GATE INSTITUTE OF TECHNOLOGY & MANAGEMENT SCIENCES

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HUMAN RESOURCE MANAGEMENT

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References:

Uday Kumar Haldar and Guthika Sarkar – “Human Resource Management”
Aswathappa K - “Human Resource Management”
Subba Rao. P - “Personnel and Human Resource Managemen

Qualification and Qualities of HR Manager

The functions of personnel management vary from organization to organization both in nature and degree. So, the qualifications required of a personnel manger differ from organization to organization depending on its nature, size, location, etc. however, the qualifications and qualities which will be applicable in general can be summarized as follows.

Personal Attributes: the HR manager, as in case of any other manager, must have initiative, resourcefulness, depth of perception, maturity in judgment and analytical ability, freedom from bias would enable the HR manager to take an objective view of both of management and workers. He must thus have intellectual integrity. Moreover, the HR manager should e thorough with labor laws. An understanding of human behavior is essential to the HR manager. the HR manager must be familiar with human needs, wants, hopes and desires, values, aspirations, etc., without which adequate motivation is impossible.

The HR manager should also possess other personal attributes like:

(a) **Intelligence:** This includes skills to communicate, articulate, moderate, understand, etc., command over language, mental ability and fact in dealing with people intelligently, ability to draft agreements, policies, etc.

(b) **Educational Skills:** HR manager should possess learning and teaching skills as he ahs to learn and teach employees about the organizational growth, need for and mode of development of individuals. Etc.

(c) **Discriminating Skills:** HR Manager should have the ability to discriminate between right and wrong, between the just and unjust, merit and demerit.

(d) **Executing skills:** HRE manager is expected to executive the management's decisions regarding HR issues with speed, accuracy and objectivity. He should also be able to streamline the office, set standards of performance, co-ordinate, and control. Etc

(e) **Experiencing and Training**: Previous experience is undoubtedly an advantage, provided the experience was in an appropriate environment and in the same area. Training in psychological aspects, labour legislations and more specifically in HR management and general management I s an additional benefit. Experience in an enterprise in some other executive capacity can also help towards an appreciation of the general management problems and a practical approach in meeting HR problems.

(f) **Professional Attitudes**: Finally, professional attitude is more necessary, particularly in Indian context. The HR mangers' job, as in the case of other managers is getting professionalized. He should have patience and understanding, ability to listen before offering advice. As mentioned earlier, he should have the knowledge of various disciplines like technology, engineering, management, sociology, psychology, philosophy, human physiology, economics, commerce and law. He must be able to couple his social justice with a warm personal interest in people which must be secured by an uncommon degree of common sense

Qualifications: Qualifications prescribed for the post of HR manager vary from industry to industry and from state to state. These qualifications have been undergoing several changes from time to time.

HUMAN RESOURCE MANAGEMENT

What is Human Resource?

The total *knowledge*, *skills, creative abilities, talents and aptitudes* of an organization's workforce, as well as the *value, attitudes and beliefs of the individuals* involved.

– Leon C. Megginson

It can be explained that **human resources is like any other natural resource**, means that the management can get them and **use the skill, knowledge, ability** etc, through the development of skills, tapping and utilizing them again and again.

Human resources are also being **regarded as human factor, human asset, human capital and the like. T**he terms **labour and manpower** have been used widely denoting mostly **the physical abilities and capacities** of employees. The term **personnel** had been used widely with the meaning an **employee as a whole** including various components of human resources like **skill ,knowledge, values**, etc.,

What is Management?

Mary Parker Follet says the management is "**The art of getting things done through people"** but management further defined as …. "that field of human behavior in which managers **plan, organize, staff, direct and control human, physical and financial resources** in an organized effort, in order **to achieve desired individual and group objectives** with **optimum efficiency and effectiveness**"

It is clear that the management is concerned with the accomplishment of objectives by utilizing physical and financial resources through the efforts of human resources. Thus, human resources is a crucial sub-system in the process of management.

Human Resource Management

Human Resource Management refers to the planning, organizing and implementing of productive activities within an organization that focuses on translating human being into useful resources. The Human Resource Management activities includes searching right candidate, identifying their knowledge, skills and attitude towards a specific job, fixing and practicing fair compensation policy, ensure the safety and comfort in work place, observing the performance of the employees, employee motivation, effective communication, administration and training for increasing productivity and efficiency.

Definition

Human Resources Management is **concerned with the people** who work in the organization **to achieve** the **objectives** of the **organizatio**n. It **concerns** with **acquisition** of appropriate human resources, **developing** their skills and competencies, **motivating** them for the best performance and **ensuring** their continued commitment to the organization **to achieve organizational objectives**. This definition applies to all types of organizations, that is, industry, business, government, education, health or social welfare of the people

HRM is also known as personnel management, manpower management, personnel administration, staff management.

"It is a part of management which is concerned with the people at work and with their relationship within an enterprise. It aims to bring together and develop into an effective organization of the men and women who make up an enterprise and having regard for the well-being of the individuals and of working groups, to enable them to make their best contribution to its success"

National Institute of Personnel Management (NIPM) , India.

Human Resource Management is a series of decisions that affect the relationship between employees and employers. It affects many constituencies and is intended to influence the effectiveness of employees and employers. - **Milkovich & Boudreau**

Flippo says "Human resource management is the planning, organizing, directing and controlling of the procurement, development, compensation, integration, maintenance and reproduction of human resources to the end that individual , organization and societal objecti9ves are accomplished."

Prof. Thomas G. Spates: "Human Resource administration is a code of the ways of organizing and treating individuals at work so that they will get the greatest possible realization of their intrinsic (inherent) abilities, thus attaining maximum efficiency for themselves and their group, and thereby giving to the enterprise of which they are a part of its determining competitive advantages and its optimum results"

Leon C. Meggisnson says HR is the total knowledge, skills, creative abilities, talents and aptitudes of an organization's workforce, as well as the value, attitudes and beliefs of the individuals involoved

SIGNIFICANCE OF HUMAN RESOURCE MANAGEMENT

The significance of human resource management can be discussed at four levels **Corporate**, **professional, social** and **national**

1. Significance for an enterprise: human resource management can help an enterprise in ***achieving its goals*** more efficiently and effectively in the following ways:

(a) **Attracting and retains** the required talent through effective human resource planning, recruitment, selection, placement, orientation, compensation and promotion policies.
(b) **Developing the necessary** skills and right attitudes among the employees through training, development, performance appraisal, etc.
(c) **Securing willing** cooperation of employees through motivation, participation, grievance handling, etc.
(d) **Utilizing effectively** the available human resources
(e) **Ensuring** that the enterprise will have in **future** a team of competent and dedicated employees

2. Professional Significance: effective management of human resource ***helps to improve the quality of work life.*** It permits ***team work*** among employees by providing a ***healthy* working environment.** It contributes to ***professional growth*** in the following ways

(a) **Providing maximum opportunities** for personal development of each employee
(b) **maintaining healthy relationships** among individuals, and different work groups
(c) **Allocating work** properly

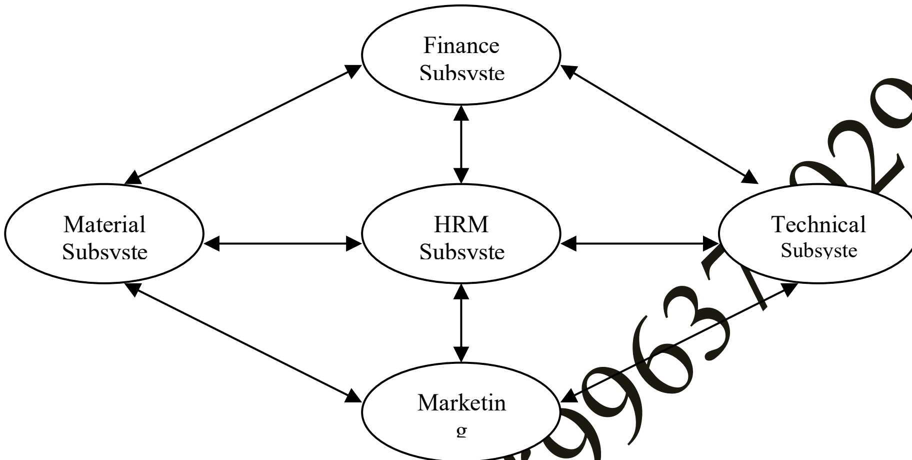
3. Social Significance: sound human resource management has a great significance for the society. It ***helps to enhance the dignity of labor*** in the following ways:

(a) Providing suitable employment that provides social and psychological satisfaction to people
(b) Maintaining a balance between the jobs available and the job seekers in terms of numbers, qualifications, needs and aptitudes.
(d) Eliminating waste of human resources through conservation of physical and mental health

4. National Significance: human resources and their management *play* a vital role in the *development of a nation*. The effective *exploitation* and *utilization* of a *nation's natural, physical and financial resources* require an efficient and committed manpower. There are *wide differences in development* between countries with similar resources *due to differences in the quality of their people*.

Countries are underdeveloped because their people are backward. The level of development in a country depends primarily on the skills, attitudes and values of its human resources. Effective management of human resources helps to speed up the process of economic growth which in turn, leads to higher standards of living and fuller employment.

Human resource management is the central subsystem of an organization as can be seen from



Central subsystem in an organization

As the central subsystem, HRM interacts closely and continuously with all other subsystems of an organization. The quality of people in all subsystems depends largely upon the policies, programmes and practices of the HRM subsystem. The quality of human resources determines in turn the success of an organization

Management is primarily dealing with human beings and human problems are present everywhere. According to Lawrence Appley "management is the development of people, not the direction of things." In the modern era of automation and computerization, machine is useless without competent people to run it. Human resource management has become very significant in recent decades due to the following factors:

1. Increase in the size and complexity of organization. E.g., a multinational corporation employing millions of persons.
2. Rapid technological developments like automation, computerization. Etc.
3. rise of professional and knowledgeable workers
4. Increasing proportion of women in the workforce
5. Growth of powerful nationwide trade unions
6. Widening scope of legislation designed t protect the interest of the working class
7. Rapidly changing jobs and skills requiring long-term manpower planning
8. Growing expectations of society from employers

SIGNIFICANCE OF HUMAN RESOURCE MANAGEMENT

Arthur Lewis observed "there are great differences in development between countries which seem to have roughly equal resources, so it is necessary to enquire into the difference in human behavior

Human resource plays a crucial role in the development process of modern economics. It is often felt that, In spite of all other resources being present, like natural, physical and financial resources along with international aids in growth of modern economics, none of these factors is more significant than efficient and committed man power. It is, in fact, said that all development comes from the human mind.

Human Resource in the Nation's well being

A nation with large quantity of physical resources will not benefit itself unless human resources make use of them. HR is solely responsible for making use of national resources and for the transformation of traditional economies into the modern and industrial economies. Lack of human resource organization is largely responsible for the backwardness of the nation. In short, the difference in the level of quality human resources largely reflects the difference in the level of economic development of the countries. The key elements such values, attitudes, general orientation and quality of the people of a country determine its economic development. HRM became a key element in making the nation well being both in the manufacturing and service areas with its increasing pace of technological change. In a service oriented industries like banks, railways, the quality, quantity and utilization of human resources become all the more important.

Man vis-à-vis Machine

Most of the problems in the organization sectors are human and social rather than physical, technical or economic. No industry can be rendered efficient as long as the basic fact remains unrecognized that it is principally human. Human resource is not a mass of machines and technical processes but a body of men. Its body is not a complicated network of mechanical devices but a magnified nervous system.

HRM and General Management

Management of an organization in modern economics is not only complex and sophisticated but also vital and influences the economic growth of a country. Its efficiency determines the properly and well-being of the people of the nation. One of the fundamental areas of management is the management of human resources. If a company is economically successful, it means, the management has been able to manage human resources effectively. HRM includes guiding human resources into a dynamic organization that attains its objectives with a high degree of morale and to the satisfaction of those concerned with it. Earnest Dale views management as the process of getting things done through people".

In fact, it is said that all management is human resource management as it deals with human beings. Apart from the separate human resource manager, the other functional areas of management like production and material also have been managed by the human resources. These people manage their respective functions/department to get effective results through and with the people. Thus, all executives must unavoidably be human resource managers.

Human Resources System is a Central Sub-system

HR system in an organization is not only a unique subsystem but a principal and central sub-system and it operates upon and controls all other sub-systems. Thus, Wendell L. French says “Personnel management is a major pervasive sub-system of all organizations.” Human resource receives inputs from the organization as the objectives and it turns into individual and organizational performance, later viewed as individual and organizational output. Both the personnel and organizational system operate under the same cultural, economic, social, legal, political and other constraints. Hence, greater the effectiveness and productivity of personnel, the more will be the effective functioning of an organization. In other words, the survival, development and performance of an organization – although not solely but heavily – depend on the quality of personnel.

Human resource Accounting

Eric Flanholtz defines Human resource accounting as “accounting for people as organizational resources. Human Resource Accounting is the measurement of the cost and values of people for organization,” Human Resources are identified as the value of the production capacity of a firm’s human organization, and the value of its customer’s goodwill. Human resources accounting is useful to both general managers and personnel manages as it influences the planning and controlling functions of management and various operative functions of personnel management. It helps the management to utilize human resources most economically and efficiently. It also helps the managers in making sound decisions in personnel matters by providing required information.

Human Resource and Market Economy

The three important areas of human resources are skill, ability and knowledge. Knowledge plays most vital role in the modern industry as rail road played its role during 19th century business and as assembly line played its role during the 20th century. According P.F.Drucker, “Knowledge is the only meaningful resource today”. All other resources flow freely across borders.

Knowledge and Competitive Advantage

Modern business has been undergoing changes at a fast rate due to changes in technology, liberalization of economies, etc. the changes in the business resulted in severe competition. The business should have knowledgeable employees to have competitive advantage over the competitors. In the words of Thyagarajan, MD, Glaxo, “organization that have world class ambitions will need to nurture knowledge workers” as Adi B, Godrej, CEO, Godrej Soaps put it, “all corporate strengths are dependent on people.

Products and Human Resources

Many companies compete based on the strength of their products. These companies have to use people as the source pricing for wining concepts. In fact, product improvements are generated by people, creative and innovative products and services can be developed and modified only through intensive and planned human efforts. As successful product is developed by using knowledge as a core competence of the company

Production and Human Resources

The hi-tech industry dominates the shop floor. The role of the people in today's production process is crucial. Production practices in today's industry are assigning the total work to teams of worker and empowering them. The empowered teams produce the qualitative products. The knowledgeable workers with the help of advanced technology improve the productivity beyond the normal levels. According to Aspi Balsara, CEO of Balsara Hygiene, 'easy access to technology has made people the differentiating factors in today's environment'

Marketing and Human Resources

Companies are forced to improve the quality of products, quality of pre-sales and past-sales service, customer-producer interface and the like. Added to this, service sector has been enlarging its scope in the global economy. As Mike Khanna, CEO Hindustan Thompson Associates puts forward as "it is that rising demand from customers that is making people increasingly important,"

Management Techniques and Human Resources

The 21st century business house realizes that their distinctive competencies lie not in particularly products or technologies but in distinctive expertise and knowledge pool and skills of their people. Reengineered processes will not bring improvements unless the top managements ensure that their people's mindsets are also reengineered. Therefore, successful management techniques are focusing directly on people

Organizational Structure and Human Resources

The modern structure is a pattern for deployment of people. The objective of structuring of modern organizations is to make the best possible use not only of technology, finance or systems but also of people. Companies, in order to concentrate on the customer, are dismantling vertically functional departments and replacing them with horizontal cross functional and process-centric empowered teams. The emphasis is on resourcefulness, initiative autonomy and responsibility of the process-owners.

This analysis indicates that human resources are crucial in all operations. Human resources of superior caliber and understanding are necessary to reach the innovative frontiers of business. Such human resources are essentially, an important asset of the top management.

SCOPE OF HUMAN RESOURCE MANAGEMENT

Human resources are undoubtedly the key resources in an organization, the easiest and the most difficult to manage

The scope of HRM is extremely wide, However, for the sake of convenience and developing understanding about the subject, we divide it in three categories mentioned above.

The objectives of the HRM span right from the manpower needs assessment to management and retention of the same. To this effect Human resource management is responsible for effective designing and implementation of various policies, procedures and programs.

It is all about developing and managing knowledge, skills, creativity, aptitude and talent and using them optimally.

Human Resource Management is not just limited to manage and optimally exploit human intellect.

It also focuses on managing physical and emotional capital of employees. Considering the intricacies involved, the scope of HRM is widening with every passing day.

It covers but is not limited to HR planning, hiring (recruitment and selection), training and development, payroll management, rewards and recognitions, Industrial relations, grievance handling, legal procedures etc.

In other words, we can say that **it's about developing and managing harmonious relationships at workplace and striking a balance between organizational goals and individual goals**.

The scope of HRM is extensive and far-reaching. Therefore, it is very difficult to define it concisely. However, we may classify the same under following heads:

1. **HRM in Personnel Management:** This is typically direct manpower management that involves manpower planning, hiring (recruitment and selection), training and development, induction and orientation, transfer, promotion, compensation, layoff and retrenchment, employee productivity.

   The overall objective here is to ascertain individual growth, development and effectiveness which indirectly contribute to organizational development.

It also includes performance appraisal, developing new skills, disbursement of wages, incentives, allowances, traveling policies and procedures and other related courses of actions.

2. **HRM in Employee Welfare:** This particular aspect of HRM deals with working conditions and amenities at workplace. This includes a wide array of responsibilities and services such as safety services, health services, welfare funds, social security and medical services.

   It also covers appointment of safety officers, making the environment worth working, eliminating workplace hazards, support by top management, job safety, safeguarding machinery, cleanliness, proper ventilation and lighting, sanitation, medical care, sickness benefits, employment injury benefits, personal injury benefits, maternity benefits, unemployment benefits and family benefits.

   It also relates to supervision, employee counseling, establishing harmonious relationships with employees, education and training. Employee welfare is about determining employees' real needs and fulfilling them with active participation of both management and employees.

   In addition to this, it also takes care of canteen facilities, creches, rest and lunch rooms, housing, transport, medical assistance, education, health and safety, recreation facilities, etc.

3. **HRM in Industrial Relations:** Since it is a highly sensitive area, it needs careful interactions with labor or employee unions, addressing their grievances and settling the disputes effectively in order to maintain peace and harmony in the organization.

   It is the art and science of understanding the employment (union-management) relations, joint consultation, disciplinary procedures, solving problems with mutual efforts, understanding human behavior and maintaining work relations, collective bargaining and settlement of disputes.

   The main aim is to safeguarding the interest of employees by securing the highest level of understanding to the extent that does not leave a negative impact on organization.

   It is about establishing, growing and promoting industrial democracy to safeguard the interests of both employees and management.

THE SCOPE OF HUMAN RESOURCE MANAGEMENT

The scope of HRM is indeed vast. All major activities in the working life of a worker – from the time of his or her entry into an organization until he or she leaves the organizations comes under the purview of HRM. The major HRM activities include HR planning, job analysis, job design, employee hiring, employee and executive remuneration, employee motivation, employee maintenance, industrial relations and prospects of HRM.

T*he scope of Human Resources Management extends* to:

- All the decisions, strategies, factors, principles, operations, practices, functions, activities and methods related to the management of people as employees in any type of organization.
- All the dimensions related to people in their employment relationships, and all the dynamics that flow from it.

The scope of HRM is really vast. All major activities in the working life of a worker – from the time of his or her entry into an organization until he or she leaves it comes under the purview of HRM. American Society for Training and Development (ASTD) conducted fairly an exhaustive study in this field and identified nine broad areas of activities of HRM.

- These are given below:
- Human Resource Planning
- Design of the Organization and Job
- Selection and Staffing
- Training and Development
- Organizational Development
- Compensation and Benefits
- Employee Assistance
- Union/Labour Relations
- Personnel Research and Information System

a) Human Resource Planning: The objective of HR Planning is to ensure that the organization has the right types of persons at the right time at the right place. It prepares human resources inventory with a view to assess present and future needs, availability and possible shortages in human resource. Thereupon, HR Planning forecast demand and supplies and identify sources of selection. HR Planning develops strategies both long-term and short-term, to meet the man-power requirement.

b) Design of Organization and Job: This is the task of laying down organization structure, authority, relationship and responsibilities. This will also mean definition of work contents for each position in the organization. This is done by “job description”. Another important step is “Job specification”. Job specification identifies the attributes of persons who will be most suitable for each job which is defined by job description.

c) Selection and Staffing: This is the process of recruitment and selection of staff. This involves matching people and their expectations with which the job specifications and career path available within the organization.

d) Training and Development: This involves an organized attempt to find out training needs of the individuals to meet the knowledge and skill which is needed not only to perform current job but also to fulfil the future needs of the organization.

e) Organizational Development: This is an important aspect whereby "Synergetic effect" is generated in an organization i.e. healthy interpersonal and inter-group relationship within the organization.

f) Compensation and Benefits: This is the area of wages and salaries administration where wages and compensations are fixed scientifically to meet fairness and equity criteria. In addition, labour welfare measures are involved which include benefits and services.

g) Employee Assistance: Each employee is unique in character, personality, expectation and temperament. By and large each one of them faces problems every day. Some are personal some are official. In their case he or she remains worried. Such worries must be removed to make him or her more productive and happier.

h) Union-Labour Relations: Healthy Industrial and Labour relations are very important for enhancing peace and productivity in an organization. This is one of the areas of HRM.

i) Personnel Research and Information System: Knowledge on behavioral science and industrial psychology throws better insight into the workers expectations, aspirations and behavior. Advancement of technology of product and production methods have created working environment which are much different from the past. Globalization of economy has increased competition many folds. Science of ergonomics gives better ideas of doing a work more conveniently by an employee. Thus, continuous research in HR areas is an unavoidable requirement. It must also take special care for improving exchange of information through effective communication systems on a continuous basis especially on moral and motivation.

HRM is a broad concept; personnel management (PM) and Human resource development (HRD) are a part of HRM.

OBJECTIVES OF HUMAN RESOURCE MANAGEMENT

Objectives are pre-determined goals to which individual or group activity in an organization is directed. Objectives of personnel management are influenced by organization objectives and individual and social goals. Institutions are established to attain certain specific objectives. The objectives of the economic institutions are mostly to earn profits; the fundamental objective of any organization is survival. Organization is not just satisfied with this goal. Further, the goal of most of the organizations is growth and/or profits.

Institutions procure and manage various resources including human to attain the specified objectives. Thus, human resources are managed to divert and utilize their resources towards and for the accomplishment of organizational objectives. The other objectives of HRM are to meet the needs, aspirations, values and dignity of individual employees and having due concern for the socio-economic problems of the community and the country.

The objectives of HRM may be as follows:

(a) To provide, create, utilize and motivate employees to accomplish basic organizational goals.
(b) To establish and maintain sound organizational structure and desirable working relationships among al the members of the organization.
(c) To secure the integration of individual and groups within the organization by co-ordination of the individual and group goals with those of the organization.
(d) To create facilities and opportunities for individual or groups development so as to match it with the growth of the organization
(e) To attain an effective utilization of human resources in the achievement of organizational goals.
(f) To identify and satisfy individual and group needs by providing attractive, equitable, incentives, rewards, benefits, social security measures, to ensure retention of competent employees.
(g) To provide employees the security measures for challenging work, prestige, recognition, security, status.
(h) To encourage value system and create environment of trust, mutuality of interests.
(i) To maintain high employees morale and sound human relations by sustaining and improving the various conditions and facilities.
(j) To strengthen and appreciate the human assets continuously by providing training and development programmes.
(k) To consider and contribute to the minimization of socio-economic evils such as unemployment, under-employment, inequalities in the distribution of income and wealth
(l) To improve the welfare of the society by providing employment opportunities to women and disadvantaged sections of the society.
(m) To provide opportunities for communication expression, participation, appreciation, recognition and provide fair efficient leadership.

(n) To create a sense and feeling of belongingness team spirit and encourage suggestions from employees.
(o) To ensure that, there is no threat of unemployment, inequalities, adopting a policy recognizing merit and employee contribution, and conditions for stability of employment

In order to realize the objectives stated above HRM must perform certain functions. The scope and objectives stated are indicative of functions, a Human resource Manager must perform below the objectives and the functions which are to be performed to achieve organizational objectives

HRM Objectives	Functions to be performed
1. Social (Towards Society)	1. Legal observance 2. Benefits 3. Union/Management Relations
2. Organizational Objectives	1. Human Resource Planning 2. Selections Training&Development 3, Employee Relations 4. Employees evaluation, assessment appraisal
3. Functional Objectives	1. Appraisal 2. Placement
4. Personal Objectives (towards employees)	1. Training and Development 2. Appraisal 3. Assessment / Placement 4. Compensation

FUNCTIONS OF HUMAN RESOUIRCE MANAGEMENT

Mission and Objectives of Organization

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Strategies, objectives, policies of HRM

↓

Managerial Functions of HRM

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Functions of HRM

Managerial Functions

Planning
Organizing
Directing
Controlling

Organizational Design

Job design

Operational Functions

Employment	**HR Development**	**Compensation**	**Integration**	**Maintenance**
HRP	Performance appraisal	Job evaluation	Motivation	Health
Recruitment		Wage & Salary	Job satisfaction	Safety
Selection	Training	Bonus	Grievance redressal	Social security
Placement	Executive development	Incentives	Collective Bargaining	welfare schemes
Induction	Career Planning	Payroll	Conflict Management	HR records
Transfer				
Promotion			Employees participation	HRresearch
Separation			Discipline	HR Audit

FUNCTIONS OF HUMAN RESOUIRCE MANAGEMENT

The function of HRM is to effectively utilize the available human resources by developing their competencies in tune with organizational requirements. It can be broadly classified into two categories.

1. Managerial Functions
2. Operative functions.

1. Managerial Functions:
Managerial functions of personnel management involve planning, organizing, directing, and controlling. All these functions influence the operative functions.

Planning:
George R Terry says "**planning is constructive revising of future needs so that present actions can be adjusted in view of the established goal.** Planning is the first and foremost function of management. Planning is the process **thinking before doing**. It is a **future oriented course of action** concerned with determined organizational goals and formulating the policies and procedures for attaining those goals.
It involves planning of **human resources, requirements, recruitment, selection, training etc,** it also involves forecasting **personal need, changing values, attitudes and behavior of employees** and their **impact on** organization,. The other functions or actions of he manager are dependent on planning process.

Organizing
According to Knootz and O'Donnel "**organizing consists of consciousness co-ordination of people towards a desired goals"**
Organizing is the method of achieving the planned task, it is **the process of allocating the jobs in the in the direction of achieving the goals**. Organizing includes the activities like allocation of **tasks to the sub-ordinates, establishing departments, delegation of authority**, and establishing channels of communication, co-ordination or work and so on

Directing
Accoridng to Joseph Messie "'Directing' concerns the total manner in which a manager influences the action of his sub-ordinates. It is the **final action** of a manager in getting others to get **after all preparations have been completed**" it is the next step to **put the plan is the execution** of the plan. It is the process of activating and coordinating the individual and group efforts in order to achieve the goals and objectives. Directing includes the **activities maintaining morale, getting things done with sub-ordinates, motivating the sub-ordinates etc.** in accordance with goal achievement.

Controlling
Theo Haimann defines "**Control is the process of checking to determine whether or not, proper progress is being made towards the objectives and goals and acting, if necessary, to correct any deviations.**
It the process of checking the performance to confirm whether the **activities like setting performance standards, checking, verifying and comparing the actual with the plans and taking corrective actions if needed.**

2. Operative Functions

The operative functions are the functions related to a particular department or section. Operative functions vary from dept to dept depending on the nature of the dept. effectively performed operative functions of HRM ensure placing right people on the right jobs at the right times. The operative functions of human resource management are related to specific activities of personnel management, viz, employment, development, compensation and relations. All these functions are interacted by managerial functions.

The operative functions include the activities like:

1. Employment: It is the first operative function of HRM. Employment involves acquiring right kind of people and placing them in right positions tune with organizational objectives. It covers the functions such as job analysis, human resource planning, recruitment, selection, placement, induction and internal mobility.

- **Job Analysis**: Job analysis is a method of collecting and analyzing the facts related to a particular job in order to identify the job contents, job requirements, job related duties and responsibilities and the characteristics of the person intending to do that job.
- **Human Resources planning / Manpower Planning**: man power planning is fore-seeing the manpower (skills, knowledge, abilities, values, commitment, motivation and the number of employees) requirements of an organization and their future supply of manpower.
- **Recruitment:** it is the process of searching for prospective employees and stimulating them to apply for the jobs in the organization.
- **Selection:** It is the process of choosing the best qualified and suitable candidate for each unfilled job.
- **Placement:** it is the process of determining the job to which an accepted / selected candidate to be assigned and his assignment to the job.
- **Induction:** it is the process of receiving and welcoming an employee when he first joins a company and giving him the basic information he needs to settle down quickly and start the work.
- **Transfer:** it is the movement of an employee to the same level of jobs where their potentialities can be more effectively utilized.
- **Promotion and Demotion*:*** Promotion is the upward movement of an employee to occupy the higher position. Demotion is the downward movement of an employee in the organization.

2. Human Resources Development: Development is the process meant to improve the knowledge, skills, aptitudes and values of employees so that they can better contribute to their job. Development includes the follows:

- **Performance Appraisal**: it is the method of evaluating the behavior of employees in the work spot including both quantitative and qualitative aspects of performing the job.
- **Training:** it is the act of improving the knowledge, skills and abilities of an employee to Career Planning and Career Development: Career Planning is the process by which one selects career goals and the path to these goals. Career development is that personal improvement one undertakes to achieve his/her personal career plan.

3. Integration: Integration is the process of reconciling and reuniting the organizational goals with its members. Integration involves the activities like motivation, providing job-satisfaction, handling employee grievances, collective bargaining, worker's participation in management, conflict management, developing sound human relations, improving quality of work life etc.

- **Motivation:** it is the act of stimulating and inspiring the subordinates to achieve the goals of the organization.
- **Job Satisfaction:** Job satisfaction is the result of various attitudes the employee holds towards its job related factors.
- **Grievance Handling:** Grievance is the sign of employee's discontent / dissatisfaction with his/ her job its job related factors.
- **Collective Bargaining:** Collective bargaining is a process of discussion / negotiation between the employees and employers in order to compromise the conflict between them.
- **Employee Participation:** it is the involvement of employees in organizational decision making process.
- **Discipline:** it refers to a condition / attitude prevailing among the employees, with respect to rules and regulations of an organization.

4. Maintenance: Maintenance includes the activities

- **Organizational Health**: it is studied through the result of employee's contribution to the organization and the employee job satisfaction.
- **Human Resource Audit:** it is the process of evaluating the policies, procedures and practices to determine the effectiveness of HRM.
- **Human Resource Accounting:** it is the measurement of cost and value of human resources to the organization.

5, Compensation: Compensation includes the determination of wages and salaries matching with contribution made by the employees to achieve organizational goals.

- **Job Evaluation:** it is the process of determining the relative worth of jobs.
- **Wage and Salary Administration:** it is the process of developing and operating a suitable wage and salary program.
- **Incentives:** it is the additional payment to regular wages and salaries.
- **Bonus**: Payment of statutory bonus according to the Payment of Bonus Act 1965.
- **Fringe Benefits:** it is the payment made by the management to motivate the employees and to meet their contingencies in life.

EVOLUTION FROM PERSONAL MANAGEMENT TO HRM

The field of Human Resource Management (HRM) has undergone significant transformation over the last century. Once limited to administrative and transactional roles, it has evolved into a critical driver of organizational success. Understanding this evolution is key to appreciating how HRM contributes strategically to business goals. The following is the journey of HRM, from its origins in Personnel Management to its current form as a strategic partner within organizations.

Understanding the roots: Personnel management and early HR functions

Before the mid-20th century, HR was largely seen as an administrative function, often referred to as Personnel Management. Its primary responsibility was to handle tasks related to hiring, firing, payroll, and compliance with labor laws. Personnel management was mainly concerned with the welfare of employees but not necessarily with aligning human resources to the strategic goals of the organization.

In this era, organizations focused on maintaining employee records, ensuring fair wages, and managing workplace conditions. The approach was more transactional, with little attention paid to employee development or motivation. HR was viewed as a support function, largely disconnected from the strategic planning and decision-making of the organization. However, this would soon begin to change.

The shift to Human Resource Management: 1950s to 1970s

The 1950s and 1960s saw the beginning of a shift in how organizations viewed their workforce. HR began to be recognized not just for administrative functions, but for its potential to contribute to organizational success. The Human Resource Movement emerged as a response to the growing recognition that people are a critical asset to organizations, rather than simply a cost to be managed.

During this time, organizations started to adopt more proactive approaches to managing employees.

This shift was influenced by several factors, including the rise of behavioral science, the human relations movement, and the increasing complexity of managing a diverse workforce.

HR departments began to focus on employee training, motivation, and engagement, recognizing that a well-managed workforce could enhance productivity, reduce turnover, and ncrease overall organizational performance.

