance.

**Application**

Best in Class Enterprises and Consultants (BEST) conducted an in-depth study of eight categories that capture the essential skills within the “SHRM Competence Body of Knowledge” as part of an evaluation of the whole human resource function using BEST’s patented WR2 HR Analysis. Data collection was followed by analysis and a report being drafted for the Executive Director. In its report to the Board of Directors, BEST detailed the “risks and solutions” it had found. Widow’s Jar Ministries provides Million Meal Movement with office space, a conference room, a warehouse, and other facilities. The study highlighted several successes that should be maintained and built upon when the recommendations for improvement are implemented. It also identified organizational weaknesses in strategic and tactical planning, such as diversity and inclusion, HR information systems and metrics, security, training and organisational growth. The Executive Director has decided to devise a plan to enhance these aspects within the next twelve months to lower the risk profile of various components.

Outcome

Using this strategy as a guide, the Million Meal Movement has begun carrying out initiatives to enhance compliance, streamline processes, make regulations more clear, and pick off the low-hanging fruit. For the goal of aiding the Executive Director in carrying out the organization’s remedial treatments, she put together a volunteer team of human resources specialists, directed by Michael Maggiotto Jr, PHR, SHRM-SCP and Sr. Human Capital Adviser at BEST. Million Meal Movement’s HR was able to find its footing thanks to this in-depth research, which lauded the organization’s successes while also flagging potential threats and offering solutions. As the company continues to develop, it is in a stronger position to take on the long-term, challenging issues it has identified and to maintain its competitive edge.

Source: <https://bhcgagroup.com/project-details/nonprofit>



5.4 Summary

The auditing procedure is used by organizations to monitor the actions and results of their numerous people. HR audits are used to plan and measure financial data, enhance processes, and serve as a tool for organizational development. Talent management involves making an intentional effort to recruit, engage, cultivate, and retain employees who have the potential to satisfy both the present and the future requirements of a business. HR managers are responsible for bringing in and keeping talented employees, but it is also the responsibility of each and every worker at the organization. Senior management must demonstrate their commitment to people processes by authorizing finances, motivating staff, and developing policies that are employee friendly.

5.5 Answers to In-Text Questions

1. (d) Both (a) and (b)
2. (c) Once in a year
3. (a) Internal Control
4. (c) Management by Objectives (MBO)
5. (d) Determination of Goals
6. (d) Higher Performance
7. (d) All of the above
8. (a) Planning, Attracting, Selecting, Developing, Retaining, Changes
9. (d) Both (a) and (b)
10. (d) All of the above

5.6 Self-Assessment Questions

1. Define the concept of HR audit. Discuss its features and objectives.
2. What do you mean by HR audit? Elaborate the various types.
3. Describe the strategies used by the management for analysing the HR functions.



4. Elaborate the procedure of HR audit and also discuss its significance for an organisation.
5. What is the need of managing talent in a company? Discuss
6. What are the objectives of talent management? Describe the essential elements of talent management.
7. Describe the different stages of talent management procedure followed by a company for retaining the talented workforce with them.
8. Discuss the factors influencing talent management model of an organisation and what obstacles have been faced by managers while implementing talent management model in their organisation.

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Emerging Horizons

Dr. Virender Kaushal

STRUCTURE

- 6.1 *Learning Objectives*
- 6.2 *Emerging Job Opportunities in HRM*
- 6.3 *Redundant Manpower*
- 6.4 *Employee Burnout*
- 6.5 *Work from Home*
- 6.6 *Summary*
- 6.7 *Answers to In-Text Questions*
- 6.8 *Self-Assessment Questions*
- 6.9 *References*
- 6.10 *Suggested Readings*

6.1 Learning Objectives

After studying this Chapter students may able to:

- ◆ Know about the emerging opportunities in the field of HRM.
- ◆ Be acquainted with the concept, need, significance, reasons, basis types and process of redundancy.
- ◆ Understand the concept, causes, symptoms, identification, and prevention of employee burnout.
- ◆ Be familiar with the concept, features, benefits and drawbacks of work from home.