The emergence of Strategic HRM: 1980s

By the mid-1980s, a dramatic shift took place in the way HR was conceptualized and practiced. Organizations began to recognize that effective HRM was essential not only for managing employees but also for achieving long-term strategic goals. The 1980s marked the beginning of HRM as a strategic function—aligning human resource practices with business objectives became the key focus.

One of the first major contributions to the strategic HRM movement was the development of the **Human Resource Wheel** by the American Society for Training and Development (ASTD) in 1983.

The wheel visualized the different components of HRM, including recruitment, development, motivation, and rewards, and emphasized the need for these elements to work together in support of organizational goals. This holistic view of HRM paved the way for further integration of HR practices with organizational strategy.

Conclusion

The evolution of HRM from personnel management to its current strategic role has been shaped by various influential models and theories. From the early focus on administrative functions to the more recent emphasis on strategic integration and employee engagement, HRM has evolved to meet the demands of an increasingly complex business environment. As organizations continue to face challenges such as technological advances, globalization, and changing workforce expectations, the role of HRM will continue to evolve, with an ever-stronger focus on aligning human resources with business strategy.

Difference between Personnel Management and Human Resource Management

In early centuries, when Human Resource Management (HRM) was not prevalent, then the staffing and payroll of the employees were taken care of, by the Personnel Management (PM). It is popularly known as Traditional Personnel Management. **Human Resource Management** have emerged as an extension over the **Traditional Personnel Management**.

Definition of Personnel Management

Personnel Management is a part of management that deals with the recruitment, hiring, staffing, development and compensation of the workforce and their relation with the organisation to achieve the organisational objectives. The primary functions of the personnel management are divided into two categories:

- **Managerial Function**: Planning, Organizing, Directing, Motivation, Control and Coordination are the basic managerial activities performed by Personnel Management.
- **Operative Functions**: The activities that are concerned with procurement, development, compensation, job evaluation, employee welfare, utilisation, maintenance and collective bargaining

From the last two decades, as the development of technology has taken place and the humans are replaced by machines. Similarly, this branch of management has also been superseded by Human Resource Management.

Definition of Human Resource Management

Human Resource Management is that specialized and organized branch of management which is concerned with the acquisition, maintenance, development, utilization and coordination of people at work, in such a manner that they will give their best to the enterprise. It refers to a systematic function of planning for the human resource needs and demands, selection, training, compensation, and performance appraisal, to meet those requirements.

Human Resource Management is a continuous process of ensuring the availability of eligible and willing workforce i.e. putting the right man at the right job. In a nutshell, **it is an art of utilising the human resources of an organisation**, **in the most efficient and effective way.** HRM covers a broad spectrum of activities which includes:

- Employment
- Recruitment and Selection
- Training and Development
- Employee Services
- Salary and Wages
- Industrial Relations
- Health and safety
- Education
- Working conditions
- Appraisal and Assessment

Personnel Management Vs Human Resource Management

Comparison

Basis for Comparison	Personnel Management	Human Resource Management
Meaning	The aspect of management that is concerned with the work force and their relationship with the entity is known as Personnel Management.	The branch of management that focuses on the most effective use of the manpower of an entity, to achieve the organizational goals is known as Human Resource Management.
Approach	Traditional	Modern
Treatment of manpower	Machines or Tools	Asset
Type of function	Routine function	Strategic function
Basis of Pay	Job Evaluation	Performance Evaluation
Management Role	Transactional	Transformational
Communication	Indirect	Direct
Labor Management	Collective Bargaining Contracts	Individual Contracts
Initiatives	Piecemeal	Integrated
Management Actions	Procedure	Business needs
Decision Making	Slow	Fast
Job Design	Division of Labor	Groups/Teams
Focus	Primarily on mundane activities like employee hiring, remunerating, training, and harmony.	Treat manpower of the organization as valued assets, to be valued, used and preserved.

Key Differences between Personnel Management and Human Resource Management

The following are the major differences between Personnel Management and Human Resource Management:

1. The part of management that deals with the workforce within the enterprise is known as Personnel Management. The branch of management, which focuses on

the best possible use of the enterprise's manpower, is known as Human Resource Management.

2. Personnel Management treats workers as tools or machines whereas Human Resource Management treats it as an important asset of the organisation.
3. Human Resource Management is the advanced version of Personnel Management.
4. Decision Making is slow in Personnel Management, but the same is comparatively fast in Human Resource Management.
5. In Personnel Management there is a piecemeal distribution of initiatives. However, integrated distribution of initiatives is there in Human Resource Management.
6. In Personnel Management, the basis of job design is the division of work while, in the case of Human Resource Management, employees are divided into groups or teams for performing any task.
7. In PM, the negotiations are based on collective bargaining with the union leader. Conversely, in HRM, there is no need for collective bargaining as individual contracts exists with each employee.
8. In PM, the pay is based on job evaluation. Unlike HRM, where the basis of pay is performance evaluation.
9. Personnel management primarily focuses on ordinary activities, such as employee hiring, remunerating, training and harmony. On the contrary, human resource management focuses on treating employees as valued assets, which are to be valued, used and preserved.

Conclusion

Human Resource Management has come up with an extension over Personnel Management, which eradicated the shortcomings of the Personnel Management. It is quite essential in this era of intense competition where every organisation have to put their manpower and their needs first.

Nowadays, it is very challenging to retain and maintain good employees for a long time as they are fully aware of their rights and any organisation cannot treat them like machines. So, HRM has been evolved to unite the organisation with their employees for the attainment of a common goal.

LEGAL AND ETHICAL ISSUES IN HRM

Human resource management (HRM) involves dealing with employees' legal and ethical concerns while managing an organization's workforce. The legal and ethical considerations in HRM are critical to ensure compliance with laws and regulations and maintain ethical standards. Here are some of the key legal and ethical considerations in HR management:

Legal considerations:

1. Equal Employment Opportunity (EEO): EEO is a legal requirement that prohibits discrimination in all aspects of employment, including recruitment, hiring, promotion, training, and compensation, based on protected characteristics such as race, color, religion, sex, national origin, age, and disability. Employers must comply with EEO regulations to avoid lawsuits, fines, and other legal consequences.
2. Fair Labor Standards Act (FLSA): FLSA sets minimum wage, overtime pay, child labor standards, and record-keeping requirements for employees. Employers must comply with FLSA regulations to avoid lawsuits, penalties, and other legal consequences.
3. Family and Medical Leave Act (FMLA): FMLA requires covered employers to provide eligible employees with job-protected leave for qualified medical and family reasons. Employers must comply with FMLA regulations to avoid lawsuits, penalties, and other legal consequences.
4. Occupational Safety and Health Act (OSHA): OSHA sets safety and health standards for workplaces and requires employers to provide a safe and healthy work environment for employees. Employers must comply with OSHA regulations to avoid lawsuits, fines, and other legal consequences.

Ethical considerations:

1. Confidentiality: HR managers have access to sensitive and confidential information about employees, such as their personal and health information. HR managers must maintain confidentiality and ensure that this information is protected from unauthorized access or disclosure.
2. Diversity and inclusion: HR managers should promote diversity and inclusion in the workplace by creating a culture that values differences and respects all employees' rights.
3. Ethical leadership: HR managers should model ethical behavior and ensure that the organization's leaders and employees follow ethical standards.
4. Whistleblowing: HR managers should create a culture that encourages employees to report ethical violations without fear of retaliation.

In conclusion, HR managers should be aware of the legal and ethical considerations in HRM to ensure compliance with laws and regulations and maintain ethical standards in the workplace. By doing so, they can create a positive and productive work environment for employees and contribute to the organization's success.

LEGAL AND ETHICAL ISSUES IN HUMAN RESOURCE MANAGEMENT

Legal Issues in Human Resource Management

Equal Employment Opportunity (EEO)

Equal Employment Opportunity means giving **fair and equal treatment to all employees** in recruitment, training, promotion, and compensation. It ensures that employment decisions are based on **merit, skills, and performance**, not on personal factors. EEO helps in creating a **diverse and inclusive workplace**. It also protects employees from unfair practices and promotes social justice.

2. Discrimination

Discrimination refers to **unfair or unequal treatment of employees** based on gender, caste, religion, age, disability, or background. It can occur in hiring, promotion, training, or termination. Discrimination reduces employee morale and productivity. HR must ensure **non-discriminatory policies** and equal treatment for all employees.

3. Sexual Harassment at Workplace

Sexual harassment includes **unwelcome physical, verbal, or non-verbal behavior** of a sexual nature. It creates a **hostile and unsafe work environment**. Organizations are legally required to prevent such behavior by forming **internal complaints committees**. HR must conduct awareness programs and ensure strict action against offenders.

4. Labour Laws Compliance

Labour laws are rules framed by the government to **protect the rights of workers**. HR must ensure compliance with laws related to wages, working hours, safety, and benefits. Non-compliance can result in **penalties, legal action, and loss of reputation**. Following labour laws ensures fair treatment and industrial harmony.

5. Recruitment and Selection Laws

These laws ensure that the **hiring process is fair, transparent, and merit-based**. Employers must not discriminate during recruitment. Selection should be based on **qualifications, skills, and experience**. Proper recruitment practices improve organizational efficiency and reduce legal risks.

6. Employment Contracts

An employment contract is a **legal agreement between employer and employee**. It specifies job role, salary, working hours, responsibilities, and termination conditions. It protects the rights of both parties. Contracts help in avoiding misunderstandings and disputes in the workplace.

7. Wages and Salary Regulations

These regulations ensure that employees receive **minimum wages and equal pay for equal work**. Salaries must be paid on time without unfair deductions. Wage laws protect employees from exploitation. Fair compensation improves employee satisfaction and motivation.

8. Working Hours and Overtime

This refers to rules related to **maximum working hours, weekly holidays, and overtime payments**. Employees should not be overworked beyond legal limits. Overtime must be compensated at a higher rate. These rules protect employee health and work-life balance.

9. Health and Safety at Workplace

Employers must provide a **safe and healthy working environment**. This includes proper equipment, training, and safety measures. HR should identify workplace hazards and prevent accidents. A safe workplace reduces injuries and increases productivity.

10. Termination, Retrenchment and Layoffs

Termination means ending an employee's service. Retrenchment and layoffs occur due to business reasons like downsizing. These must be done **legally, with proper notice and compensation**. Unfair termination can lead to legal disputes.

11. Industrial Relations and Trade Unions

Industrial relations deal with the **relationship between employers, employees, and trade unions**. Trade unions represent employee interests. Good industrial relations help in maintaining peace and cooperation. HR plays a key role in negotiation and conflict resolution.

12. Grievance Handling and Dispute Resolution

Grievance handling refers to the process of **listening to and solving employee complaints**. Effective grievance systems promote trust and job satisfaction. Dispute resolution methods include negotiation, mediation, and arbitration. Proper handling prevents conflicts from escalating.

13. Social Security and Employee Benefits

Social security includes **provident fund, insurance, pension, maternity benefits, and leave**. These benefits provide financial security to employees. They improve employee loyalty and motivation. Social security is both a legal and ethical responsibility of HR.

14. Data Protection and Privacy Laws

HR collects sensitive employee data like personal and salary details. Data protection laws ensure this information is **kept confidential and secure**. Misuse of data can lead to legal action. HR must follow ethical practices in handling employee information.

15. Child Labour and Forced Labour

Child labour refers to employing children below the legal age. Forced labour means making someone work against their will. Both are **illegal and unethical practices**. Organizations must ensure that employment is voluntary and lawful. Eliminating such practices supports human rights and social responsibility.

Ethical issues in HR

1. Fairness and Justice

Fairness and justice mean treating all employees **equally and impartially** in decisions related to recruitment, promotion, rewards, and punishment. HR should ensure that no employee is favored unfairly. Fair practices increase employee trust and morale. Justice helps in maintaining a positive work culture.

2. Equality and Non-bias

Equality and non-bias mean that HR decisions should be made **without prejudice or personal favoritism**. Employees should be evaluated based on performance and skills. Bias in HR can lead to dissatisfaction and conflict. Ethical HR promotes equal opportunities for everyone.

3. Confidentiality of Employee Information

HR handles sensitive data such as personal details, salaries, and medical records. This information must be kept **private and secure**. Sharing such data without permission is unethical. Maintaining confidentiality builds employee trust in the organization.

4. Transparency in HR Policies

Transparency means that HR policies and procedures are **clear, open, and communicated to all employees**. Employees should understand rules related to promotion, appraisal, and discipline. Transparency reduces misunderstandings and promotes fairness. It also increases employee confidence in management.

5. Integrity and Honesty

Integrity and honesty mean acting in a **truthful and ethical manner** in all HR activities. HR managers should not manipulate information or mislead employees. Honest behavior builds credibility and trust. It also sets a good example for the entire organization.

6. Respect for Employees

Respect means valuing employees as **important members of the organization**. HR should treat employees with dignity, listen to their concerns, and avoid abusive behavior. Respectful treatment improves job satisfaction and loyalty. It also promotes a healthy work environment.

7. Diversity and Inclusion

Diversity and inclusion involve **accepting and valuing differences** among employees such as gender, culture, age, and background. HR should create equal opportunities for all groups. Inclusive practices improve creativity and teamwork. They also promote social harmony.

8. Ethical Leadership

Ethical leadership means leaders should **set an example of moral behavior**. HR managers should follow ethical standards in decision-making. Ethical leaders inspire employees to act responsibly. This creates a culture of trust and integrity.

9. Conflict of Interest

Conflict of interest occurs when personal interests **interfere with professional responsibilities**. For example, favoring relatives in recruitment. HR must avoid such situations to ensure fairness. Managing conflicts of interest protects organizational integrity.

10. Employee Rights and Dignity

Employees have rights such as **fair wages, safe working conditions, and freedom from harassment**. HR must protect these rights. Treating employees with dignity improves morale and commitment. It is both a legal and ethical duty.

11. Whistle-blower Protection

Whistleblowers are employees who **report unethical or illegal practices**. HR should protect them from retaliation. Protection encourages transparency and accountability. It helps in identifying and correcting wrong practices.

12. Corporate Social Responsibility (CSR)

CSR refers to the organization's **responsibility towards society and the environment**. HR plays a role by promoting ethical practices, employee welfare, and community development. CSR improves company image and public trust. It also supports sustainable development.

13. Work-Life Balance

Work-life balance means maintaining a **healthy balance between work and personal life**. HR should provide flexible work hours, leave policies, and stress management programs. Good balance improves employee health and productivity. It also reduces burnout and turnover.

14. Accountability

Accountability means being **responsible for one's actions and decisions**. HR managers must justify their decisions and accept consequences. Accountability ensures transparency and ethical conduct. It builds trust between employees and management.

15. Ethical Decision-Making

Ethical decision-making involves choosing actions that are **fair, moral, and socially responsible**. HR should consider the impact of decisions on employees and society. Ethical decisions promote long-term organizational success. They help in maintaining a positive reputation.

UNIT II

Job Analysis: Job Description, Job Specification, Job Evaluation - Strategic Human Resource Planning – Human Resource Information System- Recruitment: sources of recruitment – Selection: Procedure (including e- recruitment and selection procedure) and Induction

HUMAN RESOURCE PLANNING

Human resource Planning is the planning for human resources. It is also called **manpower planning or personal planning or employment planning.** It is the strategy for the acquisition, utilization, improvement and preservation of an organization's human resources.

Human resource management begins with Human Resource Planning. The success of an organization depends largely on the quality and quantity of its human resource. 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.

Human resource planning is the process of determining manpower needs and formulating plans to meet these needs. It is a rational course of action to be adopted for acquiring, utilizing, retaining and developing human resources for the organization. It helps to determine the number and type of people an organization needs.

Human Resource Planning is the process in which an organization attempts to estimate the demand for labour and evaluate the size, nature and sources of supply which will be required to meet the demand.

-Reilly P

Edwin B. Geister: "Manpower planning is a process including forecasting, developing, implementing and controlling by which a firm ensures that as right number of people and right kind of people, at a right place aid at right time, doing for things for which they are economically most useful "

A process by which an organization should move from its current manpower position to its desired manpower position. Through planning, management strives to have the right number and right kind of people, at the right places, at the right time, doing thing which result in both the organization and the individual receiving maximum long-run benefit

- E.W. Verier

Thus, human resource planning is that process of forecasting an organization's future demand for and supply of, the right type of people in the right number.

IMPORTANCE OF HUMAN RESOURCE PLANNING

(Objectives or Need or Advantages)

Human resource Planning is the planning for human resources. It is also called manpower planning or personal planning or employment planning. It is the strategy for the acquisition, utilization, improvement and preservation of an organization's human resources.

HRP is an activity **looking** forward or **future oriented**, involves **predicting** needs of man power to meet the **HR needs** in time and adequate way. It is an **ongoing** process as the **demand and supply** of HR undergo frequent changes.. it is an integral part of corporate planning. HRP has both qualitative and quantitative aspects. Human resources plan is two phased process involving calculation about the demand for and supply of human resources, so as to secure equilibrium between the two.

Effective human resource planning offers the following benefits:

1. Optimum use of existing human resources

HR planning ensures that employees are **properly utilized according to their skills and abilities**. It avoids situations where some employees are overworked while others remain underutilized.

2. Forecast future HR requirements

HRP helps the organization to **estimate how many employees will be needed in the future** based on growth, expansion, or changes in business activities.

3. Provides control measures

It helps management to **monitor and control the availability of manpower**, so that the right people are available at the right time and in the right positions.

4. Links HR planning with organizational planning

HRP aligns human resources with organizational goals. This means **business plans and HR plans go together**, ensuring smooth implementation of strategies.

5. Anticipates impact of technology

With technological changes like automation and AI, HRP helps to **identify which jobs may become obsolete and which new skills are required**.

6. Determines recruitment and training levels

HRP shows how many people to recruit and how much training is needed, helping in **systematic recruitment and development of employees**.

7. Basis for management development

It identifies future leaders and helps in **planning training and development programs for managerial positions**.

8. Facilitates productivity bargaining

HRP supports negotiations between management and employees by providing data on **productivity levels, manpower needs, and performance standards**.

9. Ensures adequate knowledge and skills

It ensures that the organization has employees with **required knowledge, experience, and aptitude** to achieve its objectives.

10. Helps in selection and training

HRP makes recruitment more scientific and ensures **proper training is given to new and existing employees**.

11. Identifies manpower gaps

It highlights shortages or excess staff in terms of **quantity and quality**, enabling the organization to take corrective actions.

12. Replacement planning

HRP plans for replacement of employees who retire, resign, die, or become disabled, ensuring **continuity of work**.

13. Facilitates expansion and diversification

When organizations expand or diversify, HRP ensures **availability of skilled manpower** to support new activities.

14. Creates awareness of HR utilization

It promotes a culture where employees are **conscious about using human resources effectively and efficiently**.

15. Reduces wastage of manpower

Proper planning reduces employee turnover, absenteeism, and misuse of talent, and also helps in **evaluating HR policies**.

16. Helps meet technological challenges

HRP supports retraining and reskilling of employees so they can **adapt to new technologies and work methods**.

17. Helps in HR cost budgeting

It estimates future HR expenses such as salaries, training, and benefits, making **budget preparation easier**.

18. Controls HR costs

By ensuring proper utilization of employees, HRP helps **in reducing unnecessary labour costs**.

19. Avoids shortage and surplus

HRP prevents both understaffing and overstaffing, ensuring **balanced manpower levels**.

20. Facilitates career and succession planning

It identifies potential employees for future positions and supports **career growth and leadership development**.

21. Provides lead time for promotions

Employees are prepared in advance for higher roles through training and experience, ensuring **smooth internal promotions**.

22. Supports welfare facilities planning

HRP helps plan facilities like canteens, housing, medical and educational services based on **workforce size**.

23. Promotes social and economic development

HRP contributes to educational reforms, mobility of talent, and employment generation, supporting **overall economic growth**.

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

Employment situation (increased in unemployment- shortage of skills talent people) , technological changes, organizational change (changes in organization size- business environment) , demographic changes (age, sex, education, technical and social background), shortage of skills, legislative controls (law regarding working conditions, hours, weaker sections, women and child labour, casual and contract labour), pressure groups, systems concept, lead time, hiring costs and increased mobility.

PROCESS OF HUMAN RESOURCE PLANNING

(Assessing Human Resource Requirements)

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

1. Analyzing Organizational Plans:

Objectives ands strategic plans of the company are analyzed. Plans concerning technology, production, marketing, finance, expansion and diversification give an idea about the **volume of future work** activity. Each plan can further can be analyzed 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 (Man power Forecasting)

This is the most **commonly practice** and **conventional** method of forecasting human resources needs. Demand forecasting is the process of **estimating the future quantity** and **quality fo people** required. On the basis of **organizational and functional plans** and future activity levels, the **future needs for human resources** in the organization are to be anticipated. The HR requirements for a given level of operations **vary depending upon** the production technology, process, make or buy decisions, job contents, behavior patterns and control systems.

The following techniques are employed in human resource forecasting:

Managerial Judgments: 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**.
This is very **simple** and **time saving** method. It is **one-sided** and **suitable** for **small firms.** This method **helps** in judging the influence of informal group norms and on manpower needs.

Work study Method: in this method, **time and motion study** are used to analyze the measure the work being done. **Total production and activities** in terms of **clear units** are estimated in a year; **Man hours** required to **produce or perform each unit** is calculated. **Work ability of** each employee is estimated **in terms of man hours** after giving due weight age to rest absenteeism, etc. then the required number of employees is calculated. Work study method is more appropriate for repetitive and manual jobs when it is possible to measure work and set standards. (problem is not necessary for exams)

Planned output for next year	50,000
Standard hours per unit	2
Planned hors required	50000x2=1,00,000
Productive hrs per worker in the year	2000
Number of workers required	1,00,000/2,000 = 50

Statistical techniques: there are two types of statistical techniques useful for human resource planning. (1) ratio-trend analysis (2) econometric models. Under **ration-trend analysis method,** the ratio's are calculated on the basis of established ratios with the **past data** relating to number of employees of each category and production level, sales levels work load level, and direct & indirect employees **with same of future** with an allowance for changes in organization, methods and jobs.

Econometric method, this method is used to **calculate manpower needs based on movements in various variables** with the help of **past statistical data** which affect manpower requirement directly and indirectly. Future demand for HR depends on several factors such as (i) employment trends (comparing & analyzing the staff during the past five years) (ii) replacements trends (death, retirement, resignation, termination retirement in future) (iii) productivity (proper utilization of manpower with work study technique, automation and computerization to improve productivity) (iv) absenteeism (v) expansion and growth.

Delphi technique is used to know the bends for changing job profile and personnel profile consequently across the country and international level to solicit views of experts in different functional areas and department of an organization under different environments. Such views are collected and summarized by HR dept to arrive at a decision about the types of personnel needed in future.

3. Forecasting Supply of Human Resources

Every organization has **two sources of human resources supply**:

1. **Internal sources** – from within the organization through promotions and transfers.
2. **External sources** – from outside the organization through recruitment.

To estimate the **internal supply of human resources**, the organization maintains a **Human Resource Inventory or HR Audit**. This provides detailed information about the present employees.

The HR inventory includes information about each employee such as their **skills, abilities, experience, performance, and job preferences**. The main components of HR inventory are:

(a) **Headcount inventory** – total number of employees department-wise, skill-wise, designation-wise, gender-wise, and payroll-wise.
(b) **Job family inventory** – number and type of employees in each job category.
(c) **Age inventory** – age group of employees.
(d) **Skill inventory** – details about employees' education, skills, experience, past performance, and suitability for promotion.

Manpower inventory helps the organization to **know the quantity and quality of available employees**. It shows the current stock of manpower and what can be expected in the future. It also helps to identify **shortages or gaps** in manpower as per future organizational needs.

After assessing the present workforce, the organization estimates **future changes**. It calculates possible losses of employees due to **retirement, resignation, death, or other reasons**. Therefore, the future manpower requirement depends on:

- Replacement of employees who leave, and
- Additional employees needed for **business expansion and growth**.

In this way, forecasting HR supply helps the organization to **plan its workforce effectively for the future**.

4. Estimating manpower gaps

Net human resource requirements or manpower gaps can be identified by comparing demand forecasts and supply forecasts. Such comparison reveals either deficit or surplus of human resources in future. Deficits suggest the number of persons to be recruited from outside, surplus implies surplus to be redeployed or terminated. 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 depts./units and retrenchment (economizing) in consultation with the trade unions. People may be persuaded to VRS and golden shake. Deficit can be met through recruitment, selection, transfer, promotion, and training plans.

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 used to encourage managers to justify their actions plans.
This phase involves allocation and utilization of manpower over time. Review of manpower plans and programmes help to reveal and correct deficiencies. at right time. Manpower inventory should be updated periodically with necessary modifications in the light of changing environment in the organization. Manpower appraisal serves as a guide in future manpower planning.

HUMAN RESOURCE INFORMATION SYSTMENT (HRIS)

Human resource information system refers to the system of gathering, classifying, processing, recording and disseminating the information required for efficient and effective management of human resources in an organization.

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 sound information base.

HRIS is a systematic way of storing data and information for each individual employee to aid planning, decision making and submitting of returns and reports to the external agencies

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 manpower utilization (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 progrannes, 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) adaption to environmental changes (c) causes of changes in productivity level; (d) impact of changes in technology and markets.

Computerized Human Resource Information System (HRIS)

A computerized HRIS is an information system that makes use of computers to monitor, control and influence the movement of human beings from the time they join the organization till the time they decide to leave the organization.

A computerized HRIS consists of the following eight subsystems:

Recruitment information: it includes the placement data bank, advertisement module, general recruitment and trainee recruitment data

Personal information: it includes the employee information, transfer monitoring and increment and promotion details.

Manpower planning information: it seeks to provide information that could assist human resource mobilization, career planning, succession planning and inputs for skill development.

Training information: it provides information for designing course material, arrange for need based training, cost analysis of training, etc.

Health information system: This subsystem provides information for maintenance of people.

Appraisal information:. It deals with performance appraisal and merit rating information which serves as input for promotion, increment, succession and career planning, etc.

Payroll information: it consists of information concerning wages, salaries, wage incentives, allowances, perquisites, deductions for provident fund, etc..Data on compensation patterns of competitors may also be included in it.

Human resources Statistics system: it is a bank of historic and current data used for various types of analysis.

Designing a Human Resource Information System

The type and range of HRIS depends on the nature and size of the organization, preferences of top management, need for governmental regulations, availability of software packages, etc. the steps involved in the development of a sound HRIS are given below:

Preliminary system analysis: it involves definition of the problems, specification of objectives and operational needs, constraints affecting the system, making feasibility study and submission of the report. This involves perspective study of the activities carried out in the organization. Work patterns, their relationship and constraints affecting the HRIS also need to be analyzed.

Systems design: at this stage the problem is described in detail. Alternatives to meet the objectives are described and evaluated. Broad engineering requirements of the chosen alternative are specified and its effects on people are estimated.

Implementation: .the total HRIS, its sub-systems and running of the system are tested and installed.. In order to handle they system effectively, employees are imparted the necessary skill through orientation and training programs. Facilities are increased and upgraded; procedures are properly streamlined with an objective to integrate the HRIS with various organizational components in existence at the time.

Monitoring and Evaluation: it involves measuring the performance of the system to the overall human resource management of the organization. So that gaps are identified and corrective steps are taken to ensure its smooth operation. The system is evaluated on a regular basis so that it is evaluated in the light of changes taking place from time to time within and outside the organization.

Advantages and uses of computerized HRIS

(i) Large organization employs a very large number of people. It becomes necessary to employ data based technology for tacking human resource problems.
(ii) In geographically dispersed company every office requires timely and accurate information for manpower management. If information is stored in multiple locations, cost and inaccuracy will increase.
(iii) Modern day compensation package is complex consisting of many allowances and deductions.
(iv) An employer has to comply with several labour laws. A computerized information system would store and retrieve data quickly and correctly enabling the employer to comply with statutory requirements.
(v) Employee records and files can be integrated for fast retrieval, cross referencing and forecasting. The system should be oriented towards decision making rather than towards record keeping.
(vi) Necessary flexibility for adoption to changes in environment can be built into a mechanized information system.
(vii) Clear definition of goals
(viii) Reduction in amount and cost of stored human resource data.
(ix) Availability of timely and accurate information about human assets.
(x) Development of performance standards for the human resource division
(xi) More meaningful career planning and counseling at all levels
(xii) Individual development through linkage between performance, rewards and job training.
(xiii) Higher capability to quickly and effectively staff project teams for problem solving

(xiv) Implementation of training programmes based on knowledge of organizational needs.

(xv) Ability to respond to ever changing statutory and other environment.

(xvi) High status for the human resource function due to its capability for strategic planning within the total organization.

Personnel Inventory (Human resource inventory)

Human resource inventory means a list of personnel and their background such as name, age, sex, qualification, experience, address, experience skills, aspirations etc. HRIS helps develop a personnel inventory to be used for human resource planning/management. The information on personnel inventory is obtained from job applications and questionnaires filled by employees from time to time. The information included in personnel inventory depends on the purpose in the organization.
Morrison presents a typical personnel inventory in the following table.

- **Descriptive data**: name, address, date of birth, marital status and other data that describes a person

- **Skills inventory**: a specialized application of descriptive data as skills, abilities, job experience and interests, may refer to periods both before and after and after the employee is hired.

- **Organizational status**: date of hire, organization location, job title and ther job-related data indicating where a person is situated and what work he is doing in the organization.

- **Work history**: a compilation of past organizational positions, performance and status changes, including raises and changes in locations and budget centre. This information may be accumulated from the date of hire but usually two to five years activities only

- **Performance appraisal**: usually considered highly sensitive data therefore, appraisal information and promotion potential are often coded.

- **Wage and salary**: all information necessary for wage and salary and befits administration, as well as that necessary for calculation of gross pay roll and gross to net pays

- **Labour** reporting data: timekeeping, absence, production and labor cost information; work location; supervisor concerned; vacation scheduling and control, health and safety, education and training information, grievances, company transportation, and other data needed to support special programmes

- **Recruitment:** applications in process, application on file, status of recruiting activity, data about schools, and follow-up information.

- **Special data banks**: fro research, such as attitude surveys, manpower market analyses. Some firms are also developing non computerized data banks containing information about the external environment that relates to manpower acquisition and planning.

Personnel Inventory System in WIPRO

The personnel inventory booklet giving the following information is given to each employee and updated regularly in **WIPRO**

- Basic Bio-data, joining date, department, grade
- Qualifications
- Memberships
- Previous employment
- Transfers
- Deputation
- Charge sheets
- Hospitalization
- Loss of pay
- LFC details
- Relatives details
- Training details
- Publication details
- Joining details
- Promotion details
- Punishment details
- Unauthorized absence details
- Leave encashment details

JOB ANALYSIS

Job analysis is a *systematized procedure of extracting information* related to a job. It is an intrinsic analysis of the activities of job.

Job analysis has been defined as "the process of *determining* by *observation a*nd *study* the tasks, which comprise the job, the *methods of equipment* used, and the *skills* and *attitudes* required for *successful performance* of the job" **C.B.Guptha**

The process of determining by observation and study, and reporting pertinent information relating to the nature of a specific job. It is the determination for the assignments which comprise the job and of the skills, knowledge, abilities and responsibilities required of the worker of a successful performance and which differentiate one job from other job

\- **U.S.Department of labour**

The process of understanding and extracting information relating to the various tasks and responsibilities of specific job. The immediate products of this analysis are job descriptions and job specifications.

Edwin B Flippo

\-

Job analysis is essentially a process of collecting and analyzing data relating to a job. It is *a part of overall work planning called 'work design'*. A job can be analyzed only after it has been designed and someone is already performing it. Job analyses performed upon ongoing jobs. Job analysis provides s the following information about the job:

(i) **Identity** of the job in terms of its **title and code number**
(ii The operations and tasks involved in the job including their **timing, significance, complexity and sequence.**
(iii) **Location**, **physical setting, hazards and discomforts**, supervision given and received and other significant characteristics of the job.
(iv) **Duties** involved in the job along **with the frequency of occurrence** of each duty.
(v) **Materials, methods and equipment** used in performing the job.
(vi) **How** the job is performed, **the nature of operations** like clearing, lifting, handling, drilling, feeding, driving, guiding, assembling etc
(vii) **Relationship** of the **job with other jobs** in the organization
(viii) Human resource **attributes required** for performing the job, ex: physical strength, education, mental skills, attitudes, experience, training etc.

The above information forms the contents of job description and job specification.

OBJECTIVES OF JOB ANALYSIS

The main objectives of job analysis are as follows:

(i) **Job Redesign**. A job may be analyzed to simplify the process and methods involved in it. Such work simplification helps to improve productivity.

(ii) **Work Standards**. In order to establish job and time standards, a job has to be analyzed in detail. A systematic study of the job reveals the time that should be taken in performing the total task. Once the time requirements become known, standards relating to daily performance can be established.

(iii) **Miscellaneous.** Job analysis provides support to other human resource activities such as recruitment, selection, training, performance appraisal, job evaluation, safety etc.

Jobs have their own technology. It is necessary to understand this terminology before discussing job analysis in detail.

Job. It is a group of positions involving same duties, responsibilities, knowledge and skills. Jobs have their own terminology. Each job has definite title and is different from other jobs. Ex: peon, clerk, salesman typist etc.,

Position: it implies collection of tasks and duties regularly assigned to one person. Several persons may be classified under the same job but each may perform different work. Ex; one mail clerk may sort out incoming mail, another may prepare the outgoing mail and so on. It may be noted a position is personal, a job is impersonal.

Occupation. An occupation implies a group of jobs which are similar as to the type of work and which contain common characteristics. Ex: business is an occupation consisting of several types of jobs like production, sales etc.,

Duty: it means a related sequence of tasks, eg pickup, sort and delivers incoming mail.

Task: it refers to a distinct work activity with an identifiable beginning and end. Eg: sorting a bag of mail into appropriate boxes.

Job Family: it implies jobs of a similar nature, ex; clerical jobs

Job Classifications: it means grouping of jobs into certain categories on some specified basis. Ex; nature of work performed or the level of pay. It is often used as a simplified method of job analysis.

Job Evaluation: It implies determining the worth of a job to an organization, by comparing it with other jobs within the organization and with job market outside.

Organization charts shows the relation of the job with other jobs in the organization.

Class specifications describe the general requirements of the job family. Work flow charts indicate the flow of activities involved in a job.

THE PROCESS OF JOB ANALYSIS

The main steps involved in job analysis are as follows:

Organizational Analysis. (overall analysis)
Firs of all, an overall view of various jobs with the view of linkages between jobs and the organizational goals, interrelationships among jobs, and the contribution of various jobs to efficiency and effectiveness in the organization is obtained. Organization charts, class specifications, work flow charts, etc are used to collect back ground information.

Organizing Job Analysis Programme (assignment)
It is necessary to plan and organize the program of job analysis. The company must decide who will be in charge of the program of job analysis must assign responsibilities. A budget and a time schedule should be developed

Deciding the Uses of Job Analysis Information. (priorities)
It has been stated above that information generated by job analysis can be utilized for practically all functions of human resource management. Nevertheless, it is desirable to focus on a few priority areas in which the job analysis information is used. These areas can be decided on the basis of need, priorities and constraints of the particular organization. How the job information will be used and for what purpose will determine the extent to which jobs are to be analyzed.

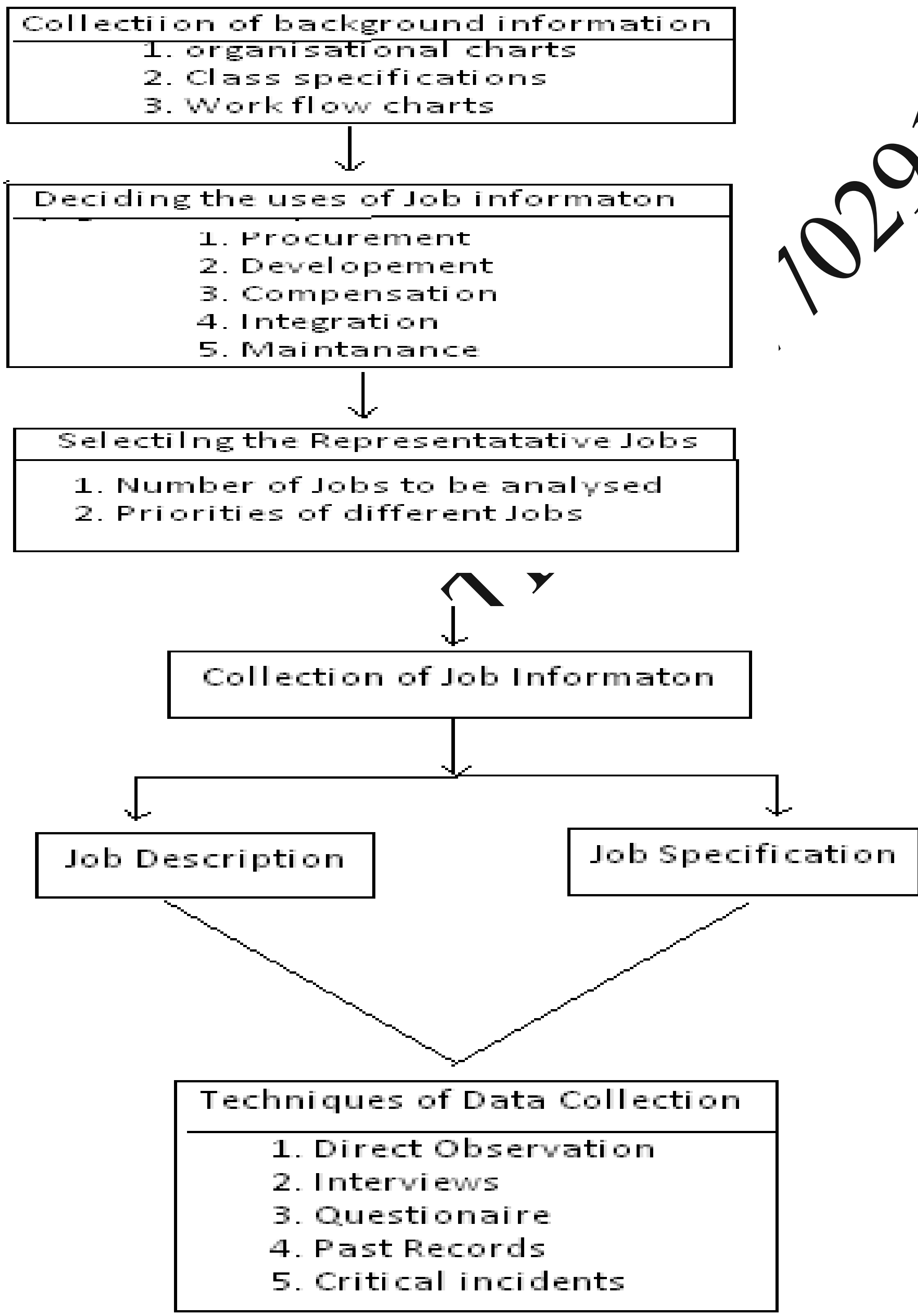
Selecting Representative Job for analysis: (representative sample)
It is impossible to analyze all the jobs. It is also a time consuming and costly affair. So a representative sample of jobs to be analyzed. Priorities of various jobs needing analysis can also be determined.

Understand Job Design: (representative design – current design)
The job analyst should obtain information concerning the current design of the representative job. For this purpose, current **job description and job specification**, procedure manual, systems flow charts, etc. can be studied.

Collection of Data: (job character – qualification – behavior- previous performer-tech)
In this step, data on the characteristics of the job, and qualifications and behavior required to do the job effectively is collected. Data may be collected from the employees, who actually perform the job, or from their supervisors or from outsiders called trade job analysts appointed to watch employees performing the job. Several techniques are available for job analysis. Care should be taken to use only those techniques which are acceptable and reliable in the given situation.

Developing a job description:
The information collected in the previous step is used in preparing a job description. This is written statement that describes in brief the **tasks., duties and responsibilities** which needs to be discharged for effective job performance.

Preparing a job specification:
The last step in job analysis is to prepare a job specification or employee specification. This is a written statement that **specifies the personal attributes** in terms of education, training, experience and aptitude required to perform the job.



The Job Analysis Process

JOB ANALYSIS TECHENIQUES (Methods of Data Collection)

A number of procedures are used to extract information about jobs. It is not possible to say one is absolute than the other. In actual practice a blend of several procedures is used for obtaining job analysis information. Some of the main methods are given below:

Job performance: Under this method, the job analyst actually performs the job under study to obtain a first hand experience of the actual tasks and situational factors on the job including physical disturbance and social demands exciting pressures and mental requirement in the job environment. This method can be used only for jobs where skill requirements are low and can be learnt quickly and easily. This is a time-consuming method and is not appropriate for jobs that are hazardous.

Personal Observation: here the job analyst directly observes the worker or a group engaged in the job. He observes the tasks performed, the pace at which the activities are carried out, the working conditions, the problems involved, etc are observed during a complete work cycle. The information thus obtained is recorded in a standard format. This method is appropriate for jobs which involve manual or physical, standardized and short job cycle activities. It is not appropriate for the jobs involving mental process and unforeseen circumstances as they can't be observed directly. This method can be effective only when the job analyst is skilled enough with observation and analyzing skills.

Interview: In this method, the job analyst **personally interviews the employee, supervisor, and other concerned persons** to collect job-related information. A **standard interview format** is used so that data from different employees can be easily compared.

The analyst asks **structured and job-related questions** using a standardized interview schedule. This method is useful when **direct observation is not possible** and when clarification about job details is required.

However, this method is **time-consuming, costly**, and may provide **inaccurate information** if employees do not respond properly. Its success depends on the **rapport between the analyst and the employee**.

The analyst should explain the purpose of the interview, assure job security, avoid confusing or advising the employee, focus only on job content, and finally **verify and correct the collected information**.

Questionnaire, In this method, **structured questionnaires are given to jobholders** to collect job-related information. After filling, they are returned to supervisors and then submitted to the job analyst after necessary corrections.

The questionnaires include questions about **various job aspects** such as mental and manual activities, coordination, and responsibility. Jobholders rate each task based on **frequency, importance, and difficulty**.

This method provides **detailed and comprehensive information** and helps to collect data from **many employees in a short time**. The data can also be **quantified and analyzed using computers**.

However, developing standardized questionnaires is **time-consuming and costly**, and there is **no direct personal interaction**, which may reduce employee cooperation.

Critical Incidents, in this method, job holders are asked to describe incidents concerning the job on the basis of their past experience. The incidents so collected are analyzed the job on the classified according to the job areas they describe. A fairly clear picture of actual job requirements can be obtained by distinguishing between affective and ineffective behaviors of workers on the job. However, this method is time consuming; the analyst requires a high degree of skill to analyze the content of descriptions given by workers.

Log Records: in this method, a diary or logbook is given to each job holder. The job holder daily records the duties performed making the time at which each task is started and finished. The record so maintained provides information about the job. This method is also a time consuming one. It provides incomplete data because information concerning working conditions.

JOB DESCRIPTION

Meaning of Job Description

A **job description** is an organized, systematic and factual statement of the duties, responsibilities, scope and nature of a specific job. It is a written record prepared on the basis of **job analysis** and describes **what work is to be done, how it is to be done, and why it is to be done**.

In simple words, a job description explains:

- What tasks an employee has to perform
- Where the job is located in the organization
- To whom the employee reports
- What authority and responsibility the job carries

Thus, a job description is basically **descriptive in nature** and serves as a foundation for many HR activities such as recruitment, selection, training, performance appraisal, wage fixation and promotion.

Importance of Job Description

A job description plays a vital role in both managerial and employee aspects. Its importance includes:

1. **Helps in Recruitment and Selection**
   It provides clear information about job duties and responsibilities, helping management select the right candidate for the job.
2. **Basis for Training and Development**
   By knowing what a job requires, training programmes can be designed to improve employee skills.
3. **Performance Appraisal**
   Employee performance can be evaluated by comparing actual performance with the duties mentioned in the job description.
4. **Wage and Salary Administration**
   It helps in determining fair compensation based on the nature and complexity of the job.
5. **Clarifies Authority and Responsibility**
   It avoids confusion by clearly defining roles, responsibilities and reporting relationships.

Characteristics of a Good Job Description

According to **Earnest Dale**, a good job description should have the following characteristics:

(i) Scope and Nature of Work

The job description should clearly indicate:

- The scope of the job
- Nature of duties
- Important relationships with other jobs

This helps employees understand how their job fits into the organization.

(ii) Clarity of Duties

The description should be **clear and unambiguous** regarding:

- Work to be performed
- Duties and responsibilities
- Expected outcomes

This prevents role confusion and duplication of work.

(iii) Use of Specific and Action Words

The job description should use **specific action words** to show:

- Kind of work (e.g., clerical, technical, managerial)
- Degree of complexity
- Skill level required
- Standardization of tasks
- Level of responsibility
- Accountability

Examples of action words include:
analyze, plan, supervise, recommend, maintain, deliver, gather, confirm.

These words make the description more precise and professional.

(iv) Supervisory Responsibility

The job description should clearly show:

- Who the employee supervises
- Who supervises the employee

It should be brief but accurate, so that authority levels are properly understood.

(v) Utility and Understandability

A good job description should be so clear that **a new employee can understand the job simply by reading it**. This shows the effectiveness of the description.

Contents of Job Description

A standard job description normally contains the following elements:

1. Job Title

Indicates the name of the job, such as HR Manager, Accounts Clerk, Sales Executive, etc.

2. Organizational Location

Shows where the job is placed in the organization structure or hierarchy.

3. Supervision Given and Received

Indicates:

- To whom the employee reports
- Whom the employee supervises

4. Tools and Equipment

Lists materials, tools, machinery and equipment used in performing the job.

5. Immediate Superiors and Subordinates

Mentions designation of supervisors and subordinates.

6. Salary and Benefits

Includes:

- Pay scale
- Dearness allowance (DA)
- Bonus
- Incentives

- Working hours
- Shift timings
- Method of payment

7. List of Duties

A complete list of duties classified as:

- Daily duties
- Weekly duties
- Monthly duties
- Occasional duties

Also includes estimated time spent on each activity.

8. Definition of Unusual Terms

Explains technical or complex terms used in the job.

9. Working Conditions

Describes:

- Work location
- Working hours
- Speed and accuracy required
- Health hazards
- Accident risks

10. Training and Development Facilities

Mentions training programmes available for improving skills.

11. Promotional Opportunities

Indicates promotion chances and career growth paths.

Process of Writing a Job Description

The **Job Analyst** prepares the job description by consulting both the worker and the supervisor.

Steps Involved:

1. **Collecting Information**
   Information is gathered about job duties, responsibilities, tools, conditions, etc.
2. **Preparing Preliminary Draft**
   A first draft is prepared by the job analyst.
3. **Review by Worker and Supervisor**
   The draft is reviewed for corrections and suggestions.
4. **Final Draft Preparation**
   After modifications, the final job description is prepared.
5. **Review and Updating**
   Job descriptions are periodically updated to reflect changes in job roles.

Methods of Writing Job Description

The following methods are commonly used:

(i) Questionnaire Method

A structured questionnaire is filled by the immediate supervisor.

(ii) Observation Method

The job analyst observes the employee while performing the job.

(iii) Interview Method

The job analyst directly collects information from the worker.

Usually, a combination of two or more methods is used for accuracy.

Conclusion

In conclusion, a job description is a **fundamental HR document** that clearly explains the duties, responsibilities, authority, working conditions and career prospects of a job. A well-prepared job description helps both employees and management by improving efficiency, reducing confusion, supporting HR decisions and contributing to overall organizational **effectiveness.**

Job Description Model
1. Job Grade: Middle Management 2. Job Title: Credit Manager 3. Reporting to : Regional Manager 4. Definition of Job Purpose: to be link between the branch manager and regional manager in appraising credit proposals 5. Definition of Job Duties: (i) receiving credit proposal processed by field officers at the branch level with specific remarks of the BM (ii) Evaluating the proposals from the lines of technical feasibility, commercial viability, financial soundness etc., (iii) Securing additional information required from the applicant (iv) Visiting the industry / field before taking final decision (v) Making final decision and informing the some to all parties 6. Additional Responsibility requirements (i) representing the bank in district development committees (ii) maintaining sound employee relations in his department 7. Extent and Limits of Authority (i) finalizing the projects requiring the loan up to Rs 30 lakhs (ii) finalizing the projects owned purely by private limited companies 8. Salary: Rs 5,000 per month (pay Rs 3000+DA Rs 300+HRA Rs 700 9. Working Conditions:

JOB SPECIFICATION

Below is the **same content explained in a clear and detailed way**, suitable for **15–20 marks exam answer** on **Job Specification**.

Meaning of Job Specification

Job Specification is a **written statement of the minimum qualifications, skills, abilities, and personal traits** that an individual must possess in order to perform a job effectively. It describes **what kind of person is suitable for the job**.

While job analysis and job description explain the job itself, **job specification focuses on the employee** who will perform the job.

Job Specification Information

The process of preparing job specifications involves the following steps:

Step 1: Listing of Jobs

The first step is to prepare a **complete list of all jobs in the organization** and identify where each job is located (department, section, unit, etc.).

Step 2: Collection of Job Information

The second step is to collect detailed information about each job. This information is usually obtained from **job analysis, job descriptions, interviews, questionnaires, and observation**.

The information collected is classified into the following specifications:

Types of Job Specifications

1. Physical Specifications

Physical specifications refer to the **physical abilities and capacities** required to perform a job.

These include:

- Height, weight, chest measurement
- Vision and hearing ability
- Health and age

- Strength and stamina
- Ability to lift or carry weight
- Ability to operate machines, tools, and equipment

For example, a machine operator needs good eyesight and physical strength, while a security guard needs stamina and good health.

2. Mental Specifications

Mental specifications refer to the **intellectual and mental abilities** required for the job.

These include:

- Ability to perform calculations
- Ability to interpret data and information
- Ability to read blueprints, charts, and diagrams
- Planning and decision-making ability
- General intelligence and memory
- Concentration and problem-solving skills
- Scientific and analytical abilities

For example, an accountant requires strong numerical and analytical skills.

3. Emotional and Social Specifications

These are especially important for **managerial and supervisory positions**.

They include:

- Emotional stability and maturity
- Self-control and flexibility
- Social adaptability
- Ability to work with people
- Leadership qualities
- Personal appearance (dress, posture, voice, and behavior)

For example, a manager must be emotionally stable and socially adaptable to handle employees effectively.

4. Behavioral Specifications

Behavioral specifications describe **how a person behaves on the job**, especially in higher-level positions.

These include:

- Judgment and decision-making ability
- Creativity and innovation
- Research and analytical orientation
- Teaching and mentoring ability
- Sense of responsibility and maturity
- Self-reliance and initiative
- Leadership and dominance
- Ability to reconcile conflicts

These specifications focus more on **actions and behavior rather than personal traits**.

Criticism of Job Specification

Job specification is criticized because it may **invade the privacy of employees**, especially when personal information such as:

- Family background
- Social background
- Personal life

is considered while judging a candidate.

Such information may lead to **bias or discrimination** based on gender, family status, or social conditions.

Remedies and Suggestions

To avoid misuse of job specifications:

- Organizations should use **counseling techniques and interviews** instead of application forms to collect sensitive information.
- The organization should **give the benefit of doubt** to candidates while evaluating behavioral and social traits.
- Selection decisions should be based mainly on **job-related abilities and qualifications**, not personal background.

Importance of Job Specification in HRM

When properly prepared and applied, job specification is extremely useful in performing various HR functions such as:

- Recruitment and selection
- Training and development
- Performance appraisal

- Promotion and transfer
- Career planning
- Manpower planning

Conclusion

Job Specification plays a vital role in HRM as it helps the organization **select the right person for the right job**. It ensures that employees possess the required physical, mental, emotional, and behavioral qualities to perform effectively and contribute to organizational success.

Job Specification Form

1. Job Grade: Middle Management
2. Job Title: Credit Manager
3. Physical and Health: Normal health, able to visit factories, fields, able to walk extensively
4. Energy Level and Temperature: High ability to adjust to increasing temperature
5. Appearance, Dress: Neat, suitable for traveling
6. Mental Abilities: alertness, ability to read and perceive accurately
7. Special Knowledge or Skills: Must know local language, skills of conciliation and appreciation
8. Special abilities: Flexibility, adaptability.
9. Skills in Operating Special Equipment: Driving two wheelers and light vehicles
10. Degree of personal traits
11. Maturity: must me capable of accepting responsibility to recover
12. Self reliance: stick to own appraising decisions
13. Dominance: must dominate the field officers and branch managers
14. Creativeness: Creative thinking in developing new schemes of advances and recovery
15. Particular Skills: Calculating, analytical, interpretation, appraising etc.
16. Others:

    Age
    Sex
    Educational qualifications

Experience
Physical specification: Height, weight etc.
Social Background
Family Background
Extra-curricular activities
Hobbies

JOB EVALUATION

The task of personnel management does not end with the placement of employees and their training. After the placement of employees, the employer as well as the employees would wish to know whether the employee has been able to come up to the generally expected performance (evaluation and measurements).

Meaning

Job evaluation is a process of analyzing and describing positions, grouping them and determining their relative value by comparing the duties of different positions in terms of their different responsibilities and other requirements.

Job evaluation is the quantitative measurement of the relative job worth for the purpose of establishing consistent wage rate differentials by objectives means. It measures the differences between job and requirements, the objectives being the setting of pay for management purposes. It does not the price of a job; it merely fixes its relative worth. It presents an effort to determine the relative value of every job in a plant and to determine what the basic fair wages for a such a job should be.given collection of dudes and responsibilities to the organization is assessed.

Definition

Job Evaluation is a systematic and orderly process of determining the worth of a job in relation to other jobs – Flippo

Job Evaluation is a systematic comparison of the value of a range of jobs so that ultimately an equitable wages or salary payment scale is produced for them – Welley
Job evaluation is the evaluation or rating of jobs to determine their position in the job hierarchy. The evaluation may be achieved through the assignment of points or the use of some other systematic method of essential job requirements such as skill experience and responsibility. – Bureau of Labor Statistics U.S.A

OBJECTIVES OF JOB EVALUTION

According to the International Labour Organization Report, the aim of the majority of systems of job evaluation is to establish on agreed logical basis, the relative values of different jobs in a given plant or machinery i.e, it aims at determining the relative worth of a job. The basic aim or principle on which all job evaluation schemes are based on is that of describing and assessing the value of all jobs in the firms in terms of a number of factors, the relative importance of which varies from job to job. Basic objectives of job evaluation are as follows

1. To secure and maintain complete, accurate and impersonal descriptions of each distinct job or occupation in the entire plant.
2. To provide a standard procedure for determining the relative worth of each job in a factory.
3. To determine the rate pay for each job, which is fair and equitable with relation to other jobs in the plant, community or Industry.
4. To ensure that similar wages are paid to all qualified employees for similar work.
5. To promote equitable opportunity to all employees for professional advancement and transfer.
6. TO provide accurate basis for the consideration of wage rates for similar jobs in a community and in Industry.
7. To provide information for Organizational work, Employee's selection, placement, **Training and other problems**.

As a mater of fact, the basic objective of job evaluation is to set wages and salary on the basis of the relative work or jobs in the organization. Job evaluation is the ground for the following matters.

1. Equity and objective of salary administration i.e. paying the people whose work is similar, the same wages and establishing appropriate wage differentials between jobs calling for different skills and responsibilities.
2. Effective wage and salary control.
3. Union management negotiations on wages.
4. Comparison of wage and salary rates with those of other employees.

Apart from setting wages, job evaluation also helps in

1. Providing standardization and amelioration of working conditions.
2. Clarifying the functions, authority and responsibility of employees.
3. Establishing references for the settlement of grievances arising out of individual rates and for negotiations with Trade Unions on internal wage structure and differentials.
4. Developing machinery for a systematic reviewing of job rates as job contents vary and
5. Collecting and developing "staff" statistics.

Knowles and Thomson state that job evaluation is helpful in eliminating many of the evils to which nearly systems of wage and salary payments are subjected to and these are stated below.

1. Fixation of salaries and high wages to persons who hold jobs and positions that are not required greater amount of skills and responsibilities.
2. Fixation to fresher's or entry level posts less than they are entitled to receive in terms of what is required of them.
3. Enhancement to employees whose performance does not justify the raise.
4. Deciding rates of pay on the basis of seniority rather than ability.
5. Payment of widely varied wages and salary for the same or closely related jobs and Positions and
6. Payment of unequal wages and salaries on the basis of race, sex, religion or political differences. Job evaluation may not achieve the described purposes. However, it Provides a systematic catalogue of the job in an organization, which is absolute necessity to managements.

PRINCIPLES OF JOB EVALUATON

Following are the fundamental principles of job evaluation that are to be kept in Mind before the activity is started. According to Kress, these principles are:

1. Rate the job, but not the man. Each element should be rated on the basis of what the job itself requires.
2. The elements selected for rating purposes should be easily explainable in terms and as few in number, will cover the necessary requisites for every job without any overlap ping,
3. The elements should be clearly defined and properly selected.
4. Any job-rating plan must be sold to foreman and employees. The success in selling will depend on a clear-cut explanation and illustration of the plan.
5. Foremen should participate in the rating of jobs in their own Departments.
6. Maximum cooperation can be obtained from employees when they themselves have an opportunity to discuss job ratings.
7. In talking to foreman and employees, any discussion of money value should be avoided. Only point values and degrees of each element should be discussed.
8. Too many occupational wages should not be established. It would be unwise to adopt an occupational wage for each total of point values.

PROCEDURE FOR JOB EALUATION

The basic procedure of job evaluation is to compare the content of skills or responsibility or some other requirements. In our country, the National Institute of Personnel Management has laid down the following steps, which should be taken to install a job evaluation programme.

1. Analyse and Prepare job description. This requires the preparation of job requirements for successful performance.

2. Select and prepare a job evaluation Plan: This means that a job must be broken down into its component parts i.e. it should involve the selection of factors, elements needed for the performance of all jobs for which money is paid determining their value and preparing written instructions for evaluation.

3. Classification of Jobs. This requires grouping for arranging jobs in a correct sequence in terms of value to the firm and relating them to the money terms in order to ascertain their value.

4. Install the programme. This involves explaining it to employees and putting it into operations.

5. Maintain the programme. Jobs cannot continue without updating new jobs and job changes in obedience to changing conditions and situations.

METHODS OF JOB EVALUATION

Following are the methods of job evaluation

(A) Non-Quantitative Methods (non-analytical or summary method)

1. Ranking Method or Job comparison
2. Job Classification or Grading System

(B) Quantitative Methods:

1. Factor Comparison Method
2. Point Method

Job Evaluation – Meaning

Job evaluation is a systematic process of determining the **relative worth of jobs** in an organization. It helps in establishing a **fair and rational wage structure** by comparing different jobs based on their responsibilities, skills, efforts, and working conditions.

1. Ranking System

The **Ranking System** is the **simplest and oldest method** of job evaluation. Under this method, jobs are arranged in order from the **most difficult to the simplest** or vice versa. No numerical points or values are assigned.

Process:

- The job evaluator compares one job with another.
- The question asked is: *"Which job is more difficult or important?"*
- Based on this, jobs are ranked.
- The process continues until all jobs are placed in order.

Features:

- No scientific analysis.
- Only relative position is determined.
- Does not measure actual job value.

Advantages:

- Very simple and easy to use.
- Requires less time and cost.
- Suitable for small organizations.

Limitations:

- Highly subjective.
- Not suitable for large organizations.
- Difficult when jobs are complex.

2.Job Classification System

The **Job Classification System** groups jobs into **pre-determined classes or grades** based on their nature and responsibility. Each class has a **salary range**.

Process:

- Jobs are first analyzed.
- Job classes (like Class I, Class II, Class III) are created.
- Jobs are placed into suitable classes.
- Each class is assigned a pay scale.

Example:

- Class I – Top executives
- Class II – Supervisors
- Class III – Clerks
- Class IV – Workers

Features:

- Based on overall job description.
- Used mainly in government organizations.

Advantages:

- Simple and systematic.
- Easy to administer.
- Suitable for small and medium organizations.

Limitations:

- Too broad and general.
- Difficult to classify complex jobs.
- Not suitable for large organizations.

3. Point Rating System (Point Method)

The **Point Rating System** is the **most popular and scientific method** of job evaluation. Jobs are evaluated based on **factors**, and **points are assigned** to each factor.

Common Factors:

- Skill
- Effort
- Responsibility
- Working conditions

Process:

1. Identify key job factors.
2. Assign maximum points to each factor.
3. Divide each factor into degrees.
4. Allocate points for each degree.
5. Total points decide job value.
6. Points are converted into salary.

Advantages:

- More objective and accurate.
- Suitable for large organizations.
- Easy to explain and justify.
- Reduces personal bias.

Limitations:

- Time-consuming.
- Costly to implement.
- Requires experts.

Usage:

Widely used in **modern industries**, especially in the UK.

4. Factor Comparison System

The **Factor Comparison System** is a combination of **ranking and point methods**. It compares jobs based on **key factors** and uses **key jobs** as standards.

Common Factors:

- Mental effort
- Skill
- Physical effort
- Responsibility
- Working conditions

Process:

1. Select key jobs.
2. Identify major factors.
3. Break wages of key jobs into factors.
4. Compare other jobs with key jobs.
5. Rank jobs factor-wise.

Advantages:

- More accurate than simple ranking.
- Based on actual wage structure.
- Less arbitrary.

Limitations:

- Difficult to understand.

- Complex to implement.
- Selecting correct key jobs is critical.

Conclusion

All methods of job evaluation aim to ensure **fair pay and internal equity**.

- **Ranking & Classification** → Simple, suitable for small firms.
- **Point Rating & Factor Comparison** → Scientific, suitable for large firms.

Among all, the **Point Rating System** is considered the **best and most widely used method** in modern organizations.

ADVANTAGES AND LIMITATIONS OF JOB EVALUTION

Following are the advantages of job evaluation.
1. Job evaluation is most effective means of **determining initial pay relationships** for most types of jobs.
2. Job evaluation can be used as an instrument for implementing the **company's basic pay policies.**
3. **Equitable base pay relationships** set by job evaluation serve as a foundation for incentive or bonus plans.

According to International Labour Organization publication following are the specific advantages of job evaluation.

1. Job evaluation is a logical end to some extent, an objective method of ranking jobs relative to one another. It may help in removing inequalities in existing wage structures and in maintaining sound and consistent wage differentials in a plant or industry.
2. The method helps in removing grievances arising out of relative wages and it improves labour management relations and workers morale. In providing a yardstick by which workers complaints or claims can be judged, the method simplifies discussion of wages to be explained and justified.
3. In the case of new jobs, the method often facilitates fitting them into the existing wage structures.
4. The method replaces many accidental factors occurring in less systematic procedures of wage bargaining by more impersonal and objective standards than establishing a clear basis for negotiations.
5. Job evaluation method may lead to greater uniformity in wage rates. Thus, simplifies wage administration.

6. The information collected in the process of job description and analysis may also be used for the improvement of selection, transfer and promotion procedures on the basis of comparative job requirements.
7. Such information also reveals that workers are engaged in jobs requiring less skill and other qualities than they possess thereby, pointing to the possibility of making more efficient use of the plant's labour.

Limitations of Job Evaluation

Following are the limitations of job evaluation.
1. Even though many ways of applying the job evaluation techniques are available, **rapid changes in Technology and in the supply and demand of particular skills** have given rise to problems of adjustment.
2**. Substantial differences exist between job factors and the factors emphasized in the market.** These differences are wider in cases in which the average pay offered by a company is lower than that prevalent in other companies in the same industry or in the same Geographical area.
3. **Job evaluation frequently favours groups different from those**, which are favoured by the market. This is evident from the observations of Kerr and Fisher. **They observe the job, which tend to rata high as compared with the mar**ket are those of **painter nurse or typist, while craft rates are relatively low.** Weaker Groups are better served by an evaluation plan than by the market, the former places the emphasis not on the force but on equity.
4. Job factors **fluctuate because of changes in production and such other factors. Hence, the evaluation of a job today is made on the basis of job factors and does not reflect the time job value in future.** In other words, continuing attention arid frequent evaluations of a job are essential.
5. Higher rates of pay for some jobs at the earlier stages than other jobs or the evaluation of a higher job in the organizational hierarchy at a lower rate than other job relatively lower in the organizational hierarchy often give rise to **Human relations problems and lead to grievances among those holding these jobs.**
6. When the job evaluation is applied for the first time in organization, it creates doubts and often fears in the minds of those whose jobs are being evaluated. It may also disrupt the existing social and psychological relationships.
7. A large number of jobs are called "red circle jobs". Some of these may be getting more and others less than the rate determined by job evaluation.
8. Job evaluation takes a long time to install required specialized technical personnel and may also costly.
9. When job evaluation results in substantial changes in the existing wage structure, the possibility of implementing these changes in a relatively short period may be restricted by the financial limits within which the firm has to operate.

RECRUITEMENT

Recruitment

Meaning of Recruitment

Once the **required number** and kind of human resources are **determined,** the management has to **find the places** where required **human resources** are/will **be available** and also find the **means of attracting them** towards the organization **before selecting** suitable candidates for jobs. All this process is generally known as **recruitment**. Employment and selection and recruitment are not one and the same. Technically speaking **the recruitment** function **precedes the selection** function that includes only finding, developing the sources of prospective employees and **attracting them to apply**

Selection is the process of **finding out the most suitable candidate** to the job out the candidates attracted (recruited).