6.2 Emerging Job Opportunities in HRM

Human resource management is the process through which an organisation anticipates, plans for, and reacts to its changing demands for human capital. Human resource management refers to the process of finding, recruiting, hiring, paying, training, developing, and retaining



a company's personnel. Recruiting, categorising employees, paying them, providing them with benefits, and managing their performance are all part of human resource management. Those who take pleasure in assisting others in discovering contentment and fulfilment in their job may find that working in human resources management is a career path that offers many opportunities for success. An efficient administration of human resources complies with all relevant employment standards and contributes to the development of a company culture in which workers have the sense that they are appreciated. The following are the emerging job opportunities in the Human Resource management department:

- ◆ **Work from Home:** This individual would be responsible for making sure the business's procedures, rules, and tools are well-suited for remote employees. The effectiveness of this position will be measured in large part by how well it fosters a strong feeling of belonging inside the business among remote employees by making sure they are aware of their value to the company and feel truly cared for.
- ◆ **Human Bias Officer:** He is accountable for assisting in the mitigation of bias across all business processes. These experts would guarantee that employees are treated properly throughout the whole employee lifecycle, from recruitment to separation, regardless of their colour, ethnicity, gender, sexual orientation, religion, socioeconomic position, age, or culture.
- ◆ **Strategic Director of HR Business Continuity:** This individual oversees the Human Resources (HR) response team and consults with the CEO, CFO, CIO, and FD to provide suggestions for making the workplace secure for all employees.
- ◆ **Counselor for Virtual Reality Immersion:** This position would contribute to the realisation of the promise of leveraging virtual reality to expand training programmes for a variety of use cases, including onboarding, coaching, reskilling, upskilling, and even medical and safety training. H&R Block is one corporation that has previously used virtual reality simulations to teach customer support workers on how to de-escalate client conversations.
- ◆ **HR Data Detective:** They assist in resolving business issues, this individual would be in charge of combining several data sources (such as employee surveys, learning management systems, and



benefits portals). Data detectives would acquire and aggregate HR-relevant insights to assist enhance employee performance and produce better outcomes for the whole organisation. They were equally at home being “in the weeds” of huge data as well as recognising and describing “the big picture.”

- ◆ **Human-Machine Teaming Manager:** It is a position that functions at the nexus of human and mechanical interaction and seeks to establish seamless partnerships. Instead than focusing on increasing rivalry, these managers would seek to develop collaboration.
- ◆ **Chatbot Coach:** He would collaborate with the DBS Bank hiring team to train the chatbot to handle the routine tasks of screening candidates and responding to frequently asked questions from candidates, freeing up the recruiters’ time to work on more strategic tasks like talking to hiring managers to better understand why a candidate needs a new job and the shifting needs of the company for new hires.

ACTIVITY

Organize a class seminar on the topic, “Importance of HR Audit for Present Day Organizations”. Also prepare an assignment on the same topic and provide your viewpoint.

6.3 Redundant Manpower

When there is no employment, an employee may be asked to quit or laid off, which is known as redundancy. One of the grounds for terminating a person’s employment under a fixed-term contract is redundancy. The term “redundancy” refers to the termination of an employee’s fixed-term employment when a job no longer exists or has become less important. Lack of projects or the cessation of funding for research might be the cause of the absence.

6.3.1 Need for Redundancy

A redundancy often results from a firm ceasing operations on or off the employee’s site, a job decrease, a business moving to a new location, a change in business procedures, or all of the above. Other workers’



motivation, productivity, and morale are often affected as well. The following are some of the circumstances that might lead to an employee being laid off and classified as redundant:

- ◆ It has been determined that the employer's business, or a portion of the employer's company, is no longer operational; and/or
- ◆ There has been a change in the location of the employer's place of business; and/or
- ◆ Because of declining or eliminated demand, the company is no longer in need of a certain kind of labour to be performed.

6.3.2 Significance of Redundancy

The significance of redundancy is given as under:

- ◆ It shows how important contracts are in a business. The contracts actually say how much money the employer has to pay the employee who is being fired. This amount depends on how badly the employer broke the contract. Also, if the employee has ever broken a contract, the employer can use that information to decide what to do with the employee.
- ◆ There should be a way to choose who gets laid off, like "last one in, first one out."
- ◆ This is one of the most important ideas that this procedure shows about how an organisation should act ethically. Also, when an employer tells an employee that he or she is no longer needed, the employee must be given proper legal notice well in advance so that the employee has time to find a new job and keep earning money. Also, there is a procedure with proper notice and payment for employees who are considered to be in continuous employment with the organisation and whose employment is not interrupted by sick leaves, maternity leaves, or leaves due to disabilities or serious accidents and injuries.
- ◆ There are strict time limits on how long the fired employees have to file a claim for compensation. Notice of redundancy has to be given to employees at least one week before they are fired if they have worked for 1 month to 2 years, at least two weeks before they



are fired if they have worked for 2 years, and one more week for each additional year of service, up to a maximum of 12 weeks.

6.3.3 *Reasons for Redundancy*

There are several reasons why workers may be let off, and they are seldom related to their ability to perform the job. These are as under:

- ◆ The employment has been rendered obsolete by new technologies.
- ◆ The position for which you were employed no longer exists.
- ◆ The firm must decrease expenses by lowering the number of employees.
- ◆ The company is shutting or relocating.
- ◆ Another firm has purchased the company.

6.3.4 *Basis for Redundancy of Employees*

It should be made obvious to the person being let go why they were selected to be let go, without any bias. Also, there need to be a process for appealing the choice if the individual feels the employer was unjustly chosen or disagrees with the decision. The justifications given by the employer may include credentials and talents, but they shouldn't be the only considerations. Other factors include:

- ◆ Attendance data
- ◆ Discipline history
- ◆ Knowledge or expertise
- ◆ Performance standards at work
- ◆ Workplace successes or lack thereof

6.3.5 *Types of Redundancy*

The types of redundancy are as follows:

- ◆ **Voluntary Redundancy:** The initial and most typical kind of redundancy occurs when a worker leaves or retires. It is generally carefully planned, with the employee providing notice and the



employer intending to replace them. It is often accompanied with separation money.

- ◆ **Mandatory redundancy:** The other type of redundancy occurs when a corporation determines it requires fewer staff than it now has, possibly because business is slow or because technology has rendered them obsolete. Such redundancies are frequently unplanned, and it's possible that there's no retirement compensation.

6.3.6 Process of Redundancy

The different stages of redundancy process are given as under:

- ◆ **Stage 1 - Preparing:** This involves determining if redundancy is genuinely required before beginning the procedure. You should also determine your time schedule and prepare the necessary papers.
- ◆ **Stage 2 - Selecting:** This involves narrowing down the pool of candidates for redundancy. You'll also need to decide on the criteria for picking those people. It is critical that the selection criteria be objective and that they can be applied consistently and equitably throughout the workforce. Discipline records, for example, experience, capacity, necessary skills, and competence.
- ◆ **Stage 3 - Individual Consultation:** There are legal time limits for consultation based on the number of individuals who are laid off. In any instance, it is critical to explain why a person was chosen and to discuss other career opportunities inside the organisation.
- ◆ **Stage 4 - Redundancy Notification and Appeals:** Always remember to notify your employee in writing of their dismissal and provide them the opportunity to appeal.
- ◆ **Stage 5 - Termination procedure:** Any workers with more than two years of service are eligible for statutory redundancy compensation. Ensure to keep a written record of how the statutory redundancy payout was calculated for the workers.

Remember that communication is essential throughout the redundancy process. It is best practise to have frequent and open communication after determining the need for redundancy and selecting the criteria. This will



assist you in demonstrating that has been performed during the procedure in a fair and equitable way in compliance with applicable law.

ACTIVITY

Discuss with your class teacher about the need and significance of redundancy. Also list out all the reasons and causes of redundancy? What are the impacts of redundancy on the employees? Note down these and prepare a report.

6.4 Employee Burnout

Employee burnout is a type of workplace stress that has been recognised by the World Health Organization (WHO). It happens when workers are generally unhappy with their jobs and feel tired on multiple levels, such as mentally, physically, and emotionally. The end result is an employee who doesn't feel up to doing their daily work and isn't interested in their job or profession in general. This causes mental distance and lower productivity overall. Organizationally, this can lead to higher staff turnover and loss, lower engagement scores, and a bad effect on the workplace culture, all of which can hurt the performance of the business as a whole.