Definition

Recruitment is the process of searching for prospective employees and stimulating and encouraging them to apply for jobs in an organization. – **Flippo**

Recruitment is a process to discover the sources of manpower to meet the recruitments of the staffing schedule and to employ effective measures for attracting that manpower in adequate numbers to facilitate effective selection of an efficient working force – **Yoder**

Objectives of Recruitment

(i) to **attract** the people with **multi dimensional skills** and **experiences** that suit the present and future organizational strategies
(ii) to **initiate** outsiders with a **new perspective to lead** the company
(iii) to infuse **fresh blood** at all levels of the organization
(iv) to develop an **organizational culture** that attracts **competent people** to the company
(v) to search or head hunt/head pouch people whose **skills fit** the company's values
(vi) to devise methodologies for **assessing psychological traits**
(vii) to seek out **non conventional development** grounds of talent
(viii) to **search for talent** globally and not just within the company
(ix) to design entry pay that **competes an quality but not an quantum**,
(x) to anticipate and find the people for positions that do not exist yet

PROCESS OF RECRUITEMENT

Recruitment refers to the process of **identifying and attracting** job seekers so as to **build a pool of qualified job applicants**. The process comprises five inter related stages.

(i) **Planning** (ii) **Strategy dvlpt** (iii) **searching** (iv) **screening** (v)**evaluation &control**

Recruitment process consists of **three sub systems** in sources of recruitment

(a) **Finding out and developing the sources** where the required number and kind of employees are/will be available.

(b) **Developing suitable techniques** to attract the desirable candidates and employing the techniques to attract candidates.

(c) **Stimulating as many candidates** as possible and asking them to apply for the jobs irrespective of number of candidates required. Management has to attract more candidates in order to increase selection ratio **(1:10)** in order to select the most suitable candidates out of the total candidates available and due to lower yield ratio.

SOURCES OF RECRUITMENT

The sources of recruitment are broadly divided into internal sources and external sources. Internal sources are the sources within an organizational pursuit. External sources are sources outside organizational pursuits.

Internal Sources: internal sources include: (a) present permanent employees (b) present temporary / casual employees (c) retrenched or retired employees (d) dependants of deceased, disabled, retired and present employees (e) employee referrals

Present permanent employees: organizations consider the candidates from this source for higher level jobs due to (i) availability of most suitable candidates for the jobs relatively or equally to the external source, (ii) to meet the trade union demands, (iii) to the policy of the organization to motivate the present employees

Present Temporary or Casual or Part time employees: organizations find this source to frill the vacancies relatively at the lower level owing to the availability of suitable candidates or trade and pressures or in order to motivate them on the present job.

Retrenched (economized) or Retired employees: Generally a particular organization retrenches the employees due to lay-off. The organization takes the candidates for employment from the retrenched employees due to obligation, trade union pressure and the like. Some times the organizations prefer to re-employ their retired employees as a taken of their loyalty to the organization or to postpone some inter-personal conflicts for promotion, etc.

Dependants or deceased, disabled, retired and present employee: some organization with a view to developing the commitment and loyalty of not only the employee but also his family members and to build up image provide employment to the dependants of deceased, disabled and present employees. Such organizations find this source as an effective source of recruitment.

Employee Referrals: Employee referrals are the candidates / applicants recommended by the current employees. Current employees recommend those candidates whose performance and behavior are known to them as well as suitable to the job and organizational needs. This source helps the organization to get high quality applicants. Organizations in the USA provide incentives to the current employees for recommending the most suitable candidates. This source reduces the cost of recruitment drastically.

Advantages

- Morale and motivation of employees improve when they are assured that hey would be proffered in filling up vacancies at higher levels. A sense of security is created among employees
- Suitability of existing employees can be judged better s record of their qualifications and performance is already available in the organization. Chances of proper selection are higher.
- It promotes loyalty and commitment among employees due to sense of job security and opportunities for advancement. Stability of employment is improved.
- Present employees are already familiar with the organization and its policies, therefore time and costs of orientation and training are low.
- The time and expenditure of recruitment are reduced as there is little need for advertising vacancies, or arranging rigorous tests and interviews.
- Relations with trade unions remain good because unions prefer internal recruitment particularly through promotions.
- Filling of higher level jobs through promotions within the organization helps to retain talented and ambitious employees. Labour turnover is reduced

External Sources: External sources are those sources which are outside the organizational pursuits. It includes (a) Campus recruitment (b) private employment agencies / consultants (c) Public employment exchanges (d) professional associations (e) data banks (f) casual applicants (g) similar organizations (h) trade unions

(a) Campus Recruitment: different types of organizations like industries, business firms, service organizations, social or religious organizations can get inexperienced candidates from various educational institutions like IIMs, IITs, engineering colleges, medical colleges, it is and Universities are a good source for recruiting well qualified candidates for executives, engineers, medical staff, pharmacists, chemists etc. they provide facilities for campus drives for interviews and placements. Good institutions have placement cells/officers to serve as liaison between the employers and the students. They maintain the bio-data and performance required of the candidates. Organizations seeking to recruit the candidates from this source can directly contract the institutes either in person or by post and stimulate the candidates to apply for jobs.

(b) Private Employment Agencies / Consultants:
Public employment agencies or consultants like ABC. Consultants in India perform the recruitment functions on behalf of a client company by charging fee. Line mangers are relieved from recruitment functions so that they can concentrate on their operational activities and recruitment functions is entrusted to a private agency or consultants. But due to limitations of high cost, ineffectiveness in performance, confidential nature of this function, managements sometimes do not depend on this source. However, these agencies function effectively in the recruitment of executives. Hence, they are also called executive search agencies. Most of the organizations depend on this source for highly specialized positions and executive positions.

© Public Employment Exchanges: the Government set up Public Employment Exchange in the country to provide information about vacancies to the candidates and to help the organizations in finding out suitable candidates. The Employment Exchange makes it obligatory for public sector and private sector enterprises in India to fill certain types of vacancies through public employment exchanges. These industries have to depend on public employment exchanges for the specified vacancies.

(d) Professional Organizations: Professional organizations or associations maintain complete bio-data of their members and provide the same to various organizations on requisition. They also act as an exchange between their members and recruiting firms in exchanging information, clarifying doubts, etc. organizations find this source more useful to recruit the experienced and professional employees like executives, managers, engineers.

(e) Data Banks: the management can collect the bio-data of the candidates from different sources like employment Exchange, educational training Institutes, candidates, etc., an d feed them in the computer. It will become another source and the company can get the particulars as and when it needs to recruit.

(f)Casual applicants: depending upon the image of the organization, its prompt response, participation of the organization in the local activities, level of unemployment, candidates apply casually for jobs through mail or hand over the applications in Personnel Department. This would be a suitable source for temporary and lower level jobs.

(g)Similar Organizations: Generally, experienced candidates are available in organizations producing similar products or are engaged in similar business. The management can get most suitable candidates from this source. This would be the most effective source for executive positions and for newly established organization or diversified or expanded organizations

(h)Trade unions: Generally, unemployed or underemployed persons or employees seeking change in employment put a word to the trade union leaders with a view to getting suitable employment due to latter's intimacy with management. As such the trade union leasers are aware of the availability of candidates. In view of this fact and in order to satisfy the trade union leaders, management enquires trade unions for suitable candidates. Management decides about the sources depending upon the type of candidates needed, time lapse period.

(i)Gate Recruitment: Unskilled **workers** may be recruited at the factory gate. In some industries like jute, a large number of workers work as badli or substitute workers. These may be employed whenever permanent worker is absent. More efficient among these badli workers may be recruited to full permanent vacancies. A notice on the notice board of the company specifying the details of job vacancies can be put. Such recruitment is called direct recruitment. It is very economical and is used mainly for unskilled and casual job vacancies.

(j)Unconsolidated applications: the companies may gain in keeping files of applications received from candidates who make direct enquiries about possible vacancies on their own, or may send unconsolidated application. The information may be filed for future use when there are openings in these jobs, the candidates may requested to keep the organization posted with any change in their qualifications, experience or achievements made.

(k) Voluntary organizations such as private clubs, social organizations might also provide employees - handicapped, widowed or married women, old persons, retired hands, etc in response to advertisement.

Modern Sources and Techniques of Recruitment

A number of modern recruitment sources and techniques are being used by the corporate sector in addition to traditional sources.

(i) Walk in: the busy organizations and the rapid changing companies do not find time to perform various functions of recruitment. So, they advise the potential candidates to attend for an interview directly and without a prior application on a specified date, time and at a specified place. The suitable candidates from among the interviewees will be selected for appointment after screening the candidates through tests and interviews.

(ii) Consult-In: the busy and dynamic companies encourage the potential job seeder to approach them personally and consult them regarding the jobs. The companies select the suitable candidates from among such candidates through the selection process.

(d) Head-hunting: the companies request the professional organizations to search for the best candidates particularly for the senior executive positions. The professional organizations search for the most suitable candidates and advise the company regarding the filling up the positions. Head-hunters are also called search consultants.

(e) Body Shopping: Professional organizations and the hi-tech training institutes develop a pool of human resources for the possible employment. The prospective employers contact these organizations to recruit the candidates. Otherwise, the organizations themselves approach the prospective employees to place their human resources. These professional and training institutions are called body shoppers and these activities are known as body shopping. The body shopping is used mostly for computer professionals.

(f) Business Alliance: Business Alliance like acquisitions, mergers, and takeovers help in getting human resources. In addition, the compaints do also have alliance in sharing their human resources on ad-hoc basis It does not mean that, the company with surplus human resources offers the services of their employees to other needy organizations.

(v) E-Recruitment: the technological revolution in telecommunication helped the organizations to use internet as a source of recruitment. Organizations advertise the job vacancies through the www internet. The job seekers send their applications through e-mail or internet. Alternatively, job seekers place their CVs in the world web/internet, which can be drawn by the prospective employers depending upon their requirements.

Advantages

- The suitable: candidates with skill, knowledge, talent etc., are generally available.
- Candidates can be selected without any pre-conceived notion or reservations.
- Cost of employees can be minimized because employees selected from this source are generally placed in minimum pay scale
- Expertise, excellence and experience in other organizations can be easily brought into the organization.
- Human resources mix can be balanced with different background, experience, skill etc.
- Latest knowledge, skill, innovative or creative talent with new blood can also be flowed into the organization.
- Long run benefit to the organization in the sense that qualitative human resources can be brought.

Recruitment Sites:

Career Builder: http://www.carrerbuilder.com
Employment Guide: http://www.employmentguide.com
Jobs and Employers: http://www.flipdog.com
Hot Jobs: http://www.hotjobs.com
Job Track: http://www.jobtrack.com
Job Web: http://www.jobweb.com
Monster.com: http://www.monster.com
Net-Temps: http://www.nettemps.com
Spherion: http://www.spheron.com
Naukari: http://www.naukari.com
Hotbot: http://www.hotbot.com
Hireright: http://www.hireright.com
Naceweb: http://www.naceweb.org

RECRUITEMNT METHODS (Techniques)

Recruitment methods or techniques are the means by which an organization establishes contact with potential candidates, provides them necessary information and encourage them to apply for jobs. These methods are different from the sources of recruitment. Sources are the locations where prospective employees are available. On the other hand, methods are ways of establishing links with the prospective employees. Management uses different types of techniques to stimulate internal and external candidates. Various methods employed for recruiting employees may be classified into the following categories:

1. Direct Methods: Under the direct recruiting scouting, employee contacts, manned exhibits and waiting lists are used.

Promotions: Most of the internal candidates would be stimulated to take up higher responsibilities and express their willingness to be engaged in the higher level jobs if management gives them the assurance that they will be promoted to the next higher level.
Transfer: employees will be stimulated to work in the new sections or places if management wishes to transfer them to the places of their choice.
Recommendations of the present employees: Management can contact, persuade the outsiders to apply for job in the organization through the recommendations to the candidates by the present employees, trade union leaders, etc.
Scouting: Scouting means sending representatives of the organizations to educational and training institutions. These traveling recruiters exchange information with the students, clarify their doubts, stimulate them to apply for jobs, conduct campus interviews and short list candidates for further screening with the cooperation of institutions.
Organizations also ask employees to contact the public and tell about the vacancies. Manned exhibits involve sending recruiters to seminars and conventions, setting up exhibits at fairs and using mobile offices to go to the desired centers. Some organizations use waiting lists of candidates who indicated their interest in jobs in person, through mail or over telephone.

2. Indirect Method

Advertising: Advertising is widely accepted technique of recruitment, though it mostly provides one way communication. It provides the candidates in different sources, the information about the job and company and stimulates them to apply for jobs. It includes advertising through different like newspapers, magazines of all kinds, ratio, television etc., the technique of advertising should aim at: (a) attracting attention of the prospective candidates; ((b) creating and maintaining interest; (c) stimulating action by the candidates. It is appropriate when the organization wants to reach out to a large target group scattered geographically.

3. Third Party Methods: various agencies can be used to recruit personnel, public employment exchanges; management consulting firms, professional societies, placement officers of schools, colleges and professional associations, temporary help societies, trade unions, labour contractors are the main agencies. In addition, friends and relations of existing staff and deputation method can also be used.

(a) Campus Recruitment: different types of organizations like industries, business firms, service organizations, social or religious organizations can get inexperienced candidates from various educational institutions like IIMs, IITs, engineering colleges, medical colleges, it is and Universities are a good source for recruiting well qualified candidates for executives, engineers, medical staff, pharmacists, chemists etc. they provide facilities for campus drives for interviews and placements. Good institutions have placement cells/officers to serve as liaison between the employers and the students. They maintain the bio-data and performance required of the candidates. Organizations seeking to recruit the candidates from this source can directly contract the institutes either in person or by post and stimulate the candidates to apply for jobs.

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(k) Voluntary organizations such as private clubs, social organizations might also provide employees – handicapped, widowed or married women, old persons, retired hands, etc in response to advertisement.

4. Internet Recruitment E-Elixir Web Solutions recently carried out a survey on the increasing popularity of on-line recruitment channels in India. Their research indicates that 25% of all the net users in India search for jobs on Internet and this number is bound to increase in the years to come.

SELECTION

Selection is the process of **choosing the most suitable** persons out 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 the **process of matching the qualifications** of applicants **with the job requirements**. In other words, it is a **process of weeding out unsuitable** candidates and identifies the most suitable candidate. Selection divides all the applicants into two categories: (a) suitable and (b) unsuitable.

Technically Selection follows the recruitment. **Recruitment** involves **identifying the sources of manpower** and **stimulating** them **to apply** for jobs in the organization, **selection** is the process of **choosing the best** out of those recruited. Recruitment aims at increasing the number of applications for wider choice whereas selection aims at reducing the number of applicants to identify suitable persons for the job.

Selection is an important function as no organization **can achieve its goals** without selecting the right people. **Faulty selection** leads to **wastage** of **time, money and material** and **environment** in organization.

Selection Procedure or steps in selection process.

The selection process consists of a series of steps.

It is a series of successive hurdles or barriers which an applicant must cross. These hurdles or screen are designed to eliminate an unqualified candidate at any point in the selection process. This technique is called 'successive hurdles technique'

The hiring process consists of go no go gauges. Candidates who qualify a hurdle go to next stage whole those who don not qualify are dropped out. However, every selection procedure does not contain all these hurdles. Moreover, the arrangements of these hurdles differ may differ from organization to organization.. There is no standard selection procedure to be used in all organization or for all jobs. The complexity of selection procedure increases with the level and responsibility of the position to be filled. The strategy and method used for selecting employees varies from firm to firm and from one job to another.

Steps involved in employee selection may described as under

Preliminary Interview: first of all, initial screening is done to weed out totally undesirably/unqualified candidates at the outset. Preliminary interview is essentially a sorting process in which prospective candidates are given the necessary information about the nature of the job and the organization. Necessary information is also elicited from the candidates about their education, skills, experience, salary expected, etc. if the candidate is found suitable move to further screening. Preliminary interview saves time and efforts of both the company and the candidate. It avoids unnecessary waiting for the rejected candidate and waste of money on further processing of an unsuitable candidate.

Preliminary interview helps to determine whether it is worthwhile for a candidate to fill up the application form. Some of the jobseekers may be totally unsuitable due to overage, physical handicap and lack of required education or experience. Preliminary interview is brief and generally carried out by a junior executive across the counter or at the reception office. Care should be taken to ensure that suitable candidates are not turned down in a hurry. Preliminary interview is the first contact of an individual with the organization. So the interview should be courteous, receptive and informal particularly when the candidate is being turned down.

Application Blank

Application form is a traditional and widely used device collecting information from candidates. Small firms design no application form and ask the candidates to write details about their age, marital status, education, work experience, etc. on a lain sheep of paper. But big companies use different types of application forms for different jobs. The application form should provide all the information relevant to selection. But reference to caste, religion, birth place may be avoided as it is regarded an evidence of discrimination. An application form contains:

(a) identifying information – name, address, telephone number etc.,
(b) Personal information – age , sex, place of birth, marital status, dependants. Etc.
(c) physical characteristics – height, weight, eyesight etc
(d) family back ground
(e) education – academic, technical and professional
(f) experience- job held, employers, duties performed, salary drawn etc
(g) references
(h) Miscellaneous – extra curricular activities, hobbies, games and sports membership of professional bodies. Etc

Application form helps to serve several objectives. First: scrutiny of the form helps to weed out candidates who are lacking in education, experience or some other eligibility traits. Secondly, it helps in formulating questions to be asked in the interview. Thirdly, data contained in application forms can be stored for future reference. Application form duly filled in is also called bio data or curriculum vitae. It provides factual information required for evaluating the candidate. It is also used as a basic record of personal data for those finally selected.

Selection Test. Psychological test are being increasingly used in employee selection. A test is a sample of some aspect of an individual's attitudes, behavior and performance. It also provides a systematic basis for comparing the behavior, performance and attitudes of two more persons. Tests are based on the assumption that individuals differ in their job related traits which can be measured. Tests help to reduce bias in selection by serving as a supplementary screening device. Tests are helpful in better matching of candidate and the job. Test may also reveal qualifications which remain covered in application form and interview. No test, however, is fool proof. At best it reveals that the candidates who have scored above the predetermined cut off points are likely to be more successful than those scoring below the cut off point. Tests are useful when the number of applicants is large. Further, tests will be useful only when they are properly designed and administered

Employment Interview. An interview is a conversation between two persons. In selection, it involves a personal, observational, and face to face appraisal or candidates for employment. Interview is an essential part of selection and no selection procedure is complete without one or more personal interviews. The information collected through application and test can be cross-checked in the interview.

A selection interview serves three purposes: obtaining information about the background, education, training, work history, interests of the candidate. (b) giving information to the candidates about the company, the specific job and human resource policies. (c) establishing a friendly relationship between employer and the candidate.

Medical Examination

Medical examination is carried by either company's physician or a medical officer approved , it is to test the candidate's physical fitness, it reveals his disabilities if any, his ailments regarding health etc. it helps the organization in settlement of liability as per workman compensation Act in cases of injury or claims. It helps the organization to avoid the candidates suffering from contagious diseases. It would be helpful to identify the candidates otherwise suitable due to physical handicaps and allergies etc.

Reference checks

Final Approval

Selection process is carried out by the HR dept. it is recommendatory. The selected names are shortlisted with approvement of executives, depts., other units. Appointment letter mentioning the name of the post, rank, salary, data other conditions in brief. The candidates may be asked to enter contract or judicial bonds etc to have agreements with organization. The candidates are supposed to go under probation period before the confirmation of job, later on they will be regularized and called permanent employee of the organization that entitle him to enjoy all the provisions

E-RECRUITMENT AND PROCEDURE

Meaning of E-Recruitment

E-Recruitment (Electronic Recruitment) refers to the process of **using the internet and digital technologies** to attract, identify, screen, and hire suitable candidates for job vacancies. It replaces or supports traditional recruitment methods like newspaper advertisements, employment exchanges, and walk-in interviews.

In simple terms, **E-Recruitment means recruiting employees through online platforms such as job portals, company websites, social media, and email.**

Definition

E-Recruitment is defined as the **use of electronic resources and web-based technologies for posting job vacancies, receiving applications, and selecting suitable candidates.**

Objectives of E-Recruitment

The main objectives are:

- To attract a **large pool of qualified candidates**
- To reduce **time and cost of hiring**
- To improve **quality of recruitment**
- To ensure **faster and more efficient selection**
- To build strong **employer branding**

Sources of E-Recruitment

E-Recruitment uses various online sources such as:

1. **Company Websites** – Career pages where vacancies are posted.
2. **Job Portals** – Naukri, Indeed, Monster, Shine, LinkedIn.
3. **Social Media** – LinkedIn, Facebook, Twitter.
4. **Email Recruitment** – Sending job details through emails.
5. **Online Recruitment Agencies** – Digital placement services.
6. **Mobile Apps** – Recruitment apps for instant access.

E-Recruitment Process (Steps)

The E-Recruitment process involves the following systematic steps:

1. Identifying Vacancy

The HR department identifies:

- Job vacancy
- Number of employees required
- Department and role

This helps in planning recruitment.

2. Job Analysis and Job Description

HR conducts job analysis to prepare:

- **Job Description** – duties, responsibilities, reporting authority
- **Job Specification** – qualifications, experience, skills required

This ensures clarity about what type of candidate is needed.

3. Posting Job Online

Vacancies are posted on:

- Company career page
- Job portals
- Social networking sites

The advertisement includes job title, qualifications, experience, salary, and application link.

4. Receiving Online Applications

Candidates apply by:

- Uploading resumes
- Filling online forms
- Creating profiles

Applications are stored in an **Applicant Tracking System (ATS)** for easy management.

5. Resume Screening (Shortlisting)

HR or software screens applications by:

- Matching keywords
- Checking qualifications
- Eliminating unsuitable profiles

This step saves time by reducing manual work.

6. Online Tests

Shortlisted candidates may appear for:

- Aptitude tests
- Technical tests
- Psychometric tests

These tests assess knowledge, skills, and personality.

7. Online Interview

Interviews are conducted through:

- Video conferencing (Zoom, Google Meet, MS Teams)
- Telephonic interviews

This helps in saving travel cost and time.

8. Final Selection

Final decision is based on:

- Test performance
- Interview results
- Experience and skills
- Background verification

9. Offer Letter and Joining

- Offer letter is sent through email
- Documents are submitted online
- Joining formalities are completed digitally

E-Selection Procedure

E-Selection refers to the **process of selecting the best candidate using electronic tools and technologies**.

Steps in E-Selection:

1. Online application screening
2. Online tests
3. Video interviews
4. Digital document verification
5. Final decision
6. Online offer and onboarding

Thus, E-Selection ensures a **paperless, fast, and efficient hiring system.**

Advantages of E-Recruitment

1. **Cost effective** – No printing or advertisement cost.
2. **Time saving** – Faster recruitment process.
3. **Wider reach** – Access to global talent.
4. **Better quality candidates** – More choices available.
5. **Easy screening** – ATS filters resumes.
6. **Paperless system** – Environment friendly.
7. **24/7 availability** – Candidates can apply anytime.
8. **Employer branding** – Improves company image.

Disadvantages of E-Recruitment

1. **Large number of applications** – Difficult to manage.
2. **Lack of personal interaction**.
3. **Technical problems** – System failures.
4. **Fake or irrelevant resumes**.
5. **Digital divide** – Not all candidates have internet.
6. **Data privacy and security risks**.

Difference Between Traditional and E-Recruitment

Traditional Recruitment	E-Recruitment
Newspaper ads	Online job portals
Physical resumes	Digital resumes
Time-consuming	Quick process
Limited reach	Global reach
High cost	Low cost

Role of Technology in E-Recruitment

Modern E-Recruitment uses:

- Applicant Tracking Systems (ATS)
- Artificial Intelligence (AI)
- Resume parsing tools
- Chatbots for queries
- Video interview platforms

These technologies improve **accuracy and efficiency**.

Conclusion

E-Recruitment and E-Selection are **essential components of modern HRM**. They help organizations to recruit the **right talent at the right time and at minimum cost**. In today's digital world, E-Recruitment plays a vital role in achieving **competitive advantage and organizational success**.

INDUCTION (Orientation)

Meaning of Induction

Induction is the process of **introducing a newly appointed employee to the organization and the job**. It helps the employee to become familiar with the **organizational environment, work culture, rules, colleagues, and job responsibilities**.

In simple terms, **induction is a formal welcoming process that helps new employees adjust to their new workplace smoothly and confidently.**

Definition

Induction is defined as the **systematic and planned introduction of new employees to the organization, their specific job roles, and the overall working environment.**

Objectives of Induction

The main objectives of induction are:

1. To make the new employee **feel comfortable and welcomed**.
2. To provide information about **company history, policies, and procedures**.
3. To explain **job duties, responsibilities, and performance expectations**.
4. To reduce **fear, stress, and confusion** among new employees.
5. To develop a sense of **belongingness and loyalty**.
6. To improve **employee morale and motivation**.
7. To reduce **labour turnover and absenteeism**.

Need and Importance of Induction

Induction is important for both the employee and the organization because:

- It helps employees **understand organizational culture and values**.
- It enables employees to **settle quickly into their jobs**.
- It reduces **initial mistakes and misunderstandings**.
- It improves **job satisfaction and performance**.
- It saves **training time and costs** in the long run.
- It builds **positive employee attitude towards management**.

Thus, induction acts as a **bridge between recruitment and actual job performance**.

Induction Process (Steps)

The induction process is usually carried out in a systematic manner as follows:

1. Welcoming the Employee

The HR department welcomes the new employee formally and creates a friendly atmosphere. This helps in reducing nervousness and building confidence.

2. Introduction to the Organization

The employee is informed about:

- Company history and background
- Vision, mission, and objectives
- Organizational structure
- Products and services

This gives a clear idea about the organization.

3. Explanation of Rules and Policies

The new employee is informed about:

- Working hours and shifts
- Leave rules and holidays
- Attendance and discipline
- Salary structure and benefits
- Safety rules and code of conduct

This helps in understanding what is expected.

4. Introduction to Job

The supervisor explains:

- Nature of the job
- Duties and responsibilities
- Reporting relationships
- Performance standards

This helps in avoiding role confusion.

5. Introduction to Co-workers

The employee is introduced to:

- Team members
- Supervisors
- Department heads

This helps in building **good interpersonal relationships**.

6. Tour of the Workplace

The new employee is taken around the workplace and shown:

- Workstation
- Office layout
- Canteen, restrooms
- Emergency exits and safety equipment

This helps in becoming familiar with the physical environment.

7. Training and Guidance

Basic training is provided to help the employee:

- Learn job procedures
- Understand tools and systems
- Perform tasks effectively

Types of Induction

1. Formal Induction

Conducted in a planned manner by the HR department.
Includes presentations, orientation programs, videos, and employee handbooks.

2. Informal Induction

Conducted by supervisors or colleagues.
Includes on-the-job guidance and friendly support.

Advantages of Induction

1. Reduces employee anxiety and stress.
2. Improves employee confidence.
3. Enhances productivity and efficiency.
4. Builds positive attitude and motivation.

5. Reduces labour turnover.
6. Improves employee relations.
7. Creates a good first impression of the organization.

Limitations of Induction

1. Time-consuming process.
2. Involves cost.
3. If poorly planned, it becomes ineffective.
4. Too much information at once may confuse employees.

Role of HR in Induction

The HR department plays a major role by:

- Designing induction programs.
- Preparing induction manuals.
- Coordinating with departments.
- Explaining company policies.
- Collecting feedback from new employees.

Difference Between Induction and Training

Induction	**Training**
Introduction to organization	Skill development
Short-term process	Continuous process
Focus on adjustment	Focus on performance
Conducted at joining	Conducted after joining

Conclusion

Induction is an **essential function of Human Resource Management**. A well-planned induction program helps new employees to **adapt quickly, perform effectively, and develop commitment towards the organization**. It plays a key role in creating **long-term employee satisfaction and organizational success**.

Unit-III

Training and Development – Objectives –Training Needs Assessment – Types of training - Design of Training Program – Training Evaluation – Performance Appraisal – Objectives and Methods of Performance Appraisal – Talent Management — Career Planning and Development

TRAINING AND DEVELOPMENT

Concepts of Training

Give a man a fish, he will eat. Train a man to fish, he will feed his family. This is a saying that highlights the importance of training men.

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 skill 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 behavior and performance of a person. It is never ending but continuous process.

Training is closely related with education and development but needs to be differentiated from these terms
Training and Education: Training should be distinguished from 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.

Training denotes a systematic procedure for transferring technical know how to the employees so as to increase their knowledge and skills for doing particular jobs.
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 skill for a definite purpose or specific job assigned.

- The purpose of training is basically to bridge a gap between existing levels of employee's knowledge, skills, performance and aptitudes and required levels of knowledge, skills, performance and aptitudes for an employee
- Training is aimed at improving the behavior and performance of a person.
- Training is never ending or continuous process.
- Training is closely related with education and development but needs to be differentiated from these terms.

Definitions:

Training is a short-term process utilizing a systematic and organized procedure by which non-managerial personnel learn technical knowledge and skills – (Steinmez)

Training refers only to instruction in technical and mechanical operations. Training courses are typically designed for a short term, stated set purposes – Campbell

Training is the art of increasing the knowledge and skills of an employee for doing particular job – Tripathi

Training involves changing of skills, knowledge, attitude, or social behavior – David de Cenzo

Need of training

The need for the training of employees would be clear from the observations made by the different authorities.

- To increase productivity
- To improve quality of work or product
- To avoid wastage in production
- To enhance and update knowledge and skills levels of employees
- To promote better opportunity for growth and promotion (employability)
- To secure better health and safety standard (quality life of employee)
- To attain or sustain competitive advantage
- To plan human resources of adequate fulfillment of organization's future personal
- requirements (second line management)
- to enhance motivation, morales, relationship among employees and boss
- to improve organizational climate (positive attitude)
- to prevent manpower obsolescence
- to increase the personal growth (to get proper exposure)
- to render better service to customer
- to enable the workers to do their work in the best possible manner
- to make the workers efficient to do their work in the changed circumstances.

TRAINING NEED ANALYSIS (TNA)

A training program should be launched only after the training needs are assessed clearly and specifically. The effectiveness of training can be judged only with help of training needs identified in advance. The problem areas that can be resolved through training should also be identified.

- TNA is the systematic gathering of data to find out the gaps in the existing skills, knowledge and attitudes of employees
- It involved the gathering of data about existing employee's capabilities and organizational demands for skills
- It is to build a plan to offer appropriate leaning opportunities to fill gap between changes in technologies, and product lines to meet job demands.
- It is to be done to meet individual growth and development through induction training
- To meet the changes in positions of jobs and responsibilities
- It is the analysis of the implications of new and changed roles for changes in capability.

Training needs can be identified through the following type's analysis:

Training **Needs Identification**
Training could be a useful aid in improving the transformation process that takes place in an organization in terms of the processing of inputs to outputs. Training needs have to be related both in terms of the organization's demands and that of the individual's.
The TNA can be done with the following factors coined by Thayer and McGhee. It is based on the following three factors:

- Organization analysis
- Task analysis
- Man analysis

Organization Analysis

Total Organization Analysis is a **systematic effort to understand exactly where training effort needs to be emphasize in an organization.** It involves a detailed analysis of the **organization structure, objectives, human resources and future plans, and an understanding of its culture, milieu.**

The first step in organization analysis is achieving **a clear understanding of both short-run and long-run goals.** Long-term objectives are the broad directions in which the organizations would move over a long duration. These long-term objectives are then broken down into specific strategies and short-term goals for each of the units/departments. In an organization, the cumulative effect of all these would ultimately lead to the long-term goal. **Short-term goals are constantly in need of adaptation to the changing environment, both external and internal**.
For an **organization analysis**, there are **three essential requirements**: (1) **an adequate number of personnel available** to ensure fulfillment of the business operation; (2) that personnel performance is **up to the required standard**; (3) that the **working environment** in their units/departments is conducive to fulfillment of tasks.

In order to ensure the first two requirements **a human resource inventory** needs to be made. Data regarding positions, qualifications, vacancies, replacements and training time required for replacements have to be worked out. **Job standards must also be worked out.** Various efficiency and productivity indexes, or ratios such a productivity ratios, cost per unit etc, can be worked out to determine not only efficiency but also adequacy, in terms of under-manning or over-manning, of the workforce.

Diagnosing the state of the organization "climate" is a **less precise exercise than the two indicators suggested above.** While rules, procedures, systems and methods all contribute to the making of the environment, much of it is also determined by the attitude that the "people" have in the organization-for instance, the attitude that top management has towards its subordinate staff and the attitudes that members have towards work, supervisors and company procedures. These attitudes are learnt, they result from the person's experience both within and outside the organization, and training inputs could be used to effect changes of attitude and consequently of the organizational climate.

In analyzing the organization climate, both direct and indirect methods could be used. Direct methods are observation, use of questionnaires, and interviews. Reliance or indirect methods would not give a clear understanding of the attitudes and predispositions of employees. In fact, factors such as low absenteeism and low turnover are not by themselves indicators of positive or negative attitudes, and high or low morale. It would be better to make a careful analysis and study each indicator in a particular situation in conjunction with more direct methods like attitude surveys. Analysis and interpretation of the data may give clear clues not only to attitudinal training needs but possibly also to skill training needs.