6.4.1 Causes of Employee Burnout

Burnout among workers does not just materialise out of thin air; rather, it must be prompted in some way. In most cases, this is because of the method in which an organisation functions, specifically how your people processes react to the demands of your people. When things don't go as planned, burnout may be the result. The following is a list of some of the most typical reasons why workers get burned out:

- ◆ **Excessive Work:** There are too many things to accomplish, but not enough hours in the day. One of the most typical reasons for burnout in the workplace is when workers are coping with excessive amounts of work. After all, when people's responsibilities continue to pile up without any sign of respite in sight, it may be very daunting for them and drive them to shut down entirely.
- ◆ **Insufficient Work:** On the other side, being overworked may also be caused by a lack of available job. This does not imply that



there is an insufficient amount of labour, at least not always, but rather that there is a lack of complexity with regard to the jobs. Employees have a greater risk of experiencing burnout if they do the same duties over and over again, which increases the likelihood that they will get disengaged from their job.

- ◆ **Remuneration:** Things have the potential to get extremely difficult very quickly when workers don't feel that the money they receive is commensurate with the job they do or the quantity of work they are expected to do. With the appropriate compensation plan and bonus system in place, you have the ability to have some control over this.
- ◆ **Culture and Management:** Both the culture of the company and the management style may have a significant impact on employee burnout. When workers do not feel as if they look forward to going into the workplace or simply opening their laptops each morning to begin working, this may lead to a sense of burnout in a very short amount of time. The same holds true if their supervisors exert undue pressure on them or engage in excessive micromanagement.

6.4.2 Symptoms of Employee Burnout

In most cases, the symptoms and the outcomes of burnout in employees are linked. Based on the main performance measures of the company, this is how one may determine whether or not the workers are suffering from job burnout:

- ◆ **Illness:** It's possible that the number of sick days taken off by employees may increase, which would cost the business working days.
- ◆ **Errors :** Employees who are suffering from burnout may become less enthusiastic or diligent about their day-to-day job, which may lead to an increase in the number of errors that occur at the company.
- ◆ **Motivation:** Less motivated people are less inventive and less productive than less driven people. Employees may be suffering from burnout if they have the impression that there has been a loss of intellectual talent at the organisation despite the fact that no one has departed.



- ◆ **Turnover:** A greater staff turnover and attrition rate, as well as people leaving the firm more rapidly, may lead to a decrease in talent as well as an increase in the total cost of recruiting new personnel.
- ◆ **Customer:** It's possible that burnout is to blame for the falling ratings of the customer support department. There is a possibility that the personnel are not approaching or reacting to consumers in a constructive manner.

Hence, employee burnout has a clear impact on the financial results of an organisation. That is why understanding what burnout is and coming up with strategies to avoid it is of such critical importance for contemporary businesses.

6.4.3 Identification of Employee Burnout

The ideal time to fight burnout is before it starts, but you can also halt it after you notice it. These are some classic symptoms that an individual is burnt out:

- ◆ Exhaustion, whether physical, mental, or emotional.
- ◆ Productivity has decreased.
- ◆ Decreased performance (more mistakes).
- ◆ Irritability, sensitivity, and acrimony.
- ◆ Disinterest or withdrawal from talks or initiatives.
- ◆ Working excessive hours or skipping work on a regular basis.
- ◆ Unexpected sickness (fatigue, heart palpitations, shortness of breath, dizziness, headaches).

6.4.4 Prevention of Employee Burnout

In order to deal with the employee burnout give company's management guidance on how to deal with staff burnout and some of them are as follows:

- ◆ **Encourage a healthy work routine:** If you see that the office is still buzzing at 9 p.m. with individuals who arrived at 8 a.m., it's



time to speak to leaders about the costs and hazards of employee burnout.

- ◆ **Consider cultural issues:** Employee burnout will be simpler to avoid if your business culture is clear and your executives reward workers, support everyone, and value work/life balance. Create a wonderful culture that values vacation time, flexible scheduling, and cooperation (and that can boost your recruiting and retention efforts too).
- ◆ **Develop a mental health policy:** Discuss solutions with your vice presidents and other executives, such as employee support programmes, counselling services, or therapy sessions covered by the company's insurance coverage.

6.5 Work from Home

It is the idea that a worker can do their job from home. When someone works from home, they can set their own hours and don't have to worry about getting to and from work. It's also easier for the employer to get their job done. It encourages different religions and genders. Work-life balance is easier for employees who can do some of their jobs from home. They also help the company get things done. Telecommuting, also called "working from home" or "e-commuting," is a way for an employee to work outside of the office, usually from home or a nearby place.