Task Analysis
This activity entails a detailed examination of a job, its components, its various operations and the conditions under which it has to be performed. The focus here is on the "task" itself, rather than on the individual and the training required to perform it. Analysis of the job and its various components will indicate the skills and training required to perform the job at the required standard. In short to say what to teach /do and how to teach/ do.
Standard of Performance: Every job has / will have an expected standard of performance. If not so, inter related job will suffer and also organizational viability will be affected. The expectations that have been set for that particular job should be known, then only it is possible to know whether the job is being performed at the desired level of output or not. Knowledge of the "task" will help in understanding what skills, knowledge and attitudes an employee should have.
Methods: If an employee is asked to perform a job, the exact components of the job and the standard of performance must be known. Task analysis entails not merely a simple listing of the various job components, but also of the relatively critical nature of the various sub-tasks. Conventional methods of job analysis are usually suitable for task analysis. They are:
1. Literature review regarding the job.
2. Job performance.
3. Job observation,

4. Data Collection regarding job interviews

For blue-collar workers, more precise industrial -engineering techniques, like time and motion studies, could be used, and for white-collar workers, work sampling observation, interviews, and job performance data analysis could be employed. The object of this exercise is to get as much information as possible about the nature of the task and its various components, leading to the performance standard to be set. This information would be useful in establishing the training programme for an employee.

Analysis of the job is but one part of task analysis. Other areas are the skill required, either in terms of education or training, to perform the job, knowledge, and finally attitudinal pre-dispositions such as the attitudes, towards safety, or interpersonal competence.

Man analysis

Man analysis is the third component in identifying training needs. The focus of man analysis is on the individual employee, his abilities, and the inputs required for job performance, or individual growth and development in terms of career planning.

Man analysis is still less precise than the other two analyses, primarily because the available measures are much less objective and there are many individual variations. Yet, through observation and unobtrusive measures it is possible to get an indication of the training requirements of an individual.

Man analysis helps to identify whether the individual employee requires training and if so, what kind of training. Clues to training needs can come from an analysis of an individual's or a group's typical behavior. The primary sources of such information are:

(1) Observation at place or work, examination of job schedules, quantum of spoilage, wastage, and clues about interpersonal relations of the employees;

(2) interviews with superiors and employees;

(3) comparative studies of good vs. poor employees, to identify differences, skills and training gaps;

(4) personnel records;

(5) production reports; and

(6) review of literature regarding the job and machines used. Job-knowledge tests, work sampling and diagnostic Psychological tests also provide information about employees. Thus it may be staled that a variety of sources need to be studied.

DESIGNING A TRAINING PROGRAMME

Designing the training program

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.

(a) To indicate the company's attention to develop its employees
(b) To guide the design and implementation of training programemes
(c) To identify the critical areas where training is to be given on priority basis.
(d) To provide appropriate opportunities to employees for their own betterment.

A sound training policy clearly defines the following issues

(a) The results expected to be achieved through training
(b) The responsibility for the training function
(c) The priorities for training
(d) The type of training required
(e) The time and place of training
(f) The payments to be made to employees during the training period
(g) The outside agencies to be associated with the training
(h) Relationship of training to the company's labour policy

Once training objectives and policy are decided, an appropriate training programme can be designed and conducted. Decisions on the following items are required for the purpose.

1. Responsibility for training

Training is quite a **strenuous task** which **cannot be undertaken by one single department**. The responsibility for training has to be shared among:

(a) The top management, who should frame and authorize the basic training policy, review and approve the training plans and programmes, and approve training budgets.

(b) The human resources department which should plan, establishes and evaluates instructional programmes

(c) The employees should provide feedback, revision, and suggestions for improvements in the programme

(d) The line supervisor who should implement and apply the various developmental plans.

To be e effective a training programme should properly organized. But good organization alone is not adequate, proper planning and training is equally important.

1.Selecting and Motivating the Target Group

It is necessary to decide who is to be trained- new or old employees; unskilled or semi-skilled workers supervisors or executives, the types of methods to be used will depend upon the type of persons to be trained. It is also necessary to create a desire for learning. The employees will be interested in training if they believe that it will benefit them personally. Trainees will change their behavior if they become aware of better ways of performing and gain experience in the new pattern of behavior so that it becomes their normal manner of operation. A climate conductive to leaving can also be created through physical and psychological environment. Physically an appropriate location, adequate space, proper lighting and ventilation, adequate furniture and audiovisual aids are necessary. Psychological environment consists of involvement and participation, freedom of social interaction, opens communication, friendly and helpful trainers, provision for measuring learner's progress. etc.

2. Preparing the trainers

The success of a training programme depends to a great extent upon the instructor for the resource persons. The trainer must know both the job to be taught and how to teach it. He should have an aptitude for teaching and should employ the right training techniques.

3. Developing training package:

This step involves deciding the content of training, designing support material for training and choosing the appropriate training methods. Training courses may involve specific instructions in the procedures of doing job. A training course may cover time periods ranging from one week to a few months. In addition to deciding the contents, methods and time required.

4. Presentation

This is the action phase of training. Here the trainer tells, demonstrates and illustrates in order to put over the new knowledge and operations. However, before it, the learner should be put at ease. It is necessary to explain why he is being taught to develop his interest in training. The learner should to tell of the sequence of the entire job, the need for each step in the job, the relationship of the job to the total workflow, etc. instructions should be very clear and complete. Key points should be stressed upon and one point should be explained at a time. Audio visual aids should be used to demonstrate and ill lustrate and the trainee should ask to repeat the operations. He should also be encouraged to ask questions in order to ensure that he really knows and understands the job.

5. Performance tryout:

The trainee is asked to do the job several times slowly. His mistakes are corrected and, if necessary, the complicated steps are explained again. As soon as the trainee demonstrates that he can do the job slightly, he is put on his own and training is over.

6. Follow up

In this step, the effectiveness of the training programme is assessed. The feedback generated through follow-up will help to reveal weaknesses or errors if an. Necessary corrective action can be taken. If necessary, instruction may be repeated, until the trainee learns whatever has been taught to him. Follow up action reinforces the learning process. It also helps in designing future training programmes.

TYPES OF TRAINING

There are a number of different types of training we can use to engage an employee. These types are usually used in all steps in a training process (orientation, in-house, mentorship, and external training). The training utilized depends on the amount of resources available for training, the type of company, and the priority the company places on training.

As you will see from the types of training below, no one type would be enough for the jobs we do. Most HR managers use a variety of these types of training to develop a holistic employee.

1. Orientation training

Firstly, orientation training mainly consists of welcoming and introducing your new employees to the company. You can guide them through the basics to prepare them for their first day at work.

Guide them through the basics to prepare them for their first day at work

This one-day training covers the following topics:

- Vision and core values of the company
- Culture and company policies
- Organizational structure
- Introductions and office tour
- Mandatory new hire paperwork
- Administrative procedures such as creating login credentials and setting up their workspace

2. Onboarding training

To get your new hires up and running quickly, you can assign them an onboarding training program. It'll also familiarize them with all the software and hardware that they will use. This program can last as long as it takes to introduce relevant job skills, and address all the topics that employees need to do their job well.

3. Technical skills training

Maybe your employees are already skilled at writing quotations, accounting, writing content, or programming. But there is always room for improvement, especially if their job requires specific technical skills. Therefore, many organizations have a budget to maintain and improve their employees' technical skills.

There is always room for improvement

As an organization, you can either outsource your training to an external company or organize it internally. A senior employee can then be in charge of training the junior staff. You can also use an LMS as a tool for managing internal technical skill training.

4. Soft skills training

Not everything is about technical skills. Soft skills are also essential for job growth. We broadly classify soft skills as a combination of personality traits, behaviors, and social attitudes. These skills allow people to communicate, collaborate, and manage conflict effectively.

Soft skill training will help your organization build its ideal corporate culture and improve the relationships at work. Soft skill training can cover topics such as:

- Listening
- Communication
- Teamwork
- Adaptability
- Public speaking

5. Product or service training

Product training can be part of your onboarding training program or ongoing skills training. You can use it to educate your employees about the products or services they represent to ensure they make a good impression.

Educate your employees about the products or services they represent to ensure they make a good impression

Also, it keeps your current staff up-to-date on new products, services, or features. You can either train your employees periodically with face-to-face courses or use an LMS to make this happen with far more ease.

6. Compliance training

Some industries require employees to fulfill certain legal obligations to perform their jobs. For example, authorities need mortgage advisers to regularly renew their licenses and construction workers to hold specific safety certificates.

Governments will often provide compliance training. Sometimes this happens in traditional face-to-face training, and sometimes this happens online.

7. Franchise training

If you run a franchise, you want to keep your processes and products consistent across all franchised units. Maintaining consistency can be quite hard, especially if the processes and products change frequently. To keep employees updated, a special training team from the headquarters can provide education on-site.

Alternatively, headquarters could provide all the information and documentation and then leave it to the branch managers. Then, the managers can decide whether they train their staff offline or online. The headquarters could also organize the online training.

8. Managerial and leadership training

Employees can grow to new, higher positions. To prepare them for a job with a leadership role, you can offer them leadership training. How do you become a true leader instead of just 'the boss'? How do you get your team on board, even if your decisions and intended plans initially generate resistance?

In multi-day training courses, you can help your employees gain deeper insights into leadership. First, the company needs to identify which employees have strong leadership potential. The company can achieve that by evaluating its employee's contributions to the company and seniority. The company can hire external coaches for one-on-one or group sessions with the trainees.

How to create employee training programs

Online employee training has become quite popular in recent years, and it works well for various employee training programs.

Documenting your work as you go, and asking your colleagues to do the same, is a great way to get started with employee training. But it'll only cover the basics. A better approach is to organize this documentation in a way that is accessible and understandable to employees.

You can create different types of training programs by identifying the most urgent training needs in your organization. Here are some examples:

- Are you planning on expanding and welcoming new hires to the company? Then **orientation and onboarding training** should be your priority.
- Do you have a high-quality product that needs to adhere to specific standards and industry regulations? Then **technical and compliance training** might be your best bet.
- Do you feel like your company needs to improve the relationships between people and the overall company culture? Then investing in **soft skills training** might do the trick.
- If you have sales reps and customer support agents, it's essential to give them **product training**.
- Do you have a lot of franchised units scattered around the country or the globe? Focus on **franchise training** to standardize your processes, products, and services throughout all divisions.
- On the other hand, if your company is growing, **managerial and leadership training** can prepare senior employees for leadership roles.

TRAINING IMPLEMENTATION

To **put** training program into effect according to definite plan or procedure is called **training implementation.** Training implementation is the hardest part of the system because one wrong step can lead to the failure of whole training program. Even the best training program will fail due to one wrong action.
Training implementation can be segregated into:
■ Practical administrative arrangements * Carrying out of the training

Implementing Training

Once the staff, course, content, equipments, topics are ready, the training is implemented. Completing training design does not mean that the work is done because implementation phase requires continual adjusting, redesigning, and refining. Preparation is the most important factor to take the success. Therefore, following are the factors that are kept in mind while implementing training program:

The trainer - The **trainer** need to be prepared mentally before the delivery of content. Trainer prepares materials and activities well in advance. The trainer also set grounds before meeting with participants by making sure that he is comfortable with course content and is flexible in his approach.

Physical **set-up** - Good physical set up is pre requisite for effective and successful training program because it makes the first impression on participants. Classrooms should not be very small or big but as nearly square as possible. This will bring people together both physically' and psychologically. Also, right amount of space should be allocated to every participant.

Establishing rapport with participants - There are various ways by which a trainer can establish good rapport with trainees by:
■ Greeting participants simple way to ease those initial tense moments
■ Encouraging informal conversation
■ Remembering their firstaaine -
■ Pairing up the learners and have them familiarized with one another
■ Listening carefully to trainees' comments and opinions
■ Telling the learners by what name the trainer: wants to be addressed
■ Getting to class before the arrival of learners
■ Starting the class promptly at the scheduled time
■ Using familiar examples

Reviewing the agenda - At the beginning of the **training program** it is very important to review the program objective. The trainer must tell the participants the goal of the program, what is expected out of trainers to do at the end of the program, and how the program will run. The following information needs to be included:
■ Kinds of training activities
■ Schedule

■ Setting group norms
■ Housekeeping arrangements
■ Flow of the program
■ Handling problematic situations

Here is the **same content rewritten with a little more elaboration**, keeping your original meaning and exam-oriented style (useful for 10–15 or 20 marks):

OR OR OR

Training Implementation

Training implementation refers to the process of putting the training programme into action according to a definite plan or procedure. It is the stage where the actual training activities are carried out. Training implementation is considered the **most difficult and critical part** of the training system because even a small mistake at this stage can lead to the failure of the entire training programme. In fact, even a well-designed and well-planned training programme may fail if it is not properly implemented.

Training implementation can be divided into two major parts:

1. **Practical and administrative arrangements**
2. **Actual conduct or execution of training**

Implementing Training

Once the staff, trainers, course content, training methods, equipment and topics are ready, the training programme is implemented. However, completion of training design does not mean that the work is finished. The implementation phase requires **continuous monitoring, adjustment, redesigning and refining** to ensure that training objectives are achieved effectively. Proper preparation is the most important factor for the success of a training programme.

The following important factors should be considered while implementing a training programme:

1. The Trainer

The trainer plays a key role in the success of training implementation. The trainer should be **mentally prepared** before delivering the content. He or she must prepare training materials, presentations, case studies and activities well in advance. The trainer should have thorough knowledge of the subject and should be confident, flexible and open to suggestions. A good trainer also sets the tone of the session and ensures active participation from trainees.

2. Physical Set-up

A proper physical set-up is a prerequisite for an effective training programme because it creates the **first impression** on participants. The training hall or classroom should be comfortable, well-lit and well-ventilated. It should neither be too small nor too large, and preferably should be nearly square in shape. Adequate seating arrangement, audio-visual facilities, and sufficient space for movement should be provided. A good physical environment helps trainees feel comfortable and improves learning.

3. Establishing Rapport with Participants

Establishing good rapport between the trainer and trainees is essential for effective learning. A friendly and supportive atmosphere encourages trainees to participate freely. The trainer can establish rapport by:

- Greeting participants in a simple and friendly manner to reduce initial tension.
- Encouraging informal conversations to make trainees feel relaxed.
- Remembering trainees' names and addressing them personally.
- Pairing up learners and allowing them to introduce themselves.
- Listening carefully to trainees' opinions and feedback.
- Informing trainees how the trainer prefers to be addressed.
- Arriving before trainees and starting the session on time.
- Using familiar and real-life examples.

These methods help in building trust, cooperation and a positive learning climate.

4. Reviewing the Agenda

At the beginning of the training programme, it is very important to clearly review the agenda and objectives. The trainer should explain the **purpose of the training**, what participants are expected to learn, and how the programme will be conducted. This helps in setting clear expectations and motivating trainees.

The following information should be included while reviewing the agenda:

- Types of training activities to be conducted.
- Time schedule of sessions and breaks.
- Group norms and rules for participation.
- Housekeeping arrangements such as seating, materials and facilities.
- Overall flow of the programme.
- Method of handling questions and problematic situations.

Reviewing the agenda helps trainees understand the structure of the programme and prepares them mentally for effective learning.

TRAINING EVALUATION

The process of examining a training program is called training evaluation. **Training** evaluation checks whether training has had the desired effect. Training evaluation ensures that whether candidates are able to implement their learning in their respective workplaces, or to the regular work routines.

Effectiveness Evaluating Training
It is the function of evaluation to assess whether the learning objectives originally identified have been satisfied and any deficiency rectified. Evaluation is the analysis and comparison of actual progress versus prior plans, oriented toward improving plans for future implementation. It is a part of a continuing management process consisting of planning, implementation and evaluation; ideally with each following the other in continuous cycle until successful completion of the activity. Evaluation process must start before training has begun and continue throughout the whole learning process. The evaluation of training consequences also provides useful data on the basis of which relevance of training and its integration with other functions of human resource management can be judged.

Functions of evaluation

- A qualitative evaluation is an assessment process how well we do?
- Quantitative evaluation is an assessment process that answers the question how much did we do?

Need for evaluation: it is necessary to evaluate the extent to which training programmes have achieved the aims for which they were designed such as an evaluation would provide useful information about the effectiveness of training as well as about the design of future training programmes. Evaluation enables an organization to monitor the training programme and also to update or modify in future programmes of training. The evaluation of training consequences also provides useful data on the basis of which relevance of training and its integration with other functions of human resource management can be judged.

Concept of training effectiveness
Training effectiveness is the degree to which trainees are able to learn and apply the knowledge and skills acquired in the training programme. It depends on 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, have career strategies. Contents of a training programme, and the ability and motivation of trainers also determine training effectiveness.

Evaluation Criteria:
Evaluation of training effectiveness is the process of obtaining information on the effects of a training programme and assessing the value of training in the light of that information. Evaluation involves controlling and correcting the training programme. The basis of evaluation and mode are determined when the training programme is designed. According to Hamblin, training effectiveness can be measured in term of the following criteria:

Reactions: a training programme can be evaluated in terms of the trainees, reactions to the objectives, contents and methods of training. In case the trainees considered the programme worthwhile and like it, the training can be considered effective

Learning: the extent to which the trainees have learnt the desired knowledge and skills during the training period is a useful basis of evaluating training effectiveness.

Behavior. Improvement in the job behavior the trainees reflects the manner and extent to which the learning has been applied to the job.

Results: the ultimate results in terms of productivity improvement, cost reduction, accident reduction, reduction in labour turnover and absenteeism are the best criteria for evaluating training effectiveness.
However it may not always possible to employ a comprehensive evaluation system due to organizational constraints, eg; lack of clear training policy, inadequate infrastructure, unwillingness of the management to change human resource policies, performance appraisal system and organizational processes on the basis of feedback.

Methods of evaluation: several methods can be employed to collect data on the outcomes of training. Some of these are:

- Opinions, judgments of trainers, superiors and peers.
- Asking the trainees to fill up evaluation forms
- Using a questionnaire to know the reactions of trainees
- Giving oral and written tests to trainees to ascertain how far they have learnt
- Arranging structured interviews with the trainees
- Studying profiles and career development charts of trainees
- Measuring levels of productivity, wastage, costs, absenteeism's and employee turnover after training
- Trainees' commitment and reactions during the training period and
- Costs benefit analysis of the training programme.

Feedback
After the evaluation, the situation should be analyzed to identify the possible causes for a difference between the expected outcomes and the actual outcomes. Necessary precautions should be taken in designing and implementing future training programmes so as to avoid these causes. The outcomes of a training programme should justify the time, money and efforts invested by the organization n training. Information collected during evaluation should be provided to the trainees and the trainers as well as to others concerned with the designing and implementation of training programmes. Follow up action is required to ensure implementation of evaluation report at every stage.

PERFORMANCE APPRAISAL

Performance Appraisal

A major concern for every manager is to contribute for the success of organization. Organizational effectiveness can be associate with managerial efficiency. In the management of personnel, there are **two main control mechanisms**. One is **performance** appraisal i.e. periodic assessment of the work and the potential of a person and the **other is administration of discipline**. **Performance means "To do something" and appraisal means to "decide the value of the work done". Hence, performance appraisal means "deciding the value of the work done by an individual".**

Definitions

Performance Appraisal is the process through which an individual employee's behaviour and accomplishments for a fixed time period are measured and evaluated.

Performance Appraisal can be defined as the process of reviewing employee performance, documenting the review and delivering it to the employee in the form of feedback.

Performance Appraisal is defined as, "the record of outcomes produced on specified job functions or the activities during a specified period".

Objectives of Performance Appraisal

1, Performance appraisal is the **identification of potential employee** and development.
2. Systematic personnel appraisal can be done. It is a planned way of **letting the subordinate knows where he stands and how he is progressing.**
3. This is necessary to **give promotions** to suitable employees.
4. **Compensation** to be offered to the employee **depends on performance appraisal**.
5. Employee **development can be possible through performance appraisal**.
6. Performance appraisal **helps in identification of the training needs** of the employees.
7, Necessary **feedback can be possible** through performance appraisal.
8. **Overall development of the organization** can be estimated through performance appraisal.
9. From an administrative point of view, performance appraisals are for **taking decisions regarding salaries, promotions, retention / termination of employees.**
10. Performance appraisal helps in **identifying the career needs of the employees** and motivates them.
11. Performance measures **seek to quantify the effectiveness and qualify and efficiency of services in terms of the goals** these services aim to fulfil.

Steps or Process of Performance Appraisal

Following are the steps involved in performance appraisal.
1. Establishment of Performance Standards.
2. Communication of performance expectations to employees.
3. Measure actual performance.
4. Compare actual performance with established standard.
5. Discuss the appraisal with the employee.
6. If needs, correction steps are to be initiated.

Performance Appraisal and Merit Rating Even though performance appraisal and merit rating are used synonymously, strictly speaking both are different. The basic difference between appraisal and merit rating is that later is tied with regular salary reviews of individual employees and is depicted to cover rank and file personnel. It places on reward the justification for moving employees from one step to another within a sub-grade from one job grade to another as recommended by the superior.

Types of Performance Appraisal

Following are the types of performance appraisal.

1. Individual Appraisal: This is one man's opinion about the subordinate. Companies with formal plans generally protect themselves by seeing that of individual appraisal is used, the results are reviewed in some formal way by the superior of the employee doing the appraisal.
2. Group Appraisal: In this type, the opinion of the immediate superior is supplemented with various other executives.
3.Multiple Appraisal: In this type, the subordinate personnel is appraised independently by various qualified officers. The outcome is generally consolidated by staff personnel.
4. Appraisal by subordinates: In this type, employees evaluate supervisors. But in most of the cases, the subordinates are not in a position to evaluate the superiors.Generally, appraisal takes place in the event of promotion or salary hike. Since the superior's opinion prevails, subordinates may not be in a position to give opinion about their superiors.

Developing Performance Standards

Once it has been decided by an organization to establish performance appraisal it has to develop the standards. Any good performance appraisal system must meet the following criteria.
1. Strategic Congruence: This pertains to the extent to which performance system is in congruence with the goals of organization. Any system developed should be flexible to adapt to changes in the business environment.
2. Validity: An appraisal system can be considered valid only when it takes the required and relevant criteria. The omission of pertinent performance criteria is referred to as criterion deficiency.
3. Reliability: This refers to the consistency of the performance measures used by an organization. A performance measurement system is said to be reliable if two evaluators use similar evaluation methods and get same result.

4. Acceptability: This refers to the acceptability of the performance system by the people using it. An effective performance system can be developed when the people using it are consulted. Hence, both managers and employees should be involved in the system. Once the stakeholders are involved in the system, it will be accepted mutually.

5. Clearness: The performance system should be clearly defined and have to indicate what is expected of the employees to achieve the strategic goals of the organization

6. Practicality: Any performance system devised should be relatively easy to use and should have a high degree of employee and managerial acceptance

METHODS OF PERFORMANCE APPRAISAL

Performance Appraisal

There are several methods and techniques of appraisal are in vogue for measurement of an employee. Strauss and Sayles categorized methods of performance appraisal into Traditional methods and Modern methods. The traditional methods give importance on the rating of the individuals' personality traits such as initiative, dependability, drive, responsibility, creativity, integrity, leadership potential, intelligence, judgement, organizing ability, etc. Modern methods give utmost importance to evaluation of work results,job achievements.

Traditional methods are as follows.

1. Straight ranking method.
2. Man to Man comparison method.
3. Grading.
4. Graphic rating scales.
5. Forced choice description method.
6. Forced distribution method.
7. Check lists.
8. Free Essay method
9. Critical incidents.
10. Group appraisal
11. Field review method.

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.**Modern methods are as follows**

1. Assessment centre.
2. Appraisal by results or management by objectives (MBO).
3. Human asset accounting method.
4. Behaviourally anchored rating scales (BARS).

Traditional Methods

Traditional methods are explained as follows.

1. Straight Ranking Method: This is the oldest and a very simple method of personnel affair. This method ranks one employee after another; one from the highest to lowest based on the overall job performance. However, it is not easy to ranking official to compare several men at a time.

2. Man to Man Comparison Method: At the outset, this technique was used by American Army during the First World War. In this method, certain factors are selected for the purpose of analysis (such as leadership, dependability and initiative) and a scale will be prepared by the rating official. This method will also be used in job evaluation and is known .is the factor comparison method.

3. Grading: Under this method, the rating official taking into consideration some features And marks them accordingly to a scale. The selected features are analytical ability, cooperativeness, dependability, self expression, job knowledge, judgement, leadership and organizing ability etc. These may be A- Outstanding, B- Very good, C-Good, D-Fair, E-Poor, -F (or F-) - very poor. Actual performance of an employee will be graded that describes his performance.

4. Graphic Rating Scales: This is also known Linear Rating Scale. This is the most commonly used method. All the employees are rated on personality characteristics and performance. For a worker, rating is based on job knowledge, intelligence, dependability, industriousness, quality of work, etc. On the basis of overall assessment gratings such as excellent, above aver ie, average and poor will be awarded. A person who qualifies for the excellent rating is ready for performance.

5. Forced Choice Description Method: This method was introduced after good research. This method attempts to correct the rating officials tendency to give consistently high or consistently low ratings to all employees. The utility of this method calls for objective reporting and minimum subjective judgement. Under this method, the rating elements are several sets of pair phrases or adjectives relating to job proficiency or personal qualifications.

6. Forced Distribution Method: This method was evolved by Joseph Tiffin after statistical work. This system is used to eliminate or minimise officials bias as a result that all personnel may not be placed at the higher end or at the lower end of the scale.Under this system, performance and profitability will be considered. Employees are placed between the two extremes of good and bad job performances. 10% will be placed at the top end of the scale, 40% outstanding merit, 20% fair and 10% unsatisfactory. This method is simple to understand and very easy to apply in organizations.

7. Check List: Under this method, the rating official does not evaluate employee performance. The official supplies assessment reports and final decision will betaken by the Personnel Department. A series of questions pertaining to an employee's behaviour will be posed. The rating official suggests or, indicates if the answer to a question about an employee is positive or negative. The value of each question may be weighed heavily than others.

8. Free Essay Method: Under this method, the concerned official makes a free form. Open ended appraisal of an employee in his own words and writes his opinion about the employee. Generally, the following factors will he taken into consideration.

a. Employee's relations with co-employees.
b. Ability to plan.
c. Knowledge about the job and potential.
d. Attitude and characteristics of the employee.
e. Insight about the company's and procedures.
f. Physical status.
g. Production, quality and control.
h. Future developmental needs.

As far as possible, the Factors to be considered are on the factual circumstances of the organization.

9. Critical Incidents Method: Th.Ls method has been developed and the system is based on the observance of each employee's several trait factors such as his relationship with fellow employees, helping others in the office work etc. These critical behaviour factors will be recorded in a specially maintained book and behaviour patterns will be drawn on the basis of critical incidents, Daily recordings of events are necessary since the supervisors may forget about the incidents after sometime. This method requires close supervision of employees.

10. Group Appraisal: Under this method, employees are rated by an appraisal group consisting of their supervisor and three or four supervisors who have required knowledge. The immediate supervisor explains to the group the nature of his subordinates work and expected performance for that job, the actual performance of the job holder and the causes of particular level of performance and offers suggestions for future improvement.

11. Filed Review Method: Under this system, a trainer employee from Human Resources Department interviews the supervisors to know about their subordinates. The man ager from Personnel department is fully equipped with definite questions generally kept in memory and asks the supervisors. The supervisor is expected to give his opinion about the progress of his subordinates, the level of subordinate, his perfor mance, strength and weakness, ability to discharge duties, initiative, mixing with other people etc. This method gives some sort of assessment to the Human Resource Department about the line staff.

Modern Methods

1. Assessment Centre Method: This concept was originally applied to Military situations by british and German War offices. Under this method, many evaluators join together to Judge employee performance in several situations with many criteria.The most Important feature of the assessment centre is job related simulations. Assessment centres are used for the following purposes.

a. Assessment centre is used to measure the potential for the first level supervision, sales and senior management positions and also for higher levels of management.

b. This method is used to determine the Individual training and development needs of employees.

c. This will be used to provide more accurate Human Resource Planning information.

d. This system is used to make an early determination of potential.

e. This method is used to assist in implementing affirmative action goals.

2. Appraisal By Results or MBO Method: This method has been developed by Peter, Drucker. This is potentially a powerful philosophy of managing and effective way of evaluation system. Management By Objectives (MBO) can be described as a process whereby the superior and subordinate managers of an organization jointly identify if, common goals define each individual's major areas of responsibility in terms of results expected of him and use these measures as guides for operating the unit and assessing the contributions of each of its members. Management By Objectives invites the attention of managers where there are black holes. This is a modern method of evaluating the performance of employees. This is an instrument to measure employee's contribution to the success of the organization. In order to establish objectives the following key areas are to be engaged.

a. Activities to achieve the objectives with in a given period of time.

b. Activities to develop plans to accomplish the objectives.

c. Activities to determine whether the objectives have been met.

Hence, MBO is a powerful appraisal method to evaluate the performance of employees

3. Human Asset Accounting Method: This is also modern method that deals with the cost and contributions of Human Resources to the company. Banks in our country also calculate employee's turnover. The cost of employee includes cost of manpower planning, recruitment, selection, induction, placement, training, development and ben efits etc. Here employee's contribution is nothing but the services rendered to the organization. Employee's performance is positive if the employee contributes more.

4. Behaviourally Anchored Rating Scales (BARS): This technique has been developed recently. This method comprises of five steps that are mentioned below.

a. Employees, with knowledge of the job to be appraised are asked to describe specific examples of effective performance behaviour.

b. These employees will be formed into a cluster with well defined dimensions.

c. Any group of employees who are aware of the job then reallocate the original critical incidents. They will be given specific definitions and the critical incident is retained if some percentage generally 5O to 8O% of the group assigns as the previous group did.

d. The second group will also be asked to rate on 7 or 9 point scales, the behaviour described in the incident as how effectively or ineffectively it represents performance on the appropriate dimension. Behaviour anchors such as extremeiy good performance, good performance, slightly good performance, neither good nor poor performance, slightly poor performance, poor performance or extremely poor performance will be rated.

This is also considered as one of the techniques of performance appraisal but very expensive to implement.

TALENT MANAGEMENT

What is Talent Management?

Talent Management refers to a planned and systematic process of **attracting, developing, and retaining skilled employees** who help an organization achieve its goals. In simple terms, it means placing the **right people with the right skills in the right jobs at the right time**.

It includes all stages of an employee's journey in the organization, such as **recruitment, onboarding, training, performance evaluation, and succession planning**. In today's competitive business environment, talented employees are a key factor for organizational success. Therefore, talent management is not only the responsibility of the HR department, but an important part of the **overall organizational strategy**.

- Talent management is an organized strategic process of getting the right talent onboard.
- The process involves identifying talent gaps, onboarding suitable candidates, and motivating them to achieve long-term business goals.
- In simple words, it is a process of getting the right people on board and enabling them to achieve the long-term goals of the business.
- It entails recruiting high-caliber talent, developing their abilities, and creating a climate that supports productivity.

OBEJECTIVES OF TALENT MANAGEMENT

The goals of Talent Management include strategic projects aimed at attracting, developing, and retaining high-potential employees in an organization. The set of objectives aims at creating congruence in the workforce concerning overall organizational goals and success. Here are the key objectives of Talent Management:

1. Attracting Top Talent: Find prospective employees who meet the organizational value and mission.
2. Development of Skills and Competencies: Developing the employee’s skills, knowledge, and competencies to be able to execute their duties effectively.
3. Succession Planning: Pinpoint the potential leaders and make them ready for the positions of responsibility in the company without disrupting any flow of leadership.
4. Employee Engagement: Establish a positive workplace culture that enhances the employee engagement, fulfilment, and loyalty of employees leading to increased productivity and also reduced attrition.
5. Retention of Key Employees: Establish programs to retain high-performing and also high potential employees; limiting attrition while keeping the institutional knowledge intact.
6. Strategic Workforce Planning: Align talent management efforts with the organization’s long-term strategic goals, creating an appropriate workforce for future challenges and also opportunities.
7. Enhancing Organizational Agility: Develop an agile workforce that is responsive enough to react quickly when the business conditions change.
8. Promoting Diversity and Inclusion: Promote an inclusive workforce that exploits different views and experiences to foster innovation within the organizations.
9. Aligning Individual and Organizational Goals: Provide a direct link between the individual career goals and organizational plans to create more meaning for the employees.
10. Creating a Talent Pipeline: Create a talent pool that can perform more demanding functions and assume greater roles as the organization grows.

IMPORTANCE OF TALENT MANAGEMENT PROCESS

Importance of Talent Management Process

The Talent Management process is one of the fundamental ones for organizations because it creates workforce strategies that align with business goals, attracts and retains top talent, promotes employee development, ensures succession planning sustainability productivity in organizational settings; promotes adaptability and innovation boosts engagement & satisfaction brand equity cost control global competences risk reduction.

1. Enhances your Company's Performance: The process of talent management improves a firm’s performance by ensuring strategic alignment, attracting and retaining top performers, and nurturing employee development.
2. Drives Innovation: Innovation is at the heart of a talent management process that encourages an innovative culture, continuous learning, and leveraging all talents in unity within the organization.
3. Ensures Team Productivity: The talent management process sustains team productivity by the fitment of individuals’ skills to roles, collaboration fostering an environment that promotes working together, and availability of required resources.
4. Motivates Others to Grow: The talent management process in turn encourages the human resource to grow with opportunities for skill development, recognition of achievements, and clear career progression.
5. Helps Fill Company Roles: The talent management process is instrumental in selecting, attracting, and training individuals to fill various positions as dictated by a company. It encompasses systematic effort in workforce planning, recruitment strategies, and also the continuous grooming of staff for readiness to achieve desired organizational performance.

Benefits of Talent Management

Talent Management is a focused process that involves the identification, grooming, and maintenance of individuals deemed important within an organization. The advantages are having a qualified and accessible workforce, employee engagement promotion, succession planning for leadership consistency, effective team building inclusive culture development with low churn rates that lead to long-term organizational achievements. Following mentioned are advantages of Talent Management:

1. Resource Availability: Talent Management guarantees that organizations have the right people with the necessary skills at appropriate times. It ensures a highly skilled employment force that is readily available as well as cost efficiency in terms of the prepared availability and utilization of such resources leading to enhanced organizational maneuverability.

2. Employee Engagement: Employees' development, recognition, and promotion are key goals of Talent Management. This emphasis on personal development encourages higher involvement, interest, and dedication from staff members contributing to a healthy work environment.

3. Succession Planning: Succession planning is one of the many concepts that form Talent Management, which aims at establishing individuals who will help to fill critical positions within an organization. This proactive measure ensures a seamless succession of leadership positions avoiding turbulence and strengthening organizational security.

4. Builds Effective Teams and Culture: Talent Management contributes immensely to gathering diverse talents that fit well with each other. It promotes teamwork and an organizational culture that is congruent with the values of the company.

5. Improves Employee Retention: This means that some of the most important variables affecting employee satisfaction, including career development opportunities and a desirable working environment are addressed by Talent Management. This complete method reduces employee turnover, saving institutional knowledge and making the workforce more solid yet experienced.

Talent Management Process

The Talent Management Process is an organized and strategic system that companies utilize to efficiently acquire, learn, keep, and make use of their human capital for business purposes. It refers to a set of integrated practices and initiatives that perfect the entire employee lifecycle. Here's an explanation of the key components of the Talent Management Process:

1. Planning

- **Explanation:** Planning is the process of goal setting, determining strategies, and identifying the actions required to implement those goals. Planning in talent management entails linking human resources strategies with organizational objectives, determining workforce requirements, and mapping out a direction for sourcing talents.
- **Importance:** Strategy ensures that talent initiatives serve a specific purpose, are properly coordinated, and effectively contribute to the achievement of organizational success.

2. Attracting

- **Explanation:** Employer attraction is a set of activities related to the identification and enticement of qualified individuals who might want to join an organization. This involves employer branding, hiring campaigns, and creating a reputation to attract prospective candidates.
- **Importance:** Effective attraction results in an applicant base that comprises candidates suitable for the job, giving variety to skills and expertise.

3. Selecting

- **Explanation:** The process of talent selection involves putting into practice the recruitment and selection strategies aimed at hiring employees with appropriate qualifications. This involves interviews, assessments, and evaluations that are designed to pair the candidates with organizational requirements.

- **Importance:** Ensuring an effective selection process ensures that the organization is presented with individuals who have the skills and characteristics that are necessary to be successful.

4. Developing

- **Explanation:** Talent development includes encouraging the skills and competencies of employees through training, education, and career path programs grown from within. It seeks to improve individual and collective skills.
- **Importance:** Continuous development keeps employees driven, flexible, and able to meet organizational objectives.

5. Retaining

- **Explanation:** The notion of retaining talent is replete with strategies for engaging, satisfying, and keeping employees loyal to the organization. It consists of elements such as competitive compensation, work-life balance, and career development opportunities.
- **Importance:** Keeping the top talent reduces attrition, maintains institutional memory, and creates a pleasant as well as productive workplace.

6. Transitioning

- Explanation: Transition is the process of managing different roles, duties, or career paths within an organization. It involves promotions, lateral changes, or accommodations for organizational shifts.
- **Importance:** Such smooth transitions promote continuous employee development, prevent disruption, and make sure people are properly prepared for new possibilities they would be challenged with.

Difference Between Talent Management and Human Resource Management

Talent Management and Human Resource Management (HRM) share some similarities, but they are different in their approach to managing the organization's workforce. Here are the key differences between Talent Management and HRM:

Basis	Talent Management	Human Resource Management
Meaning	Talent Management mainly seeks to find, develop and retain high-potentials who are deemed critical for the growth of an organization. It typically takes a more strategic and long-term view, focusing on the essential talent pools.	Human Resource Management includes a wider and classical perspective, covering diverse dimensions of handling, the entire workforce such as recruitment.
Strategy Formulation	Talent Management is typically referred to as an organizational strategy. It includes strategic planning, succession plans and aligning with talent that will propel the venture to achieve its objectives.	Human Resource Management handle mainly the day-to-day activities such as the preparation of payroll, employee benefits management,that and compliance with employment laws.
Planning	Talent Management covers the entire employee life-cycle, paying special attention to core phases as well such as recruitment onboarding training, and succession planning.	Human Resource Management is a broad-based functional discipline which covers the employee life cycle from recruitment, and the day-to-day training to performance management and relations with people.
Authority	Talent Management is very closely intertwined with the wider business strategy of the organization. It links talent requirements with strategic goals to ensure that the employees contribute directly towards realization of business	Human Resource Management is an implementation of the business strategy through day to day HR functions and compliance with employment laws. Although HRM is strategic in its own right, it may not always be as closely connected to broader organizational strategy high-potential Talent Management.

Basis	Talent Management	Human Resource Management
	objectives.	
Scope	Talent Management develops high potential employees through tailored training and leadership programs.	Human Resource Management tends to include a worldwide development approach for employees, rather than th,e emphasis on high-potential personnel.
Coordination	Talent Management combines performance management with key talent development, highlighting ongoing feedback and individualized development plans.	Human Resource Management includes the overall management of employee performance that also involves goal setting, periodic performance assessments and managing poor performances.

CAREER PLANNING AND DEVELOPEMNT

Career Planning and Development

Introduction

Career Planning and Development is an important function of Human Resource Management that focuses on **helping employees plan their career growth** and enabling organizations to utilize employee potential effectively. It is a continuous process through which individuals identify their career goals and organizations design opportunities to help employees achieve them.

Career planning ensures that the **right people are available for the right jobs in the future**, while career development focuses on improving employees' skills, knowledge, and abilities to meet current and future job requirements.

Meaning of Career Planning

Career Planning refers to the **systematic process by which an individual selects career goals and the path to achieve them**. It involves assessing personal interests, skills, strengths, weaknesses, and opportunities.

In simple words, career planning helps an employee decide:

- What they want to become
- Where they want to go in their career
- How they can achieve their goals

It aligns individual aspirations with organizational needs.

Meaning of Career Development

Career Development is the **continuous process of enhancing employees' skills and competencies** through training, job rotation, promotions, mentoring, and learning opportunities.

It focuses on **long-term growth** of employees and prepares them for higher responsibilities in the future.

Objectives of Career Planning and Development

1. To identify employees' career aspirations and potential

Career planning helps the organization understand what employees **want to achieve in their careers** and what **skills, talents, and abilities** they possess. Through performance appraisal, counseling, and feedback, management can identify employees' strengths and potential. This makes it easier to assign employees to roles that match their interests and capabilities, leading to better performance and satisfaction.

2. To ensure optimal utilization of human resources

Career planning ensures that employees' skills and talents are **properly utilized** by placing the right person in the right job. When employees work in roles suited to their abilities, their productivity increases and wastage of human resources is reduced. This also helps the organization achieve its goals efficiently.

3. To provide growth and advancement opportunities

Career planning creates **clear career paths** for employees by offering training, development programs, promotions, and job rotations. These opportunities help employees improve their knowledge and skills and prepare them for higher positions. As a result, employees feel that the organization supports their professional growth.

4. To reduce employee turnover and absenteeism

When employees see a **clear future in the organization**, they feel more committed and loyal. Career development reduces frustration and dissatisfaction, which lowers employee turnover. It also reduces absenteeism, as employees are more engaged and interested in their work.

5. To improve employee motivation and job satisfaction

Career planning increases employee motivation by making them feel **valued and recognized**. When employees know that their efforts can lead to growth and promotion, they work harder and remain positive. This leads to higher job satisfaction and better overall performance.

6. To prepare employees for future leadership roles

Career planning helps in identifying and developing **future leaders and managers**. Through training, mentoring, and challenging assignments, employees gain the skills and experience needed for leadership positions. This ensures a steady supply of competent leaders for the organization in the future.

Process of Career Planning and Development

1. Self-Assessment

Self-assessment is the first step in career planning where employees **analyze themselves** to understand their abilities and interests. They evaluate their **skills, knowledge, strengths, weaknesses, values, and career interests**. This helps employees recognize what they are good at and what areas they need to improve. Through self-assessment, employees become more aware of their potential and can make realistic career decisions.

2. Career Opportunities Awareness

In this stage, employees gather information about the **career opportunities available within the organization**. They learn about different job roles, promotion policies, growth paths, and the qualifications required for higher positions. This awareness helps employees understand what options are available to them and what skills they must develop to move forward in their careers.

3. Goal Setting

Goal setting involves employees **fixing clear short-term and long-term career goals**. Short-term goals may include learning new skills or getting a better position, while long-term goals may involve becoming a manager or leader. Setting goals gives employees a **sense of direction and purpose**, which motivates them to work towards achieving their career objectives.

4. Action Planning

Action planning is the stage where employees prepare a **detailed plan to achieve their career goals**. This plan may include attending training programs, pursuing higher education, acquiring new skills, or gaining work experience. Action planning helps employees understand the steps they need to take and the efforts required to reach their desired career position.

5. Career Development Activities

In this stage, the organization actively supports employees through various **career development initiatives**. These include training and development programs, job rotation, promotions, mentoring, coaching, and performance feedback. Such activities help employees improve their competencies, gain experience, and prepare for higher responsibilities, ensuring both employee growth and organizational success.

Role of Organization in Career Development

Organisation

Organizations play a very important role in the career development of employees by creating a supportive environment and providing necessary opportunities for growth. The organization is responsible for guiding employees and helping them achieve their career goals while also meeting organizational objectives.

Career Counseling

Organizations provide career counseling to help employees understand their strengths, weaknesses, interests, and career options. Through counseling, employees receive proper guidance about suitable career paths and how they can improve their skills for future roles.

Performance Appraisal Feedback

Performance appraisal systems help employees understand how well they are performing in their jobs. Regular feedback allows employees to identify areas where they need improvement and areas where they are doing well. This feedback helps employees plan their career development effectively.

Learning and Development Programs

Organizations offer various learning and development programs such as training sessions, workshops, seminars, and skill development courses. These programs help employees enhance their knowledge and abilities, making them more competent and ready for higher responsibilities.

Succession Planning

Succession planning involves identifying and preparing employees to fill key positions in the future. The organization develops potential employees through training and mentoring so that there is a continuous supply of capable leaders when senior employees retire or leave.

Internal Job Postings

Through internal job postings, organizations inform employees about available vacancies within the organization. This encourages employees to apply for higher or different positions, promoting internal mobility and career growth.

Conclusion

By providing these support systems, organizations help employees grow professionally, increase job satisfaction, and remain loyal and committed to the organization, which ultimately leads to better organizational performance.

Benefits of Career Planning and Development

Benefits to Employees

- Clear career direction
- Increased motivation and confidence
- Better job satisfaction
- Improved skills and competencies
- Higher chances of promotion

Benefits to Organization

- Higher employee retention
- Reduced recruitment costs
- Better leadership pipeline
- Increased productivity
- Improved employee engagement

Importance of Career Planning and Development

Career planning and development is very important for both employees and organizations, as it helps in the overall growth and success of the organization.

Builds a skilled and competent workforce

Career planning and development helps employees improve their skills, knowledge, and abilities through continuous training and learning. This creates a workforce that is competent, efficient, and capable of handling present as well as future job responsibilities.

Helps in talent retention

When employees see good career growth opportunities within the organization, they are more likely to stay. Career development reduces employee dissatisfaction and turnover, helping the organization retain talented and experienced employees.

Improves organizational performance

A well-planned career development system increases employee motivation and productivity. Skilled and motivated employees perform better, which leads to improved efficiency, quality of work, and overall organizational performance.

Creates future leaders

Career planning helps identify potential employees who can become future managers and leaders. Through training, mentoring, and leadership development programs, organizations prepare employees to take up higher roles and responsibilities.

Promotes long-term employee commitment

When employees feel that the organization supports their career growth, they develop a sense of loyalty and commitment. This long-term commitment reduces conflicts, increases job satisfaction, and creates a positive work environment.

Conclusion

Career Planning and Development is a **mutual responsibility of both employees and organizations**. While employees must identify their career goals and work towards them, organizations must provide the right environment, opportunities, and support. A well-designed career planning and development system leads to **employee growth, job satisfaction, and organizational success**.

Difference between career planning and career development

Aspect	Career Planning	Career Development
Definition	Career planning involves setting career goals and creating a strategic plan to achieve them.	Career development refers to the continuous process of acquiring skills and experiences for career growth.
Focus	Focuses on defining career objectives and mapping out a path to reach those goals.	Focuses on ongoing skill enhancement, learning, and experience accumulation.
Time Frame	Typically involves short- to medium-term goals and strategies.	Encompasses long-term growth and continuous improvement throughout one's career.
Activities	Includes setting goals, exploring career options, and creating action plans.	Involves training, mentoring, on-the-job learning, and gaining new experiences.
Responsibility	Primarily the individual's responsibility to set and pursue career goals.	Often involves both the individual and the organization, with support from HR for development opportunities.
Outcome	Results in a clear plan of action for career advancement.	Results in enhanced skills, competencies, and readiness for career progression.
Role of HR	HR supports career planning through guidance, resources, and career counseling.	HR plays a significant role in career development by providing training, development programs, and mentorship.

UNIT -IV

Employee Compensation- Factors affecting compensation. Equity and compensation – variable compensation. Employee Benefits – Motivation of Employees – **T**rade UnionS; collecting bargaining – conflict management

FACTORS AFFECTING COMPENSATION

What is compensation management?

It is managing and determining an employer's compensation to the employees in return for their work.

Compensation management involves managing, analysing, and determining the salary, benefits, and incentives paid to the employees. Compensation management plays a crucial role in attracting and retaining top talent. It includes monetary as well as non-monetary benefits. It also increases employee productivity and reduces employee turnover.

Additionally, it ensures that every employee gets paid a fair wage based on industry standards, work experience, company budget, etc.

The key Factors Affecting Compensation

Worker Productivity & Value To The Organization

The main reason that different jobs have different pay rates is that certain workers are more necessary than others to achieve the organization's goals. Productivity refers to how much additional value employees provide to the organization by doing their job. A more productive individual in a more productive role will have an overall higher pay rate.

Employer's Ability To Pay

One overlooked factor determining pay rates is how much an employer can actually pay! An employer can only spend what they can afford. If an employer cannot pay the employee what they can get elsewhere, the employee will work elsewhere.

Labor Union Requirements

Labor union representatives negotiate on behalf of their members to agree to a fair rate of pay. Employers that hire members of unions may be required to pay the rate set by the union. These rates may depend on many factors, such as seniority and location.

Prevailing Wage Rates

Prevailing wage refers to the going rate of labor for a given profession in a given geographical area. In some cases, prevailing wages are set by various pieces of legislation, such as the Davis-Bacon Act and Service Contract Act, to determine how much government contractors must pay their employees.

Cost of Living (COL)

Every location has a different cost of living. If a worker cannot sustain themselves working a job, they are likely not to work that job. Some areas have higher average wages simply because their living costs are so high. For example, an employee who might make $60,000 a year in Kansas City might expect to make $100,000 in San Francisco simply because of the disparity in the cost of living.

Labor Supply And Labor Demand

In 2022, the United States faces a labor shortage. Due to the COVID-19 pandemic and the shift toward work-from-home, many workers left jobs in specific industries for other jobs that paid better and offered better benefits. As a result, jobs in those industries have had to increase their compensation.

Government Controls

Several different pieces of legislation can affect how much a company must pay its employees. The most relevant for many companies is the minimum wage, however, some laws require additional pay for various reasons. This varies widely by state.

Globalization

Globalization and the Internet have made it possible for companies to get work done in other countries where the cost of living and labor costs are much lower. Regardless of one's stance on the issue, globalization impacts compensation in many ways. First, it causes jobs that can easily be outsourced to be compensated at a lower rate locally. Second, it changes local labor demands, as some labor cannot be outsourced.

Job Level and Needs

If the level of the job is high or the task to be performed is difficult and complex in nature employees will be given higher compensation. Also there are certain tasks that need a specific and unique skillset and knowledge that will end up demanding higher compensation.

If the task is simple and of routine nature and very less efforts are required to perform it, it will attract less compensation.

Prevailing Market Rate

These provide the basis for comparing the compensation rates of one industry with that of the other. If there are two industries of the same nature offering different compensation rates, employees will always be attracted towards the one offering higher compensation rates.

In this case, it will become difficult for the organizations to retain potential employees.

Attitude of Management

The attitude of the management should be positive towards providing compensation to the employees. If any employee is doing a better job he should be entitled to a fair amount of compensation but if the employee is not doing a good job he should be given lesser compensation.

The management should be impartial and unbiased towards providing compensation.

<u>EQUITY AND COMPENSATION</u>

Meaning of Equity Compensation

Equity compensation refers to a form of **non-cash remuneration** in which employees, executives, or directors are rewarded with **ownership interest in the company**, instead of or in addition to salary and bonuses. This ownership is usually given in the form of **shares or stock-based instruments**.

In simple terms, equity compensation means **paying employees with a part of the company itself**, so that they become shareholders.

Importance of Equity Compensation in Modern Organizations

In today's competitive business environment, companies use equity compensation as a **strategic HR tool** to:

- Retain skilled professionals.
- Build long-term loyalty.
- Encourage innovation and entrepreneurship.
- Improve corporate governance.

It is widely used in **IT companies, startups, multinational corporations, and tech firms**.

Example of Equity Compensation in Practice

A startup cannot afford to pay high salaries, so it offers engineers **stock options**. As the company grows and goes public, the value of shares increases. Employees benefit financially, and the company retains talent.

Objectives of Equity Compensation

The main objectives of equity compensation are:

1. **To motivate employees** – Employees work harder when they have a personal stake in the company's success.
2. **To align employee and company goals** – Since employees become owners, they think like shareholders.
3. **To retain talent** – Equity usually vests over time, encouraging employees to stay longer.
4. **To attract skilled employees** – Especially useful for startups that cannot pay high salaries.
5. **To improve organizational performance** – Employees contribute more when they benefit from company growth.

Types of Equity Compensation

Equity compensation can take several forms:

1. Stock Options

Stock options give employees the **right to buy company shares at a fixed price** (called the exercise price) after a certain period.

Example:
An employee is given the option to buy 100 shares at ₹100 each. If the market price later becomes ₹200, the employee can buy at ₹100 and gain profit.

2. Restricted Stock Units (RSUs)

RSUs are company shares granted to employees, but they can only be received **after fulfilling certain conditions**, such as staying with the company for a specific time.

Example:
An employee gets 500 RSUs that vest after 3 years of service.

3. Employee Stock Ownership Plan (ESOP)

ESOP is a plan under which employees are given shares of the company, usually at a **discounted price**.

Example:
Employees of a firm can purchase shares at ₹80 when market price is ₹120.

4. Performance Shares

These shares are given only if **performance targets** are achieved, such as profit growth or revenue increase.

5. Stock Appreciation Rights (SARs)

Employees receive the **value of stock price increase**, not actual shares.

Features of Equity Compensation

1. It is a **long-term incentive**.
2. It creates a **sense of ownership**.
3. It links **employee rewards with company performance**.
4. It usually has a **vesting period**.
5. It is common for **top executives and skilled professionals**.

Advantages of Equity Compensation

For Employees:

1. Opportunity to **build wealth**.
2. Feeling of being **co-owners**.
3. Higher **job satisfaction and motivation**.
4. Benefit from company's success.

For Employers:

1. Helps in **retaining employees**.
2. Reduces **cash outflow**.
3. Improves **employee commitment**.
4. Enhances **productivity and performance**.
5. Attracts high-quality talent.

Disadvantages of Equity Compensation

1. **Market risk** – Share prices may fall.
2. Employees may feel **less motivated** if stock value declines.
3. Complex to manage legally and financially.
4. May cause **dilution of ownership** for existing shareholders.
5. Not suitable for employees who prefer immediate cash.

Conclusion

Equity compensation is a powerful method of employee remuneration that **links individual performance with organizational success**. By offering ownership in the company, it motivates employees, enhances loyalty, and drives long-term growth. However, it also involves market risks and administrative challenges. When designed properly, equity compensation becomes a **win-win strategy** for both employers and employees.

VARIABLE COMPENSATION

Definition

Variable compensation is the portion of an employee's pay that depends on performance results rather than a fixed salary. It's designed to motivate employees to achieve specific business goals—whether that's closing deals, hitting quotas, or driving company growth. Unlike fixed base pay, variable compensation flexes with outcomes, rewarding top performers and aligning effort with results.

Who benefits from variable compensation?

Variable compensation is particularly effective for roles with quantifiable outputs—like Sales, Customer Success, and RevOps. These roles benefit from transparent, outcome-driven pay. For more collaborative functions, carefully structured bonuses or equity can still motivate aligned behaviors.

Variable compensation isn't just extra pay—it's how high-performing companies incentivize performance, align teams around growth goals, and attract/retain top sales talent. Designed well, it delivers motivation without capping budgets. When mismanaged, it breeds mistrust, turnover, and overspending.

Types of variable compensation explained

Variable pay comes in various types. Multiple options enable firms to choose the most suitable plan for their staff and firm philosophy.

The **three primary kinds of variable compensation programs** you can find include:

Bonuses

You give variable pay as bonus programs for completing a job. Thus, bonuses depend on whether or not you finish a task. It also requires you to meet set conditions, which a firm defines in advance.

The following are examples of bonus plans companies use:

- **Retention bonus:** Firms offer these bonuses to encourage their staff to remain in the business. Employers primarily use this variable compensation type for retaining key staff. In aspects involving a plant or sector shutting down, it incentivizes the team to stay up to a set date.

- **Project bonus:** This pay can come in a discretionary or non-discretionary form. Firms offer this bonus to staff for finishing a project. The projects involving a bonus often include successfully meeting the budget and time given.
- **Referral bonus:** A staff member earns a referral bonus after referring an applicant the venture successfully hires. It can differ depending on the position level involved. Companies typically pay this bonus type after the recruit is employed for a particular period. For example, employers using 90 days as the onboarding period will give their reward at the end of the given time.
- **Sign-on bonus:** Prospective new hires receive this type of bonus as a motivation to accept an offer. Businesses primarily utilize a cash bonus to propose a more competitive offer and to close the candidate. They also rely on the sign-on pay to bridge certain losses potential new hires may face. The bonuses cover the compensation they would lose by vacating their current jobs.

Incentives

This variable pay plan uses specific performance targets to boost revenue. A firm establishes these goals in advance for the relevant performance period. As such, an employee gets payouts by meeting the set criteria.

Also, the criteria can initiate higher or lower compensation, depending on how well the staff met the expected targets.

Short-term incentive plans

These incentive pay plans depend on the realization of short-term performance objectives. They typically range for a year or less to facilitate short-term output. Some examples include:

- **Management programs:** These plans are for middle and senior management. Meeting specific firm output goals decides the incentives.
- **Profit-sharing programs:** These plans occur when a firm meets a preset financial goal. The enterprise can contribute to a non-qualified or qualified retirement program as an award. Alternately, employers can also offer their staff rewards in cash.
- **Gainsharing programs:** These programs seek to share productivity gains outcomes with the staff collectively.
- **Sales incentive programs:** These variable pay plans are designed for sales managers or sales agents, with awards based on achieving sales goals. They can include sales bonuses, straight commissions, **SPIFs** (short-term contests or bonuses to drive focus), and salary-plus-commission plans.

Long-term incentive plans

Unlike the short-term types, a company bases this **sales compensation plan** on attaining performance objectives during a multi-year period. It generally lasts three to five years and aims to propel longer-term output.

You can find two types of long-term incentive plans to use for an employee's variable pay:

- **Cash-based programs:** Cash awards depend on realizing goals over a multi-year period. Some firms prefer paying cash incentives to the alternative option, the equity-based plans. Besides, the cash method helps investors avoid share dilution management. They also prevent using up shares.
- **Equity-based programs:** These long-term plans come in the form of equity. They increase during a specific period.

The plans base success on the stock market and company performance. They aim to align with investors' interests.

Recognitions

Unlike the previous plans with set criteria, these plans generally feature broad guidelines before execution. Thus, the resulting awards may also vary depending on the nature of these guidelines.

Below are three examples of recognition plans available:

- **Managerial:** These awards recognize incredible performance. A firm executes this plan publicly. For instance, it can post the reward in a newsletter or on the staff's portal. Managerial procedures might or might not include cash rewards.
- **Spot awards:** A venture offers this award to staff on the spot. These types of awards can be won by an employee who is successful in raising the firm's sales.
- **Nomination plans:** Leaders and the staff might nominate a team or worker who largely contributed to the business. Typically, it uses a committee to review the nominated persons before deciding on the award's recipient. Also, the firm announces the awards publicly via staff meetings, an employee portal, and a newsletter. The award package may or may not be in cash.

Variable Compensation – Advantages

Variable compensation offers many benefits that make it attractive for organizations. It helps improve employee performance, motivation, and overall company growth. The main advantages are as follows:

1. Improves employee engagement and retention

Variable compensation is an effective way to motivate employees and help the organization achieve its goals. Since employees can earn more than their fixed salary, they feel encouraged to work harder and perform better. Rewards such as incentives and bonuses push employees, especially sales staff, to improve their results.

At the same time, fixed pay acts as a safety net. Even during poor performance periods, employees still receive a basic salary, which reduces financial stress and keeps them engaged. This helps organizations retain employees and saves costs related to hiring and training new staff.

However, if variable pay plans are not designed properly, they may demotivate employees and increase turnover. Therefore, such plans should be carefully managed.

2. Boosts productivity

Variable pay increases productivity by motivating employees to perform better. When employees know their efforts are directly linked to rewards, they become more focused and committed to achieving targets.

It also helps organizations retain skilled and experienced workers, leading to better performance and consistent growth. A well-designed performance-based pay system creates the right conditions to achieve organizational goals, such as higher revenue and customer growth.

If the incentive plan does not improve results or profitability, it should be reviewed or replaced, as an ineffective plan wastes company resources.

3. Offers financial flexibility

Variable compensation provides financial flexibility to organizations. Companies can link employee rewards to their financial performance and revenue. This means firms pay incentives only after earning income, which reduces financial risk.

It also helps in balancing costs, as employers do not need to pay high fixed salaries. This system aligns employee pay with company performance, making budgeting and financial planning easier and more transparent.

4. Correlates with job performance

Variable pay is directly related to employee performance. It allows employees to clearly see how their efforts contribute to the organization's success. Workers can measure their value based on their achievements and rewards.

This system encourages employees to improve their skills and performance, creating a strong link between effort, results, and rewards, which benefits both employees and the organization.

Procedure to Create an Effective Variable Compensation Plan

To design a successful variable compensation plan, it is important to follow a proper and structured approach. A well-designed plan helps motivate employees, improve performance, and support business goals. The key factors for creating an effective plan are explained below:

1. Presentable

Open and clear communication is essential when introducing a variable pay plan. Employees should clearly understand how the plan works, how rewards are calculated, and what is expected from them. The plan should also be properly documented so that employees can refer to it whenever needed.

2. Precise

The compensation plan must be simple and easy to understand. All employees should clearly know the rules, targets, and rewards. The plan should also match the organization's overall compensation policy and values. A clear plan avoids confusion and builds trust among employees.

3. Tiered

Variable pay plans should differ according to job roles and departments. For example, sales employees, managers, and top executives should have different incentive structures. A tiered system ensures that rewards are fair and suitable for different levels of responsibility and performance.

4. Controllable

Employees should have control over the activities that affect their performance and rewards. The goals set should be realistic and achievable. If targets are too difficult or outside employees' control, it can demotivate them. Therefore, goals should match employees' skills and capabilities.

5. Metric-based

The plan should be based on measurable performance indicators. These metrics should be relevant to business goals, such as sales growth, profitability, customer satisfaction, or teamwork. Measurable targets make performance evaluation transparent and fair.

By following these factors, organizations can design a variable compensation plan that benefits both the company and employees. An effective plan encourages employees to focus on both quality and quantity of work, leading to balanced performance.

On the other hand, a poorly designed plan may cause employees to focus only on earning rewards, ignoring quality and long-term goals. Therefore, a structured and well-managed variable pay system is necessary for success.

Conclusion

Variable compensation plans offer many benefits for both employees and organizations. They improve motivation, productivity, and performance. However, these plans must be carefully designed and implemented to avoid problems.

Variable pay is only one part of the overall compensation system. Companies need proper tools and systems to manage incentives, bonuses, and commissions effectively. With the right approach and management, variable compensation can become a powerful tool for organizational growth.

COMPENSATION MANAGEMENT

Compensation (also known as Total Rewards) can be defined as all of the rewards earned by employees in return for their labour. This includes: Direct financial **compensation** consisting of pay received in the form of wages, salaries, bonuses and commissions provided at regular and consistent intervals.

Defining Compensation

Compensation (also known as Total Rewards) can be defined as all of the rewards earned by employees in return for their labour. This includes:

- ***Direct financial compensation*** consisting of pay received in the form of wages, salaries, bonuses and commissions provided at regular and consistent intervals
- ***Indirect financial compensation*** including all financial rewards that are not included in direct compensation and understood to form part of the social contract between the employer and employee such as benefits, leaves, retirement plans, education, and employee services
- ***Non-financial compensation*** referring to topics such as career development and advancement opportunities, opportunities for recognition, as well as work environment and conditions

While employees tend to focus on direct financial compensation when contemplating their rewards, according to the McKinsey Journal, for individuals who are relatively satisfied with their salary, it is the non-financial rewards that tend to be more effective in contributing to long-term employee engagement.

What is the compensation system?

The term **compensation** is used to indicate the employee's gross earnings in the form of financial rewards and benefits. **Compensation** can also be defined as follows: ... A **system** of rewards that can motivate the employees to perform.
Compensation is a systematic approach to providing monetary value to employees in exchange for work performed. Compensation may achieve several purposes assisting in recruitment, job performance, and job satisfaction.

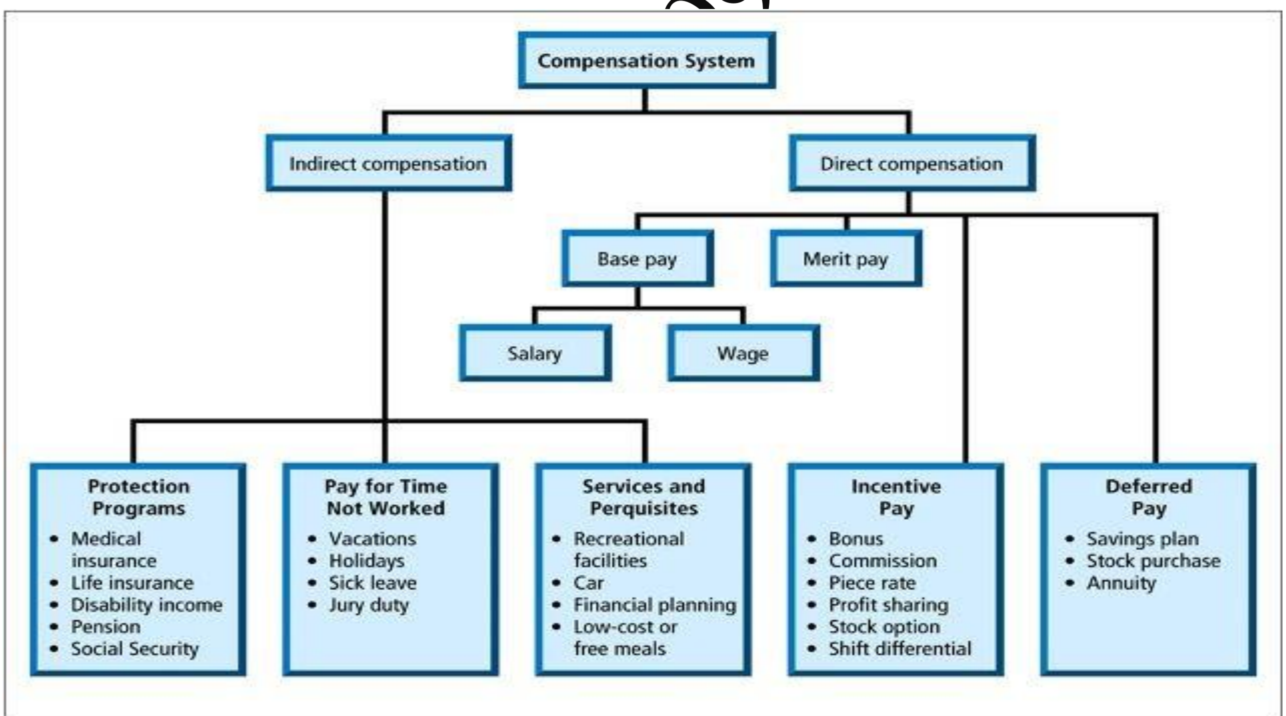
Objective of Compensation

The objective of the compensation function is to create a system of rewards that is equitable to the employer and employee alike. The desired outcome is an employee who is attracted to the work and motivated to do a good job for the employer. Compensation may be adjusted according the the business needs, goals, and available resources.