6.5.1 Features of Work from Home

These are some features of productive remote workers:

- ◆ **Consciousness:** Many people who are able to successfully work from home do so because they have an entrepreneurial spirit, which allows them to succeed with minimal supervision and leads them to assume responsibility for their actions. While working alone has its benefits, it also has its own challenges, including a lack of encouragement from others. All company owners, employees, contract workers, freelancers, and those who work from home should take this into consideration.



- ◆ **Communication Skills:** Those who work from home must have excellent communication skills. Without body language signals, it may be more challenging to say what you mean. If you're frustrated about something, saying so in person is simple, but doing it in an email (without being disruptive or misinterpreted) might be tricky.
- ◆ **Innovative:** While working from home, you have complete control over your day. Can you figure out where an issue is coming from without assistance? Can you solve problems and handle emergencies on your own? You should have these traits if you want to succeed in a business environment.
- ◆ **Expertise in technology:** Home-based workers should be familiar with the hardware and software the organisation uses for internal communications. Can you diagnose and fix issues with a computer, network, or email? Can you communicate and share files using Skype, and Google Hangouts and other tools.
- ◆ **Self-Evaluation:** Feedback from the outside world is a big challenge in this regard. In order to establish one's value, one must respond to the following questions: How well do you know yourself and your abilities to evaluate them objectively? Until someone tells you differently, do you consider your work to be of high quality? Do you strive to improve your work performance in any manner possible?
- ◆ **Faith and Patience:** Work from home employees must have faith in their skills and expertise. Individuals must also feel safe voicing their thoughts and offering criticism without preconceived notions of how others would react. In the comfort of your own home office, you may find yourself voicing an unconventional and, at times, disagreeable perspective.
- ◆ **Determination:** Having self-discipline and a strong commitment to the organisation is the single most important trait for successful remote employment, I've found. There are more interruptions and a greater need for concentration while working from home, so the day tends to drag on longer than it would in an office setting. Finding individuals with this trait is crucial for a remote workplace to be successful.



- ◆ **Time Management:** Staff members that thrive in a remote setting are masters of time management. The day drags on and on as we engage in endless video conferences, phone conversations, emails, and project work. Effective time management and prioritisation allow workers to get more done without feeling overwhelmed or rushed.

6.5.2 *Benefits of Work from Home*

The benefits are as follows:

- ◆ **Pool of Talent:** A varied talent pool contains job candidates for a certain position with some individuals who have geographical restrictions or handicapped persons who can apply for the job and enjoy the chance, so there is a bigger pool from which an organisation may pick.
- ◆ **Work-life harmony:** Employees who work from home are relieved of household duties and stress, giving them more time to focus on their jobs. Workers who prefer a calmer or friendlier setting may find it at home, which aids in their ability to focus and perform efficiently.
- ◆ **Affordable:** Costs associated with office infrastructure, such as office space, power costs, specialised infrastructure for a workforce with varying demands, and employee development amenities and facilities, are significantly reduced.
- ◆ **Encouragement:** When workers manage their work-life balance and boost their output, they feel motivated. Retention of employees helps to cut down on the expense of constant hiring.
- ◆ **Resource and Energy Saving:** When there is no longer a need to drive to work, working from home frees up time, energy, and resources that may be utilised to boost productivity at work. Last but not least, telework may lessen air pollution and traffic congestion by lowering the number of vehicles on the road.
- ◆ **Encouragement of Autonomy:** Working from home is a perk for doing a profession that offers independence, freedom, and schedule flexibility. Also, it could boost task accountability and the integrity



of completed work. As a consequence, these workers take more ownership and responsibility for their job, which boosts productivity.

- ◆ **Adaptability:** Since the employee has additional alternatives while they are outside the workplace, it also enables schedule freedom. These persons may arrange their work at various times of the day since they are not constrained by workplace schedules. Employees who work from home may multitask, do so in comfortable surroundings, and have the choice to decide where they work, when they work, and even what they wear to work.