Patton suggests that in compensation policy there are seven criteria for effectiveness. Compensation should be:

1. **Adequate** Minimal governmental, union, and managerial levels should be met.
2. **Equitable** Each person should be paid fairly, in line with his or her effort, abilities, and training.
3. **Balanced Pay,** benefits, and other rewards should provide a reasonable total reward package.
4. **Cost-effective** Pay should not be excessive, considering what the organization can afford to pay.
5. **Secure Pay** should be enough to help an employee feel secure and aid him or her in satisfying basic needs.
6. **Incentive-**providing Pay should motivate effective and productive work.
7. **Acceptable to the employee** The employee should understand the pay system and feel it is a reasonable system for the enterprise and himself or herself.

Examples of Financial vs Non-Financial Compensation



Recruitment and retention of qualified employees is a common goal shared by many employers. To some extent, the availability and cost of qualified applicants for open positions is determined by market factors beyond the control of the employer. While an employer may set compensation levels for new hires and advertize those salary ranges,

Morale and job satisfaction are affected by compensation. Often there is a balance (equity) that must be reached between the monetary value the employer is willing to pay and the sentiments of worth felt be the employee. In an attempt to save money, employers may opt to freeze salaries or salary levels at the expence of satisfaction and morale. Conversely, an employer wishing to reduce employee turnover may seek to increase salaries and salary levels.

Compensation may also be used as a reward for exceptional job performance. Examples of such plans include: bonuses, commissions, stock, profit sharing, gain sharing.

What are the components of a compensation system?

Compensation will be perceived by employees as fair if based on systematic components. Various compensation systems have developed to determine the value of positions. These systems utilize many similar components including *job descriptions, salary ranges/structures, and written procedures*.

The components of a compensation system include

- **Job Descriptions** A critical component of both compensation and selection systems, job descriptions define in writing the responsibilities, requirements, functions, duties, location, environment, conditions, and other aspects of jobs. Descriptions may be developed for jobs individually or for entire job families.

- **Job Analysis** The process of analyzing jobs from which job descriptions are developed. Job analysis techniques include the use of interviews, questionnaires, and observation.

- **Job Evaluation** A system for comparing jobs for the purpose of determining appropriate compensation levels for individual jobs or job elements. There are four main techniques: Ranking, Classification, Factor Comparison, and Point Method.

- **Pay Structures** Useful for standardizing compensation practices. Most pay structures include several grades with each grade containing a minimum salary/wage and either step increments or grade range. Step increments are common with union positions where the pay for each job is pre-determined through collective bargaining.

- **Salary Surveys** Collections of salary and market data. May include average salaries, inflation indicators, cost of living indicators, salary budget averages. Companies may purchase results of surveys conducted by survey vendors or may conduct their own salary surveys. When purchasing the results of salary surveys conducted by other vendors, note that surveys may be conducted within a specific industry or across industries as well as within one geographical region or across different geographical regions.
- **Policies and Regulations**: Compensation will be perceived as fair if it is comprised of a **system of components** developed to maintain internal and external equity

What are different types of compensation?

Different types of compensation include:

- Base Pay
- Commissions
- Overtime Pay
- Bonuses, Profit Sharing, Merit Pay
- Stock Options
- Travel/Meal/Housing Allowance
- Benefits including: dental, insurance, medical, vacation, leaves, retirement, taxes...

What are regulations affecting compensation?

- FLSA

Compensation Plans

Develop a program outline.

- Set an objective for the program.
- Establish target dates for implementation and completion.
- Determine a budget.

Designate an individual to oversee designing the compensation program.

- Determine whether this position will be permanent or temporary.
- Determine who will oversee the program once it is established.
- Determine the cost of going outside versus looking inside.
- Determine the cost of a consultant's review.

Develop a compensation philosophy.

- Form a compensation committee (presumably consisting of officers or at least including one officer of the company).
- Decide what, if any, differences should exist in pay structures for executives, professional employees, sales employees, and so on (e.g., hourly versus salaried rates, incentive-based versus noncontingent pay).
- Determine whether the company should set salaries at, above, or below market.
- Decide the extent to which employee benefits should replace or supplement cash compensation.

Conduct a job analysis of all positions.

- Conduct a general task analysis by major departments. What tasks must be accomplished by whom?
- Get input from senior vice presidents of marketing, finance, sales, administration, production, and other appropriate departments to determine the organizational structure and primary functions of each.
- Interview department managers and key employees, as necessary, to determine their specific job functions.
- Decide which job classifications should be exempt and which should be nonexempt.
- Develop model job descriptions for exempt and nonexempt positions and distribute the models to incumbents for review and comment; adjust job descriptions if necessary.
- Develop a final draft of job descriptions.
- Meet with department managers, as necessary, to review job descriptions.
- Finalize and document all job descriptions.

Evaluate jobs.

- Rank the jobs within each senior vice president's and manager's department, and then rank jobs between and among departments.
- Verify ranking by comparing it to industry market data concerning the ranking, and adjust if necessary.
- Prepare a matrix organizational review.
- On the basis of required tasks and forecasted business plans, develop a matrix of jobs crossing lines and departments.
- Compare the matrix with data from both the company structure and the industrywide market.
- Prepare flow charts of all ranks for each department for ease of interpretation and assessment.
- Present data and charts to the compensation committee for review and adjustment.

Determine grades.

- Establish the number of levels - senior, junior, intermediate, and beginner - for each job family and assign a grade to each level.
- Determine the number of pay grades, or monetary range of a position at a particular level, within each department.

Establish grade pricing and salary range.

- Establish benchmark (key) jobs.
- Review the market price of benchmark jobs within the industry.
- Establish a trend line in accordance with company philosophy (i.e., where the company wants to be in relation to salary ranges in the industry).

Determine an appropriate salary structure.

- Determine the difference between each salary step.
- Determine a minimum and a maximum percent spread.
- Slot the remaining jobs.
- Review job descriptions.
- Verify the purpose, necessity, or other reasons for maintaining a position.
- Meet with the compensation committee for review, adjustments, and approval.

Develop a salary administration policy.

- Develop and document the general company policy.
- Develop and document specific policies for selected groups.
- Develop and document a strategy for merit raises and other pay increases, such as cost-of-living adjustments, bonuses, annual reviews, and promotions.
- Develop and document procedures to justify the policy (e.g., performance appraisal forms, a merit raise schedule).
- Meet with the compensation committee for review, adjustments, and approval.

Obtain top executives' approval of the basic salary program.

- Develop and present cost impact studies that project the expense of bringing the present staff up to the proposed levels.
- Present data to the compensation committee for review, adjustment, and approval.
- Present data to the executive operating committee (senior managers and officers) for review and approval.

Communicate the final program to employees and managers.

- Present the plan to the compensation committee for feedback, adjustments, review, and approval.
- Make a presentation to executive staff managers for approval or change, and incorporate necessary changes.
- Develop a plan for communicating the new program to employees, using slide shows or movies, literature, handouts, etc.
- Make presentations to managers and employees. Implement the program.
- Design and develop detailed systems, procedures, and forms.
- Work with HR information systems staff to establish effective implementation procedures, to develop appropriate data input forms, and to create effective monitoring reports for senior managers.
- Have the necessary forms printed.
- Develop and determine format specifications for all reports.
- Execute test runs on the human resources information system.
- Execute the program.

Monitor the program.

- Monitor feedback from managers.
- Make changes where necessary.
- Find flaws or problems in the program and adjust or modify where necessary.

Compensation Management in India

India: Central government employees draw more salary along with benefits than state government employees, compared with private sector employees. There is a particular pay structure fixed for every government employee in India which is not in private companies. The pay structure of government employees in India is as follows

Employee salary : Basic pay + **Grade pay** + **Dearness Allowance (DA)** + **House Rent Allowance (HRA)** + **City Compensatory Allowance (CCA)**

The details of above said components of salary of government employees are as follows.

- **Basic pay:** The primary component of employee salary which is bases for calculation of other components in the employee salary.

- **Grade pay:** An amount which is fixed by the government on the range of employee in government hierarchy. (for example; Group A officers have high grade pay than Group B officers.)

- **Dearness Allowance:** Certain percentage of the amount on basic pay. This percentage varies from state government to Central government employees. An allowance paid to employees on the basis of consumer Price index. Consumer price index denotes the cost of the products which influences by the inflation. (in simple terms cost of living) At present, 41% is for state government employees and 72 % is for Central government employees as dearness allowance on their basic pay.

- **House Rent Allowance (HRA):** Certain percentage of the amount on basic pay. This percentage varies from state government to Central government employees. This allowance is paid to employees are meeting house rent expenditure.

- **City Compensatory Allowance (CCA):** An allowance paid according to the city or town where employee do the job and the purpose of this allowance is to compensate high cost of living especially in cities like Mumbai, Delhi, Calcutta and Hyderabad et cetera . Government decides the amount of allowance to be paid to employees on basis of city or town.

MOTIVATION OF EMPLOYEES

Why is it important to motivate employees?

Employee motivation is one of the main components of achieving company success. Making sure employees are consistently feeling happy, fulfilled and motivated can mean better performance, higher quality work and a greater likelihood that they want to stay with the company longer, which reduces the employee turnover rate and ultimately saves money. Additionally, a higher level of motivation and productivity means a quicker and more profitable

15 strategies for motivating employees

From setting attainable goals to providing continued opportunities for career advancement and growth, there are a number of effective techniques you can use to keep employees feeling motivated within their roles. Here are 15 motivational strategies that you can try:

1. Set attainable goals

Creating SMART (specific, measurable, actionable, relevant and time-bound) goals for employees is an excellent motivational technique. These goals outline the criteria needed for attainable success, giving employees something specific to strive for. When creating team-based SMART goals, identify each employee's role in the objectives so they know exactly how and what they can contribute.

2. Provide immediate praise for accomplishments

While formal reviews are useful for giving detailed feedback, you can boost overall morale by providing positive praise to other employees when they've done a great job on a project or completed an assignment ahead of time. Employees often respond well to praise, which motivates them to continue working hard.Taking time to provide individuals with praise or recognition for their accomplishments lets them know they're valuable to the company. It also provides them with positive reinforcement that what they're doing is successful, leaving them with feelings of empowerment.

3. Create an employee incentive program

Another helpful strategy for improving employee motivation is creating an incentive program that directly rewards team members for their accomplishments. The promise of an incentive not only encourages employees to do their best work but also gives them something for which to strive. Raises are big motivators for many, but employees also appreciate other incentives, like bonuses, paid time off, trophies, gift cards and verbal recognition.

4. Ensure a healthy work-life balance

Maintaining a good work-life balance helps employees feel happier and more motivated within their roles. Some ways you can ensure a healthy work-life balance include:

- Encouraging breaks: Providing short breaks throughout the workday allows employees to rest. Feeling refreshed can greatly reduce the chances of burnout and lead to higher employee satisfaction and motivation.
- Offering flexible scheduling: Allowing employees to take time off for routine appointments, like doctor's visits, last-minute emergencies and self-care days helps employees feel more secure in their roles and also more productive.
- Providing work-from-home options: Employees who have the option to work remotely, even just one or two days a week, may feel better about their work-life balance. Working from home eliminates commute times and allows employees to work in environments that increase their productivity.

5. Create a positive work environment

A positive work environment supports enthusiasm, collaboration and motivation—all of which are vital to the success of a company. When creating an ideal environment for employees, it's beneficial to strive to be someone that you would want to work for.In addition to starting every day with a good attitude, there are several techniques you can employ to ensure a healthy work environment for employees, including:

- Encouraging autonomy: Most employees are capable of managing their schedules and completing their tasks. When you give them the freedom to use their time as they deem fit, they tend to feel happier and more motivated.
- Inspiring creativity and innovation: Empowering employees to create innovative solutions often gives them a greater sense of accomplishment than if they were to follow a standard process. Encouraging intrapreneurship within the workplace has many advantages, with increased motivation being one of them.
- Celebrating both professional and personal milestones: Whether an employee has just completed a difficult project or celebrated a birthday, acknowledging these events is a good practice.

6. Encourage an open-door policy within the workplace

How you interact with and respond to your team members on a day-to-day basis has a direct effect on motivation and productivity levels. Providing an open line of communication for team members to freely express questions, thoughts and concerns enable them to feel more comfortable and secure in their roles. It shows that you care about their opinions and are invested in their input.

7. Provide opportunities for career development and advancement

Employees who know they can advance in their current career path are more likely to feel productive. Making sure that employee growth and continued learning are priorities within the organization for which you work can create a positive work culture. Offering free on-the-job training and certification courses are a great way to keep employees feeling motivated, excited and happy about their work.

8. Promote team collaboration

It's beneficial for employees to feel a sense of teamwork and collaboration since employees typically spend about 40 hours a week interacting with one another. A few methods to promote team collaboration are:

- Planning team-bonding activities: Not only do team-building activities offer a fun break from your day-to-day routine, but they're an excellent way to motivate employees. Whether you opt for weekly happy hours or the occasional game night, these can help strengthen communication skills, improve problem-solving abilities and increase overall morale.

- Teaching conflict-management skills: Offering training on conflict management can help employees resolve challenges within their teams effectively. This can help team members communicate more openly, increasing collaboration and group productivity.

9. Offer mentorship opportunities

Providing mentorship opportunities can motivate employees to perform their jobs at a higher level. Offering opportunities like one-on-one coaching and mentoring within a small group setting can inspire employees to ask questions and set more advanced goals that may encourage them to work harder and continue learning and growing within their careers.

10. Build trust within the team

Showing your team members that you trust them to perform their jobs well can help foster a better sense of responsibility. Giving this trust to your colleagues can encourage them to offer you the same respect and may motivate them to meet your expectations. One way to promote trust as a manager is to offer more independence to team members

11. Learn more about individuals

Learning more about each individual on the team can help you understand what challenges they may encounter and what their strengths are. To learn more about team members, consider playing icebreaker games and having one-on-one discussions to learn about their goals and personality. This can help you strategize how to motivate each individual.

12. Offer help with individual goals

Instead of focusing solely on team goals, it's helpful to also encourage your colleagues to pursue their own professional goals. Showing members of the team you lead that you care about their personal goals can help empower them for success. They also may become more productive and effective in their role as they work to achieve their goals.

13. Inform team members about company happenings

Ensuring that the team on which you work understands events and situations within the company, such as fiscal quarters, performance goals and market aspects that affect production, can help them feel more invested in the company. Providing this transparency is helpful for motivating your colleagues to understand more about the company. Those who understand how the company for which they work functions may be more likely to stay in their role, increasing employee retention.

14. Give frequent feedback

Providing frequent feedback can allow individuals to strategize for improvement. Offering praise and constructive criticism can help employees feel valued and respected. If the company for which you work has a consistent feedback and review schedule, it may motivate team members to strive for exceptional performance so they can receive praise during their reviews.Related: It

15. Assign manageable workloads

Assigning manageable workloads to team members can help ensure they can complete all their work without feeling stressed. Having smaller workloads can help individuals feel happier at work and ensure they have enough time to finish their tasks. Consider performing frequent check-ins with people on your team to ensure that they're happy with their workload.

T

TRADE UNIONS

Meaning of Trade Union

A **trade union** is an organized association of workers formed to **protect and promote their common interests**, especially in matters related to **wages, working conditions, hours of work, job security, and welfare**.

Thus, trade unions play a crucial role in protecting workers' rights, improving their economic conditions, and maintaining healthy industrial relations. They contribute not only to the welfare of employees but also to the smooth functioning of organizations and society.

In simple words:

A trade union is a group of employees who come together to speak with **one voice** to the employer.

Definition

According to the **Trade Unions Act, 1926 (India)**:

A trade union is any combination formed primarily for the purpose of regulating the relations between workmen and employers.

Objectives of Trade Unions

The main objectives are:

1. **To protect workers' rights** – against exploitation and unfair treatment.
2. **To improve wages and benefits** – better salary, bonus, incentives.
3. **To ensure job security** – prevent arbitrary dismissal.
4. **To improve working conditions** – safety, hygiene, working hours.
5. **To promote welfare** – housing, medical facilities, insurance.
6. **To represent workers** – in negotiations with management.
7. **To settle disputes** – through collective bargaining.

Objectives of Trade Unions (for short notes)

The main objective of a trade union is to safeguard the interests of workers and improve their overall working and living conditions. The important objectives are explained below:

1. To protect workers' rights

Trade unions protect workers from **exploitation and unfair treatment** by employers. They ensure that workers are treated with dignity and their legal rights are respected. Trade unions act against issues such as discrimination, harassment, wrongful termination, and denial of basic facilities. They also help workers understand labour laws and provide legal support when required.

2. To improve wages and benefits

One of the primary objectives of trade unions is to secure **better wages and financial benefits** for workers. Through collective bargaining, unions negotiate with management for fair salaries, bonuses, overtime payments, incentives, and allowances. This helps workers maintain a better standard of living and motivates them to perform efficiently.

3. To ensure job security

Trade unions work to protect workers from **arbitrary dismissal, retrenchment, or layoffs**. They demand proper procedures before termination and ensure that workers are not removed without valid reasons. By doing so, unions provide stability and confidence to workers, reducing fear and insecurity in the workplace.

4. To improve working conditions

Trade unions strive to create **safe and healthy working environments**. They demand proper safety measures, clean and hygienic workplaces, reasonable working hours, rest intervals, and protection from hazardous conditions. This reduces accidents and health problems and increases worker satisfaction and productivity.

5. To promote welfare

Trade unions promote the **overall welfare of workers** by arranging facilities such as housing, medical care, insurance, educational assistance, and recreational activities. They may also establish welfare funds and cooperative societies to support workers during emergencies like illness, accidents, or retirement.

6. To represent workers

Trade unions act as the **voice of workers** in front of management. Instead of individual workers approaching the employer, the union represents the collective demands and grievances. This strengthens workers' bargaining power and ensures their opinions are considered in organizational decisions.

7. To settle disputes

Trade unions help in the **peaceful settlement of industrial disputes** through methods like collective bargaining, negotiation, conciliation, and arbitration. This prevents conflicts from becoming serious and helps maintain industrial harmony, avoiding unnecessary strikes and lockouts.

Functions of Trade Unions

1. Economic Functions

- Negotiating wages and salaries
- Ensuring fair bonus and incentives
- Protecting workers from pay cuts

2. Protective Functions

- Protection from unsafe working conditions
- Protection against discrimination and exploitation
- Legal help to workers

3. Social Functions

- Providing education and training
- Welfare activities (canteens, housing, health camps)
- Promoting unity and cooperation

4. Political Functions

- Representing workers in government policies
- Supporting labour laws
- Participating in labour movements

Functions of Trade Unions

Trade unions perform several important functions to protect and promote the interests of workers. These functions can be broadly classified into economic, protective, social, and political functions.

1. Economic Functions

Trade unions negotiate with employers to secure better wages and salaries for workers. They also ensure fair bonuses and incentives are provided. Unions protect workers from unfair pay cuts and help in improving overall economic conditions of employees through collective bargaining.

2. Protective Functions

Trade unions protect workers from unsafe and unhealthy working conditions. They work against discrimination and exploitation in the workplace. Unions also provide legal help to workers in case of disputes, unfair dismissal, or violation of labour laws.

3. Social Functions

Trade unions contribute to the social welfare of workers by providing education and training programs to improve skills. They organize welfare activities such as canteens, housing facilities, and health camps. Unions also promote unity, cooperation, and a sense of brotherhood among workers.

4. Political Functions

Trade unions represent workers in matters related to government policies and labour issues. They support and influence labour laws for the benefit of workers. Unions also participate in labour movements to safeguard workers' rights at a national level.

Importance / Role of Trade Unions

For Workers:

- Strong bargaining power
- Better working conditions
- Job security
- Voice in decision-making

For Employers:

- Helps in understanding worker problems
- Reduces conflicts
- Improves productivity through cooperation

For Society:

- Promotes industrial peace
- Improves standard of living
- Reduces inequality

Advantages of Trade Unions

- Improves wages and benefits
- Protects workers' rights

- Promotes equality
- Encourages democracy in workplace

disadvantages of Trade Unions

- Frequent strikes affect production
- Political influence
- Can lead to conflicts
- Sometimes ignore individual merit

Types of Trade Unions

1. **Craft Union** – Workers of same skill (e.g., electricians).
2. **Industrial Union** – All workers of one industry (e.g., textile).
3. **General Union** – Workers from different industries.
4. **White-collar Union** – Office employees, teachers, IT workers.

Trade Unions in India – Examples

- **INTUC** – Indian National Trade Union Congress
- **AITUC** – All India Trade Union Congress
- **CITU** – Centre of Indian Trade Unions
- **BMS** – Bharatiya Mazdoor Sangh

Conclusion

Trade unions play a **very important role in industrial relations**. They protect workers from exploitation, improve working conditions, and help maintain industrial peace. When managed properly, trade unions benefit **workers, employers, and society as a whole**.

COLLECTIVE BARGAINING

What is Collective Bargaining?

The negotiation regarding the employment terms between an employer and its workers is termed 'Collective Bargaining'. The employer and the representatives of the employees agree to certain terms and conditions regarding the various terms of employment. The representatives of the employees belong to certain trade unions. The terms of employment under negotiation in collective bargaining include employee working conditions, salaries, wages, incentives, compensations, benefits, working hours, etc. The main objective is to agree with both parties via a written contract in collective bargaining. According to the International Labour Organization (ILO), collective bargaining is essential for all employees.

Steps in Collective Bargaining

Collective bargaining is a deep-level discussion between the employer and employee where offers and counteroffers continuously flow from both sides. However, the ultimate goal of this negotiation is to reach a mutual agreement. There are certain steps that the collective bargaining follows:

1. Recognizing the Problems and Organizing the Demands: This involves compiling a list of complaints, such as inadequate pay or harsh management techniques.
2. Negotiating: Professional negotiators can be hired by the trade unions to try to agree with the employer. The employer will also send negotiators, and the meetings between the two parties won't end until a mutually agreeable solution is reached.
3. Reaching a Temporary Agreement: Upon reaching a consensus, the negotiating parties will present the agreement to their respective constituencies. In the meantime, any last-minute concerns would be brought up while the details are worked upon.
4. Approving and Endorsing the Agreement: The detailed contract would be presented to the union members, who have the power to either vote for or against the new agreement.
5. Monitoring the Agreement: After the contract is finalized and signed by both parties, representatives would monitor whether the agreed parties are abiding by the obligations or not.
There are certain instances where the parties are not able to reach a consensus. If the negotiation time doesn't come to an agreed terms and conditions, the union leaders ask the employees to go on strike until the demands are fulfilled. On the other hand, if the employers can accept the terms and conditions, they can temporarily shut their employees until a mutual agreement is reached. In this case, the employees can put up a protest.

However, most employers and employees do not go to such levels as those are extreme cases. Both the parties mutually agree upon the laid-out contract.

Objectives of Collective Bargaining

1. Remuneration Negotiation: One of the prime objectives of collective bargaining is to negotiate and determine fair wages and benefits for employees.
2. Working Conditions: Collective bargaining aims to improve and establish favorable working conditions, including issues such as working hours, safety standards, and other workplace policies.
3. Employment Terms: It seeks to negotiate and determine employment terms, such as contracts, job security, and grievance procedures, to ensure fairness and stability for workers. or employees.
4. Resolution of Disagreements: Collective bargaining helps in resolving conflicts between employers and employees through negotiations, reducing the likelihood of strikes or other disruptive actions.
5. Rights of the Employees: It focuses on securing and protecting the rights of workers, for example, the right to organize, collectively bargain, and engage in other concerted activities.
6. Productivity and Efficiency: By addressing issues like training, technology adoption, and efficiency improvements, collective bargaining aims to enhance overall productivity within the workplace
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Scope of Collective Bargaining

The following lists out the scope of collective bargaining applicable in any negotiation between the employer and employee.

1. Negotiation Power: Collective bargaining provides workers with a unified front, increasing their bargaining power when negotiating with employers.
2. Payments and Benefits: The negotiations are based on wages or salaries, benefits, and working conditions, to secure favorable terms for the employees.
3. Working Conditions: It addresses issues about the working hours, safety standards, and other conditions to ensure a fair and conducive work environment. The workers need to feel safe and secure while working for the organization.
4. Conflict Resolution: Collective bargaining serves as a procedure for resolving disputes between management and the workers of an organization, fostering a collaborative approach to conflict resolution.
5. Job Security: The negotiations also comprise discussions on job security and layoffs with the motive to protect workers from unfair terminations.

6. Rights of the Employees: In the discussions certain issues such as job role and responsibilities, promotions, and disciplinary actions might be addressed to safeguard the rights of employees.
7. Efficiency and Productivity: From collective bargaining, employers and employees can agree to certain conditions that would boost productivity and efficiency, benefiting both the employer and the employees.
8. Legally Binding: This agreement ensures that the contracts adhere to legal regulations and compliance, building a framework for fair and lawful employment practices.

Types of Collective Bargaining

Collective bargaining can take different forms depending on the parties involved and the issues negotiated. The below list of the types of collective bargaining:

1. Distributive Bargaining: This type involves a fixed amount of resources that parties need to divide among themselves. It's often a zero-sum game, where one party's gain is the other's loss. Wage negotiations are a common example, where employees seek higher pay, and employers aim to control labor costs.
2. Integrative Bargaining: Unlike distributive bargaining, integrative bargaining creates a "win-win" situation. The objective is to expand the resources available so that both parties can benefit. Collaborative problem-solving and creative solutions are encouraged to address the interests and needs of both parties involved.
3. Composite Bargaining: Composite bargaining is also known as pattern bargaining. This occurs when negotiations cover multiple issues, and agreements on one issue set a pattern for the others. It allows for a comprehensive approach to bargaining, where resolution on one aspect may influence or guide the resolution of other related issues.
4. Concessionary Bargaining: Concessionary bargaining means coming to a concession in the negotiation process. It is centered on union leaders agreeing to give up something in return for job security. This is typical during a recession or other downturn in the economy. Union leaders may consent to forgo some perks to ensure the longevity of the workforce and, eventually, the company.
5. Productivity Bargaining: The primary issues of discussion in this kind of negotiation are employee productivity and compensation. Trade union leaders frequently use increased pay and benefits to encourage worker productivity, which increases the company's value and profits. To maximize output, both sides must come to an understanding of financial terms for this type of negotiation to be successful.

Advantages of Collective Bargaining

1. Improved Working Conditions: Collective bargaining often leads to agreements that enhance working conditions, and also include better remuneration, overtime pay, benefits, working hours, and vacation time.
2. Stability and Peaceful Labor Relations: By providing a structured and standard platform for negotiations, collective bargaining can contribute to stable and peaceful labor relations, reducing the likelihood of strikes or other disruptive actions.
3. Employee Empowerment: This negotiation strategy offers employees a collective voice and bargaining power, allowing them to actively participate in decisions that affect their workplace.
4. Increased Productivity: When agreements address employee concerns and needs, it can foster a more satisfied and motivated workforce, potentially increasing productivity.

Disadvantages of Collective Bargaining

1. Rigidity: Collective bargaining agreements may introduce inflexibility into the employment relationship, making it challenging for employers to adapt to changing business conditions.
2. Conflict and Strikes: Failed negotiations or disputes during the bargaining process can lead to strikes or halt in work, disrupting operations and causing financial losses for both parties.
3. Costs: Meeting the demands of collective bargaining agreements, such as higher wages and benefits, can increase labor costs for employers, impacting profitability.
4. Inequality: Not all employees may benefit equally from collective bargaining, as the negotiated terms may favor certain groups or seniority-based structures, potentially leading to inequality among workers.
5. Time-Consuming: Sometimes the negotiation discussion might take a longer period such as weeks or months. It is hence also known as a drawn-out process.

Conclusion

Collective bargaining is an important tool that helps employers and employees reach fair agreements on workplace issues. It provides workers with a strong collective voice and ensures better wages, safer conditions, and job security. At the same time, it helps maintain peaceful labour relations and improves productivity. Although it may sometimes be slow and rigid, collective bargaining plays a vital role in creating a fair and balanced industrial environment.

COLLECTIVE BARGAINING

Meaning of Collective Bargaining

Collective bargaining is the process of negotiation between an employer and the representatives of employees (usually trade unions) to decide the terms and conditions of employment. These negotiations cover issues such as wages, salaries, working hours, incentives, benefits, job security, safety, and working conditions.

The main objective of collective bargaining is to reach a **mutual agreement** that is acceptable to both employers and employees. The final outcome is a written agreement called a **Collective Bargaining Agreement (CBA)**. According to the International Labour Organization (ILO), collective bargaining is an essential right of workers.

Steps in Collective Bargaining

1. **Recognizing Problems and Organizing Demands**
   The employees identify their problems such as low wages, long working hours, or poor working conditions and prepare a list of demands.
2. **Negotiation**
   Representatives of workers and employers meet to discuss demands. Both sides make offers and counteroffers until a common solution is reached.
3. **Reaching a Temporary Agreement**
   Once both parties agree, a draft agreement is prepared and shared with workers and management for feedback.
4. **Approval and Endorsement**
   The agreement is presented to union members, who vote to accept or reject it.
5. **Implementation and Monitoring**
   After approval, the agreement is signed and implemented. Both parties monitor whether the terms are followed.

If no agreement is reached, workers may go on strike, or employers may declare a lockout. However, most disputes are settled through mutual understanding.

Objectives of Collective Bargaining

1. **Fair Remuneration** – To negotiate fair wages, salaries, bonuses, and benefits.
2. **Better Working Conditions** – To improve safety, working hours, and workplace environment.
3. **Employment Security** – To ensure job security and fair employment terms.
4. **Conflict Resolution** – To settle disputes peacefully through discussion.
5. **Protection of Rights** – To safeguard workers' rights such as the right to organize and bargain.
6. **Improved Productivity** – To motivate workers and improve efficiency through better policies.

Scope of Collective Bargaining

1. **Negotiation Power** – Workers gain collective strength to negotiate effectively.
2. **Wages and Benefits** – Covers salaries, incentives, bonuses, and allowances.
3. **Working Conditions** – Includes safety measures, work hours, and leave policies.
4. **Conflict Resolution** – Helps solve disputes between management and employees.
5. **Job Security** – Discusses layoffs, promotions, and transfers.
6. **Employee Rights** – Deals with discipline, responsibilities, and career growth.
7. **Productivity** – Encourages efficiency and better performance.
8. **Legal Validity** – Agreements are legally binding and must follow labour laws.

Types of Collective Bargaining

1. **Distributive Bargaining**
   One party gains at the expense of the other. Example: wage increase negotiations.
2. **Integrative Bargaining**
   A win-win approach where both parties benefit. Example: flexible work hours for higher productivity.
3. **Composite (Pattern) Bargaining**
   Multiple issues are negotiated together, and one agreement becomes a model for others.
4. **Concessionary Bargaining**
   Workers agree to give up some benefits in exchange for job security, usually during economic crises.
5. **Productivity Bargaining**
   Focuses on increasing productivity in return for better wages and benefits.

Advantages of Collective Bargaining

1. Improves wages, benefits, and working conditions.
2. Promotes peaceful and stable labour relations.
3. Empowers employees by giving them a collective voice.
4. Increases motivation and productivity.

Disadvantages of Collective Bargaining

1. Can reduce flexibility for employers.
2. May lead to conflicts, strikes, or lockouts.
3. Increases labour costs for employers.
4. May create inequality among employees.
5. Is time-consuming and lengthy.

Conclusion

Collective bargaining is an important tool that helps employers and employees reach fair agreements on workplace issues. It provides workers with a strong collective voice and ensures better wages, safer conditions, and job security. At the same time, it helps maintain peaceful labour relations and improves productivity. Although it may sometimes be slow and rigid, collective bargaining plays a vital role in creating a fair and balanced industrial environment.

<u>**CONFLICT MANAGEMNT**</u>

CONFLICT MANAGEMENT

Except in very few situations where the conflict can lead to competition and creativity so that in such situations the conflict can be encouraged, in all other cases where conflict is destructive in nature, it should be resolved as soon after it has developed as possible, but all efforts should be made to prevent it from developing.