6.5.3 Drawbacks of Work from Home

The drawbacks of working from home are listed as under:

- ◆ The manager isn't keeping an eye on the work. Keeping an eye on the work is always a big problem.
- ◆ The cost of setting up the technology needed to put the idea into action. The organisation saves money on costs and maintenance, but the employee has to pay for them.
- ◆ Data transfers always have security problems that are hard to keep an eye on.
- ◆ Not all jobs can be done from home. When employees don't talk to each other, it can be hard to do a job.
- ◆ Telework may affect problem-solving, decision-making, and having a logical mind because employees may not have as many skills or be able to do tasks that are meaningful to them as they did when they worked in an office. However, working in a group can increase skill variety and make tasks more meaningful for each person.
- ◆ Directions, orders, prescriptions, and rules must be clearly given in order for a job task to be done well. Feedback is a way for an employee and a supervisor to talk back and forth. Because electronic communication gives fewer cues, it can be hard for teleworkers to understand and get information, as well as get feedback.

**IN-TEXT QUESTIONS**

1. Which of the following are the types of emerging job opportunities in HRM?
 - (a) Work from Home
 - (b) Human Bias Officer
 - (c) Counsellor for virtual reality immersion
 - (d) All of the above
2. Redundancy means:
 - (a) Recruitment
 - (b) Termination of regular services of employees
 - (c) Training and development
 - (d) All of the above
3. What are the bases of employee redundancy?
 - (a) Attendance Data
 - (b) Performance Standards
 - (c) Only (a)
 - (d) Both (a) and (b)
4. What are the causes of employee burnout?
 - (a) Work Overload
 - (b) Insufficient Work
 - (c) Work Culture
 - (d) All of the above
5. Which one of the following is a symptom of employee burnout?
 - (a) Illness
 - (b) Happiness
 - (c) Both (a) and (b)
 - (d) Only (b)



Notes

6. The another term used for work from home is:
- (a) Telecommuting
 - (b) E-commuting
 - (c) Both (a) and (b)
 - (d) None (a) and (b)
7. Which of the following are the positive effects of work from home?
- (a) Work-life harmony
 - (b) Encouragement
 - (c) Adaptability
 - (d) All of the above

CASE STUDY

Managing Employee Motivation and Employee Burnout

Issue

The operations department of the factory is short a few workers, despite the fact that it is busier than it has probably ever been. As a result of the overwhelming amount of work, they run the risk of losing important personnel who are superstars in terms of their productivity. Therefore, it is difficult for them to locate trustworthy assistance. The leadership team is seeking for solutions, anything that can be implemented quickly to help key employees avoid burnout while also ramping up recruiting and orientation for long-term solutions.

Problem

- ◆ How can I maintain critical personnel’s motivation when the workload is excessive? I want to provide them some comfort and hope.

The Perspectives

The agencies can be used to reduce the burden of production by providing incentives and extra vacation time, altering order delivery schedules, and providing incentives to present employees. Additionally, anyone in the



workplace who is willing to let some unimportant jobs go unattended may free up some hands to assist with production for a few hours, such as administrative tasks like filing, paying bills, or other minor duties. Office personnel may also be paid OT if they choose to do these activities when production isn't running, which may bring the team together. The most important details of the phrases presents, gratitude, team, employ, and members are to minimize the burden by pushing back the deliveries, establishing longer lead times for new orders, delegating assistance for simpler production tasks, showing team empathy and gratitude, sending handwritten cards to important persons in the workers' lives, sending out Cards to deliver customised cards and presents, getting someone to do chair massages for 30 minutes at the workplace, getting everyone out of the office for lunch, rotating staff members for 1:1 breakfast, lunch, etc., and expressing gratitude to them. These steps can help the organisation achieve success and reduce the risk of labour-intensive tasks.

Results

Office personnel should be engaged in a collaborative atmosphere, delaying delivery and providing financial incentives to clients. They should also be available to help with customer orders and sent thank-you notes to those affected by the "send out card" service. Additionally, they should consider expanding and forming partnerships with nearby businesses.

6.6 Summary

Human resource management is the process of finding, recruiting, hiring, paying, training, developing, and retaining personnel. It is a career path that offers many opportunities for success and complies with employment standards. When there is no employment, an employee may be asked to quit or laid off, known as redundancy. Employee burnout is a type of workplace stress that can lead to mental distance and lower productivity, which can lead to higher staff turnover and loss, lower engagement scores, and a bad effect on the workplace culture. Telecommuting, also called "working from home" or "e-commuting," is a way for an employee to



work outside of the office, usually from home or a nearby place. It is the idea that a worker can set own hours and don't have to worry about getting to and from work. It encourages different religions and genders, and helps the company get things done.

6.7 Answers to In-Text Questions

1. (d) All of the above
2. (b) Termination of regular services of employees
3. (d) Both (a) and (b)
4. (d) All of the above
5. (a) Illness
6. (c) Both (a) and (b)
7. (d) All of the above

6.8 Self-Assessment Questions

1. What do you mean by redundancy? Discuss the impacts of redundancy on the employees working in an organisation.
2. Describe the process of redundancy followed by the management in an organisation and also comment what are the reasons for doing so?
3. What do you mean by employee burnout? What are its symptoms and causes? Discuss
4. What do you mean by work from home? Why present day organisations are focusing on this concept? Elaborate.
5. Discuss the contribution and impact of work from home on the economic level of employees during the Covid-19 pandemic.

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Glossary

Auxiliary: An auxiliary is a person who is employed to assist other people in their work.

Critical Incidents: In critical incident method the observer observes critical human behaviours, skills used, incidents that occur on the job.

Employee: He/she is a person who works for another entity in exchange for monetary compensation.

Employee Turnover: Employee turnover refers to the total number of workers who leave a company over a certain time.

Employer: The owner of a business is an employer since they are the one who offers workers jobs.

Halo or Horn effect: The “halo” or “horn” effect is a type of rater bias that happens when a supervisor grades a worker highly or poorly in all areas because they judge them to be particularly skilled in one particular area.

Hispanics: “Hispanic” is generally accepted as a narrower term that includes people only from Spanish-speaking Latin America, including those countries/territories of the Caribbean or from Spain itself.

HR Audit: It is an independent analysis of the HR operations and regulations of your company. The objective is to find where things are going wrong or where improvements might be made. Either have an external firm do the audit on your behalf, or give your human resources team the go-ahead to do an internal audit.

Human Resource Planning: Human resource planning is essentially the process of getting the right number of qualified people for the right job at the right time so that an organization can meet its objectives. It is a system of matching the supply of people with openings the organization expects over a given time frame.

Industrial Establishment: It refers to any facility involved in manufacturing or processing.

Industry: It is a collection of enterprises or manufacturers that create a certain range of products or services. Workers in the textile sector create, manufacture, and market clothing. All of the commercial elements of tourism are included in the tourism industry.

Job: It consists of a collection of comparable, purpose-driven activities.



Job Analysis: Job analysis is the methodical process of compiling all relevant data on a particular job, such as skill requirements, roles, duties, and procedures, in order to produce a reliable job description and specification.

Job Specification: A job specification, also referred to as employee specifications, is a brief outline of the educational requirements, particular qualities, level of experience, physical, emotional, technical, and communication skills necessary to perform a job and roles associated with a job.

Job Stress: It refers to the negative psychological and physiological reactions that employee may have when their skills, resources, or needs do not adequately meet the demands of their job. Workplace stress has been linked to physical illness and even death.

Liaison: A liaison is a person who acts to arrange and assist interaction between parties. A close synonym is intermediary.

Poaching: Poaching or employee poaching means recruiting the employees who are currently working in the competing firms.

Redundancy: In the workplace, redundancy occurs when there are too many workers performing the same tasks. This may occur as a result of layoffs, retirements, or personnel transfers within a company.

Rejuvenation: It is the acts of making something looks and feels new again.

Simulation test: A job simulation is a test that mimics actual tasks that an employee would perform while being on the job.

Stress: It is a condition of concern or mental strain brought on by a demanding circumstance. One of the human responses to stress is the desire to take action in the face of adversity. One of the universal truths of life is that everyone feels stressed sometimes.

Talent Management: Employers use talent management to find and cultivate employees who will be both highly productive and likely to remain in their positions for the long term. The strategic use of this method may boost the company's productivity and keep it in the competitive race.

Talent Retention: Talent Retention is considered as the practices implemented to keep talented and skilled employees within the organization.



Termination: When an employee's employment with a firm comes to an end, it is said that the employee's "termination of employment" has taken place. When an employee departs voluntarily, it is considered a voluntary termination. An involuntary termination takes place when an employer terminates an employee or engages in a round of layoffs.

Weighted Application Blanks: To make the application form more job-related, some organizations assign numeric values or weights to responses provided by applicants.

Work from Home: It is a kind of flexitime employment that permits workers to do their duties away from the main office.

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