THE CAUSES FOR THE CONFLICT

1. Communicational Aspect of Conflict

Conflict arises due to **poor or ineffective communication**. When messages are unclear, incomplete, misunderstood, or wrongly interpreted, it can lead to confusion and mistakes. This often results in blaming each other, which creates conflict between the sender and the receiver.

2. Behavioural Aspect of Conflict

This type of conflict occurs because of **differences in attitudes, values, emotions, perceptions, and personality traits**. People think and react differently to situations, and these differences can easily lead to misunderstandings, ego clashes, and personal conflicts.

3. Structural Aspects of Conflict

These conflicts arise due to the **organizational structure and work design**. Important structural factors are:

a. Size of the organization
In large organizations, communication becomes difficult and coordination is poor, which increases misunderstandings and conflict.

b. Line–Staff distinction
Conflict occurs between line managers (who are responsible for main operations) and staff managers (who provide advice and support) due to differences in authority and roles.

c. Participation
When employees are **not involved in decision-making**, they feel ignored or dissatisfied, which leads to conflict with management.

d. Role ambiguity
When job roles and responsibilities are **not clearly defined**, employees become confused about their duties, leading to overlap, stress, and conflict.

e. Design of work-flow
Poorly planned workflow causes delays, dependency on others, and work pressure, which leads to disagreements and conflict.

f. Scarcity of resources
When resources like money, time, staff, or equipment are limited, employees compete for them, which results in conflict.

TYPES OF CONFLICT SITUATIONS

Since conflict has both positive and negative connotations and consequences, it must be looked and managed for useful purposes. The management must survey the situation to decide whether to stimulate conflict or to resolve it. There are five basic types of conflicts.

1. **Conflict within the individual:** The conflict within the individual is usually value related, where the role playing expected of the individual does not conform with the values and beliefs held by the individual.
2. **Interpersonal conflicts:** Interpersonal conflict involves conflict between two or more individuals and is probably the most common and most recognized conflict. This may involve conflict between two managers who are competing for limited capital and manpower resources.
3. **Conflict between the individual and the group:** As we have discussed before, all formal groups as well as informal groups have established certain norms of behaviour and operational standards which all members are expected to adhere to. The individual may want to remain within the group for social needs but may disagree with the group methods.
4. **Inter group conflict:** An organization is an interlocking network of groups, departments, sections or work teams. These conflicts are not so much personal in nature, as they are due to factors inherent in the organizational structure.
5. **Inter organizational conflict:** The conflict also occurs between organizations which in some way are dependent on each other. This conflict may be between buyer organizations and the supplier organizations about quantity, quality and delivery times of raw materials and other policy issues, between unions and organizations employing their members, between government agencies that regulate certain organizations and the organizations that are affected by them.

PREVENTING CONFLICT

Some of the preventive measures that the management can take, according to schein are:

Goal structure: Goals should be clearly defined and the role and contribution of each unit towards the organizational goal must be clearly identified. All units and the individuals in these units must be aware of the importance of their role and such importance must be fully recognized.

Reward system: The compensation system should be such that it does not create individual competition or conflict within the unit. It should be appropriate and proportionate to the group effort and reflect the degree of interdependence among units where necessary.

Trust and communication: The greater the trust among the members of unit, the more honest and open the communication among them would be. Individuals and units should be encouraged to communicate openly with each other so that they can all understand each other, understand each other‟s problems and help each other when necessary.

Coordination: Co-ordination is the next steps to communication properly coordinated activities reduce conflict. Wherever there are problems in coordination, a special liaison office shuld be established to assist such coordination.

RESOLVING BEHAVIOURAL CONFLICT

Various researchers have identified five primary strategies for dealing with and reducing the impact of behavioural conflict.

Ignoring the conflict: In certain situations, it may be advisable to take a passive role and avoid it all together. From the manager‟s point of view, it may be specially necessary when getting involved in a situation would provoke further controversy or when conflict is so trivial in nature that it would not be worth the manager‟s time to get involved and try to solve it.

It could also be that the conflict is so fundamental to the position of the parties involved that it may be best either to leave it to them to solve it or to let events take their own course.

Smoothing: Smoothing simply means covering up the conflict by appealing for the need for unity rather than addressing the issue of conflict itself. An individual with interval conflict may try to "count his blessing" and forget about the conflict.

If two parties have a conflict within the organization, the supervisor may try to calm things down by being understanding and supportive to both parties and appealing them for cooperation. The supervisor does not ignore or withdraw from the conflict nor does he try to address and solve the conflict but expresses hope that "everything will work out for the best of all."

Compromising: A compromise is the conflict is reached by balancing the demands of the conflicting parties and bargaining in a give and take position to reach a solution. Each party gives up some thing and also gains something. The technique of conflict resolution is very common in negotiations between the labor unions and management.

Forcing: As webber puts it,"the simplest conceivable resolution is the elimination of the other party – to force opponents to flee and give up the fight – or slays them". This is a technique of domination where the dominator has the power and authority to enforce his won views over the opposing conflicting party.

This technique is potentially effective in situations such as a president of a company firing a manager because he always ends up in one party being a loser and the other party being a clear winner.

Problem solving: This technique involves “confronting the conflict” in order to seek the best solution to the problem. This approach objectively assumes that in all organizations, no matter how well they are managed, there will be differences of opinions which must be resolved through discussions and respect for differing view points. In general, this technique is very useful in resolving conflicts arising out of semantic misunderstandings.

Resolving structural based conflicts

The structural based conflict is built around organizational environment and can be solved or prevented by redesigning organizational structure and work-flow. A general strategy would be to move towards as much decentralization as possible so that most of the disputes can be settled at the lower levels in the organization, as well do so faster.

The conflict between different departments may be reduced by establishing liaison. Liaison officers are those who are neutral in their outlook and are sympathetic to both parties and kind of “speak the language” of both groups. They do not have a vested interest in any of these groups. Since one of the major causes of conflict is lack of proper knowledge and facts about how other people think and act, it may be a good idea to let the individuals work with different groups so that they tend to know each other better and understand each other better.

Stimulating conflict

It has been pointed out earlier that under certain circumstances, conflict is necessary and desirable in order to create changes and challenges within the organization. In such situations the management would adopt a policy of conflict stimulation so that it encourages so that it encourages involvement and innovation.

- *Appoint mangers who support change*. Some highly authoritative managers are very conservative in their outlook and tend to suppress opposing viewpoints.
- *Encourage competition*. Competition, if managed properly can enhance conflict which would be beneficial to the organization
- *Manipulate scarcity*. Let the various individuals and groups compete for scarce resources. This would cause conflict and make the individuals and groups do their best in order to fully utilize such resources.
- *Play on status differences*. Sometimes, ignoring the senior staff members and giving visible responsibilities to junior members can cause a conflict requiring senior members to work harder to prove that they are better than the junior staff members.

EMPLOYEE BENEFITS

An employee benefits package includes all the benefits provided by an employer. There are some types of employee benefits that are mandated by law, including minimum wage, overtime, leave under the Family Medical Leave Act, unemployment, and workers compensation and disability.

There are other types of employee benefits that employers are not required to offer, but choose to provide to their employees.

What Are Employee Benefits?

Employee benefits are non-salary compensation that can vary from company to company. Benefits are indirect and non-cash payments within a compensation package. They are provided by organizations in addition to salary to create a competitive package for the potential employee.

However, benefits remain inconsistent across sectors, with blue-collar and informal workers often left with minimal protection despite labor code reforms.

In this climate, progressive companies that invest in inclusive benefits not only gain reputational advantage but also help reshape the broader conversation around employee well-being in modern India.

Who Qualifies for Statutory Benefits in India?

In India, statutory employee benefits typically cover individuals with standard employment contracts, including full-time, part-time, and fixed-term roles.

These employees are integrated into India's social security system, which provides a range of benefits such as health insurance, pension schemes, and unemployment insurance.

Generally, benefits begin from the first day of employment if the employee's income exceeds a specific threshold, ensuring immediate access to essential protections.

Who Is Excluded?

Certain worker categories are excluded from statutory benefits:

- Freelancers and Contractors: These individuals typically do not receive statutory benefits.
- Low-Income Workers: Those earning below a national threshold may not qualify for full benefits.
- Interns and Agency Temps: Eligibility may be conditional or limited to specific benefits.
- For more detailed information on statutory benefit eligibility, you can visit the Ministry of Labour & Employment, which provides comprehensive guidelines and updates.

Statutory Employee Benefits in India

Here's a concise overview of the key statutory employee benefits mandated by Indian labor laws, along with eligibility criteria and contribution requirements:

Employees' provident fund (EPF)

A long-term retirement savings scheme that requires equal contributions from employers and employees to support financial security post-employment.

- Applicability: Mandatory for establishments with 20+ employees.
- Eligibility: Employees earning up to ₹15,000/month (higher-wage employees can voluntarily opt in).

- Contribution:
  - Employer: 12% of basic wages + DA.
  - Employee: 12% of basic wages + DA.
  - Part of the employer's 12% goes to the Employees' Pension Scheme (EPS): 8.33% to EPS, rest to EPF.

Employees' state insurance (ESI)

A social insurance scheme providing medical, disability, maternity, and unemployment benefits to workers earning below a certain threshold.

- Applicability: For establishments with 10+ employees (in some states, 20+), where wages ≤ ₹21,000/month.
- Contribution:
  - Employer: 3.25% of gross wages.

        - Employee: 0.75% of gross wages.
    - Benefits: Medical care, sickness benefits, maternity leave, disability, and dependent benefits.

Gratuity

A lump sum paid to employees as a token of appreciation for long-term service, due after five years of continuous employment.

- Applicability: Establishments with 10+ employees.
- Eligibility: Employees with 5+ years of continuous service.
- Payout: 15 days' wages for every completed year of service.
- Formula: *(Last drawn salary × 15 × years of service) / 26*
- Tax-Free Limit: Up to ₹20 lakhs under current Income Tax law.

Bonus (payment of bonus act)

A statutory annual payout to eligible employees based on profits or productivity, meant to promote financial participation in organizational success.

- Applicability: Establishments with 20+ employees.
- Eligibility: Employees earning ≤ ₹21,000/month.
- Bonus Rate: 8.33% to 20% of annual salary.
- Minimum bonus: Statutory requirement, even if the employer makes no profit.

Maternity benefit

A legally mandated paid leave period for pregnant employees to ensure health and recovery during and after childbirth.

- Applicability: All establishments employing 10+ people.
- Entitlement: 26 weeks of paid leave for first two children; 12 weeks thereafter.
- Additional Benefit: 1 month of leave in case of complications or illness.

Leave entitlements

Legally prescribed categories of paid time off—earned, casual, and sick leave—plus public holidays, to support work-life balance and health. Governed by state-specific Shops & Establishments Acts, but typically include:

- Earned Leave (EL): 12–18 days/year.

- Casual Leave (CL): 7–10 days/year.
- Sick Leave (SL): 7–12 days/year.
- Public holidays: Around 10–14 days/year depending on state.

Notice period, severance, and termination

- Governed by the Industrial Disputes Act or local labor laws.
- Workers terminated for redundancy are entitled to compensation: 15 days' wages per year of service.

Notes on enforcement and coverage

Despite comprehensive laws, enforcement is weak in the informal sector, which employs over 85% of India's workforce.

Many startups and tech companies offer benefits beyond the statutory minimum, while traditional and small enterprises often stick to only the legal requirements.

Recent Labor Code reforms (not yet fully implemented nationwide) aim to streamline compliance and expand social security coverage.

Leave Entitlements in India

In India, leave entitlements cover various types of leave, each protected by law to support different aspects of an employee's personal and professional life.

These policies are designed to ensure employees have necessary time off for rest, personal needs, and family care.

- Annual paid vacation: Employees earn 1 day of leave for every 20 days worked, totaling 15–18 days annually. It's intended for rest and recuperation, and is administered by the employer.
- Public holidays: Varies by state, but typically includes 10-14 paid holidays per year. They allow employees to observe national and cultural events, with leave managed by employers.
- Sick leave: Usually offers 7 days per year for health-related absences. It's crucial for recuperation and is often compensated by the employer.
- Maternity leave :Provides 26 weeks of paid leave for the first two children and 12 weeks for subsequent ones, supporting family and child health. It's a statutory requirement managed by employers.
- Paternity leave [Typically offers up to 15 days to support new fathers, though not uniformly mandated across all sectors.

- Parental leave Limited and mostly at the discretion of employers, intended for broader family care responsibilities.

Common and Fringer Employee Benefits in India

In India, while not mandatory, many employers offer a range of additional benefits to enhance employee satisfaction and retention.

These benefits, which include private pension plans, supplemental health insurance, and performance bonuses, play a significant role in attracting talent and improving workplace morale.

- *Private health insurance*: Offered by many employers, especially in urban and white-collar sectors, to provide broader medical coverage than public schemes; often includes family coverage and cashless hospitalization at private facilities.
- *Superannuation fund (SAF):* A voluntary employer-sponsored retirement fund in addition to EPF, typically managed by an insurer (e.g., LIC, ICICI Prudential). Contributions up to ₹1.5 lakh/year by the employer are tax-free under Section 10(13). Any excess is taxable as a perquisite. On retirement, the commuted (lump sum) portion is tax-free; pension payouts are taxable as income.
- *Meal cards or vouchers*: Tax-advantaged benefits (up to ₹50 per meal) provided via prepaid cards like Sodexo or Zeta, commonly used in place of in-house cafeterias and to support employees' daily food expenses.
- *Transport allowance:* Structured to reduce taxable income, this allowance supports commuting costs and is popular in congested metro areas; companies may also provide shuttle services or fuel reimbursements.
- *Work-from-home support:* Post-pandemic, many companies offer stipends for internet, office furniture, or utilities to enhance productivity and comfort while working remotely.
- *Flexible working hours:* An increasingly common perk in tech and knowledge industries, flexible schedules support work-life balance and are valued for reducing burnout and enhancing autonomy.
- *Education and upskilling reimbursements*: Employers often sponsor certifications, online courses, or advanced degrees to retain talent and foster career growth, particularly in IT, finance, and consulting roles.
- *Wellness programs:* These include gym memberships, mental health counseling, meditation sessions, and wellness apps—designed to improve overall employee wellbeing and reduce stress.
- *Employee stock options (ESOPs):* Popular in startups and tech firms, ESOPs offer employees a stake in the company's growth and are used as a long-term retention and reward tool.
- *Club memberships and concierge services*: Fringe benefits for senior executives may include golf club memberships, personal concierge services, or company-leased vehicles as part of lifestyle enhancement.

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Apart from statutory benefits like EPF, ESI, gratuity, and maternity leave are regulated nationally, certain aspects like minimum wages, shop and establishment rules, and state welfare schemes vary significantly across states.

1. Minimum Wages

Minimum Wages refer to the **lowest amount of remuneration** that an employer is legally required to pay a worker for his/her labour.
In India, minimum wages are fixed under the **Minimum Wages Act, 1948** and revised periodically by the government.

Objectives:

- To prevent exploitation of workers
- To ensure a basic standard of living
- To reduce poverty and inequality

Minimum wages vary based on:

- Nature of work (skilled, semi-skilled, unskilled)
- Industry
- Region or state

2. State-Specific Welfare Boards

State Welfare Boards are statutory bodies formed by state governments to promote the **social security and welfare of workers**, especially in the unorganized sector.

Functions:

- Provide benefits like pension, insurance, education aid
- Offer medical assistance and accident compensation
- Register workers and issue welfare cards

Examples: Construction Workers Welfare Board, Beedi Workers Board, etc.

These boards help improve workers' **living conditions and social protection**.

3. Professional Tax

Professional Tax is a **state-level tax** levied on salaried employees and professionals like doctors, lawyers, and consultants.

Features:

- Deducted monthly by the employer from salary

- Maximum limit is ₹2,500 per year (as per Indian law)
- Collected by state governments

It is a source of revenue for states and is **mandatory where applicable**.

4. Labour Compliance and Enforcement

Labour compliance refers to an organization's **adherence to labour laws and regulations**.
Enforcement ensures that employers follow legal standards.

Includes compliance with:

- Minimum wages
- Working hours
- Safety and health standards
- Provident Fund (PF), ESI, gratuity, etc.

Authorities: Labour inspectors, labour departments, labour courts.

Purpose is to **protect workers' rights** and ensure fair employment practices.

5. ESI Dispensary and Hospital Coverage

ESI (Employees' State Insurance) provides **medical and social security benefits** to employees earning up to the prescribed wage limit.

Coverage includes:

- Free medical treatment in ESI dispensaries and hospitals
- Sickness benefits
- Maternity benefits
- Disability and dependents' benefits

It ensures **healthcare access for employees and their families**.

6. Impact on Employers and Workers

On Employers:

- Increased compliance and administrative cost
- Need to maintain proper records and registrations
- Improved workforce stability and productivity

On Workers:

- Better wages and income security
- Access to healthcare and welfare benefits
- Improved working conditions and social protection

Overall, these measures create a **balanced and fair labour system**.

Conclusion

These labour welfare measures play a crucial role in ensuring **social justice, worker protection, and sustainable industrial growth** in India. They help in maintaining harmony between employers and employees.

Unit-V

Contemporary issues in HRM: Knowledge management – Work Life Balance _ Ethics in HRM – Technology and HRM – Human Resource Audit – Quality Management in HRM.

Knowledge management

What is knowledge management in simple words?

Knowledge management is **the process by which an enterprise gathers, organizes, shares and analyzes its knowledge in a way that is easily accessible to employees**. This knowledge includes technical resources, frequently asked questions, training documents and people skills.

Introduction

Knowledge is the lifeblood of every company. Without capturing knowledge, you'll find it difficult to make decisions, learn from your mistakes, and develop new products. Knowledge Management is the approach you might take to capturing, organizing and sharing your company knowledge with both internal and external stakeholders.

Knowledge Management is not a new concept and has been slowly developing in the business and academic worlds for a number of years. New technologies and the way we store information is changing how Knowledge Management initiatives operate.

It's not easy to set up a successful Knowledge Management system and it needs to be tailored to your own unique needs and circumstances. You need to gain a good grasp of how to structure your system, the potential obstacles that are in your way, and the most effective tools that will enable you to implement your system.

In this guide, we are going to cover the definition of Knowledge Management, why Knowledge Management is important, challenges in Knowledge Management, Knowledge Management use cases, and more.

What is Knowledge Management?

"Knowledge Management is the process of capturing, distributing, and effectively using knowledge."

Knowledge Management is all about making knowledge available for everyone in your team, instead of having it reside in the heads of the few and causing knowledge bottlenecks. Companies can more easily achieve their objectives by making better use of the knowledge that resides within their domain. They develop a culture of continuous learning and allow knowledge to flow freely throughout their organization.

Knowledge Management includes those necessary systems and tools for creating effective KM processes. It is a combination of people, processes and tools.

Types of Knowledge Management

When we are dealing with knowledge within an organization there are three different types that we need to be aware of.

Explicit

Explicit knowledge is information that can be codified and communicated. It's easy to share this type of knowledge and it can be quickly understood by others. Some types of explicit knowledge are standard operating procedures, employee handbooks, and HR policies.

Tacit

Tacit knowledge is much harder to capture than explicit knowledge. It typically comprises the skills and experience of your employee that is difficult to explain or share with others. Tacit knowledge includes customer support know-how, design skills, and so on.

Implicit

Implicit knowledge is very similar to tacit knowledge except that it can more easily be codified. It's information that is embedded in the organization's processes and is currently unarticulated. It's tribal knowledge that can be learned and communicated but hasn't yet been formally captured.

Importance of Knowledge Management

Without Knowledge Management, it's impossible to control or understand the way information flows through your organization.

A lack of information management systems also puts knowledgeable employees under more pressure. In most cases, your team members will seek the help of their most knowledgeable peers. But, this also means that skilful employees will spend a lot of time helping others, which can put a dent in their productivity.

Instead of relying on an unstructured system, information management lets you control the way knowledge flows in your company. In simple terms, a good system ensures that information is available to those who need it when they need it.

What's more, knowledge management is important because it can:

Capture Valuable Information

Regardless of the industry, your company should be the biggest source of information about your product. Data management allows you to capture valuable information from different sources. Then, you can create articles, videos, and similar resources that help users solve their problems.

Allow Easy Access to Knowledge Resources

Creating the resources your team and customers need is a great first step. But, this doesn't mean it's easy to access.

It's normal for an employee to spend more than 12 hours per week researching information. Knowledge management allows your team to track down resources through a centralized platform. In other words, employees can find the data they need without spending hours looking for a specific email or IM.

Cultivate an Environment Where Knowledge is Valued

The modern concept of knowledge management is relatively new. And, like many innovative business practices, there are many challenges that come with this new philosophy.

One of the biggest setbacks is cultivating the right environment. Knowledge is as an advantage and your team should see it as such. By improving the way information flows, you can change the way your employees view knowledge resources. It can also help ingrain the idea that knowledge and collaboration are as valuable as any other business tool.

Help Treat Knowledgeable Employees as an Asset

In many cases, knowledgeable employees don't feel like a valuable asset. Some companies expect them to take on more responsibility without showing gratitude or awarding recognition. Needless to say, this can result in high employee churn, which can translate into higher expenses.

Knowledgeable employees play an important role in companies that focus on information sharing. It allows your skillful employees to share their knowledge without putting them under enormous pressure. This will make knowledgeable team members feel like the valuable assets they are and give them the credit they deserve.

Knowledge Management Process – Creating, Organizing, Sharing, Analyzing & Optimizing

The Knowledge Management process can be broken down into 5 steps.

Creating

Organizations should identify and record any knowledge that they want to disseminate across the company. Knowledge should be written down and adapted in a form that will be suitable for the target audience. You need to liaise with subject matter experts to capture knowledge that resides in their heads and turn it into content that can be available for anyone in the company.

Organizing

Once you have gathered the necessary information you need to store it in a way that makes sense for your chosen IT system. Knowledge may need to be formatted in a way that meets the requirements for your system. During this stage you will be uploading your content to your Knowledge Management system and organizing it into categories ready for consumption.

Sharing

A Knowledge Management system is no good if nobody can find it. You need to share your knowledge across email, collaboration systems, intranets and so on. If you see somebody asking a question that could be answered by your KM system then make a point to share the relevant article.

Analyzing

Over time, you need to analyze whether your content is working or not. You can look at search results to see terms that are returning no entries and create relevant content to fill the gap. You can identify articles that are not being used and delete them, and take note of any comments your audience has left to update articles.

Optimizing

This is the stage where you take action on your analysis. You need to keep current articles up-to-date and plug any knowledge gaps with new content. Actively solicit feedback from your users about how your Knowledge Management system is working and highlight any areas for improvement. It should always be evolving to keep pace with the changing knowledge in your organization.

What can be included in a Knowledge Management System

There are many types of knowledge that can be included in a Knowledge Management system.

- Standard operating procedures – a set of instructions explaining how to complete a particular task, process or procedure
- Documentation – information relating to your product, service, or company
- HR policies – a set of guidelines explaining the policies of your company
- Academies and training programs – a set of tutorials and lessons that train employees in a particular area
- Webinars – recorded video sessions on a given topic

Benefits of Knowledge Management

1. Faster decision-making

When employees have easy access to the right knowledge this can accelerate their decision-making. Employees spend less time reinventing the wheel because they can learn from decisions that have already been made and benefit from collective wisdom.

2. Efficient access to knowledge and information

Employees spend a significant portion of their working week simply searching for information that should be readily available. With the right Knowledge Management program employees will have efficient access to knowledge and be able to spend more of their time on outcome-focused assignments that directly benefit the company.

3. Increased collaboration and idea generation

When knowledge is shared effectively this promotes collaboration between employees. They have insight into the workings of other teams and this enables colleagues to work together more effectively. Having access to previous company initiatives gives employees more ideas to implement in the future. Employees already know what has worked and worked hasn't so this makes them more strategic in their thinking.

4. Enhanced communication throughout your organization

A successful Knowledge Management program enhances communication throughout the organization because employees can gain a perspective on other teams through the documentation you create. Teams are no longer a black box working in silos, but able to communicate more effectively with colleagues and share knowledge of what they are doing.

5. Improved quality of information and data

When information and data is actively cultivated the quality is improved. Someone is actively having oversight of the company's assets and ensuring that it is presented in a way that is helpful for employees. Information and data that is not up to standard can be removed in order to make sure what is left is relevant and valuable.

6. More security for intellectual property

When organizations actually record their intellectual property as documentation within the Knowledge Management system this gives them more security. Intellectual property no longer only resides in the heads of employees who may leave the company at any time, but is saved for posterity and the benefit of current and future employees.

7. Optimized training

New and old employees can take advantage of captured knowledge during their training which considerably speeds up the process. Training programs are more robust and impart much more value to employees when they have access to the right documentation.

Challenges in Knowledge Management

Although Knowledge Management is incredibly valuable for your company it is not necessarily easy to implement. Here are the main challenges you need to overcome when embarking on your KM journey.

Technology

It can be hard to find the right technology to support your Knowledge Management strategy. Knowledge Management solutions can be expensive and they might not be the right fit for your specific organization. You may try out one tool only to find later down the line it is totally unsuitable for your needs, but unfortunately, you are now invested in the system.

The solution is to thoroughly research options before committing to one particular tool. Take advantage of free trials to test out the software and check that it has all the features you need for your Knowledge Management program.

Knowledge-sharing

It might be difficult to convince your employees to share their knowledge in your Knowledge Management system. This challenge comes up for a number of reasons, the most prominent of which is that your employees may be part of a competitive culture that doesn't value transparency and openness. They may feel that their knowledge makes them a valuable asset to the company and therefore they don't want to share it with others.

The solution to this problem is to demonstrate the right culture from the top down. Your senior leadership team should be sharing knowledge and actively participating in your Knowledge Management program. In this way, you lead by example and employees gradually learn to share their knowledge.

Security

You might have confidential information that you don't want to share with the general public or sensitive data that needs to be protected. There is a risk that Knowledge Management systems can be compromised and your valuable data could be leaked to the general public. Or, you may not want certain content pages to be edited by the general users of your software and therefore have a need to restrict roles and permissions.

The solution to this problem is to choose a Knowledge Management software system with robust security features. Ensure that your system can only be accessed by those within a defined IP range or enable Single Sign-On.

WORK LIFE BALANCE

What does work/life balance mean?

Work-life balance refers to **an equilibrium state, where one effectively balances work or career demands and those of their personal life**. An individual who lacks a work-life balance has more work and home obligations, works longer hours, and lacks personal time.

There are few more terms for work life balance such **work-life fit**, work-life blend, work-life harmony, work-life synergy, work-family balance and on and on. Depending on the professional or organization espousing the new term.,

Why work/life balance is important?

Work-life balance **helps maintain mental health**

It can lead to mental health issues such as depression, anxiety, and insomnia, as well as physical health issues including chronic aches and pains, heart troubles, and hypertension. Burnout happens when an employee suffers too much stress over a long period of time.

What are the five steps to working life balance?

5 tips for better work-life balance

1. Examine your situation. Think about what your most important values are and how you want to spend your time. ....
2. Manage other people's expectations. ....
3. Take care of your health. ....
4. Learn to say no. ....
5. Plan fun activities for your personal time.

"The problem is that lack of work-life balance over an extended period can lead to burnout, which can be dangerous, so it's important to recognise the symptoms ahead of time," she says.

It can be difficult to recognise when you need to focus on restoring your work-life balance, but there are signs you can be aware of.

Lambart says, "Working for long periods without leaving your desk, checking emails when you should be present with family or friends, working weekends and eating lunch and/or dinner at your desk are all signs that you don't have a good work-life balance."

She says the way you feel physically, emotionally and mentally are important to take note of, too.

5 tips for better work-life balance

1. Examine your situation. Think about what your most important values are and how you want to spend your time. Lambart says that once you've established that, you can brainstorm small changes you can make that will have a big impact overall, such as forcing yourself to have a lunch break several times a week to exercise or chat with a friend.

2. Manage other people's expectations. Set boundaries by telling colleagues and clients when you will and won't be working, so they don't expect you to be available 24/7. And be honest about your personal needs. Let your boss know which regular activities in your personal life are non-negotiable, whether it's putting your children to bed or doing yoga – whatever it is that really matters for you.

3. Take care of your health. Ensure you get enough sleep and exercise by including it in your routine, and make sure to reward yourself for your hard work by treating yourself every now and then. To do this you might need to "delegate where you can, to free up your time for what's most important," says Lambart. "Ask for extra resources if you need them."

4. Learn to say no. If you need to work late constantly just to get by, let your boss know that your workload is unsustainable. And if you tend to put other’s needs before your own, “learn to say no occasionally to new projects and extra commitments that will eat up your time and won’t contribute to achieving your work or personal objectives,” Lambart advises.

5. Plan fun activities for your personal time. Get organised with family and friends, to ensure your personal time is fulfilling. Connecting digitally is important to a lot of us right now but try to get some down time away from that as well. “Turn off electronic devices for a certain time period every evening or weekend so that you can give your full attention to the people and activities that are most important to you,” says Lambart. “Try and follow a daily routine that includes some time for yourself every week that’s unrelated to your career.”

Balance can feel tricky to achieve. But by trying these steps you can begin to find ways to make work feel less consuming and free up focus for the other parts of your life – even when times are challenging.

The pressure of an increasingly demanding work culture is one of the biggest challenges to society’s mental health.

What does a good work-life balance look like?

A healthy work-life balance will mean different things to us all. It’s not so much about splitting your time 50/50 between work and leisure but making sure you feel fulfilled and content in both areas of your life. A healthy balance might look like:

- meeting your deadlines at work while still having time for friends and hobbies
- having enough time to sleep properly and eat well
- not worrying about work when you’re at home.

This can be challenging if, for example, we also have caring responsibilities, a demanding boss or health difficulties.

How do I know if my work-life balance is unhealthy?

It can be easy to normalise working long hours or being under an extreme amount of stress, especially if we’ve been doing it for a long time or all our colleagues are in the same boat. Our assumptions and habits around work can become deep-rooted unless we take a step back once in a while.

It’s not always possible to make changes at work: if you’re on a zero hours contract you might not feel comfortable speaking up, for instance, or you might need to work long hours to earn enough money to pay your bills. But for those who can make changes, recent research suggests regularly checking your work-life balance by following five steps.

1. Pause. Ask yourself: what’s currently causing me stress or unhappiness? How is that affecting my work and personal life? What am I prioritising? What am I losing out on? We often don’t take the time to reflect on work until there’s a

major life event such as the birth of a child or the loss of someone close to us. But just pausing and thinking about your priorities can help you discover whether the way you're living and working is right for you.

2. Pay attention to your feelings. Now you're more aware of your current situation, how does it make you feel? Are you fulfilled and happy, or angry and resentful? Being aware of your feelings can help you decide which changes you want to make.
3. Reprioritise. Think about what needs to change. For example, you might want to ask yourself if working long hours is worth losing out on family time, or whether working weekends is worth losing out on your social life.
4. Consider your alternatives. Is there anything at work you can change to meet your new priorities?
5. Make changes. Maybe that's asking for flexible hours, making sure you use all your annual leave or not checking your emails at the weekend, for example.

Helping yourself

There are steps you can take to improve your work-life balance.
It can be difficult or impossible to stand up for yourself at work if you're precariously employed or worried about losing your job. Make sure you know your rights (see below) and see if any of our tips feel safe for you to try.

- Understand your rights at work. Citizens Advice has information on contracts, working hours, sick pay, parental leave and more. For example, if you have a disability (which can include mental health conditions as well as physical ones), your employer might have a duty to make reasonable adjustments. This could include changes to your working hours.
- Speak up when the expectations and demands of work are too much. Your manager and employer need to know where the pressures lie in order to address them.
- Try to 'work smart, not long'. This involves prioritising - allowing yourself a certain amount of time per task - and trying not to get caught up in less productive activities such as unstructured meetings.
- Take proper breaks at work. For example, take at least half an hour for lunch and get out of the workplace if you can. You're legally entitled to certain breaks during the day and working week: Gov.uk has more information.
- Try to draw a line between work and home. If you work from home, try to keep to a routine, make a dedicated workspace and switch off when the working day is over. The NHS website has more tips on working from home.
- Work-related stress can seriously affect your mental health. Our page on stress has ideas to reduce it, for example through exercise, eating well or supportive friendships.
- If work is making you feel you don't have quality time for your partner or friends, read Relate's tips on realigning your work-life balance. They include scheduling time together, getting help with chores and childcare and making every second count if you don't have much spare time.

- Keep track of your working hours over a period of weeks or months rather than days. This will give you a better picture of your work-life balance. Factor in hours spent worrying or thinking about work too – they're a good indicator of work-related stress. If possible, assess your work-life balance with your colleagues and management staff. The more visible the process, the more likely it is to have an effect.

You could also download our guide How to manage and reduce stress. It looks at how stress impacts your life and how to deal with it, and includes 101 of our supporters' tips on how to reduce stress.

How your workplace can help

Finding a balance shouldn't just be down to you. Your manager and workplace also play a role. They should:

- encourage a culture of openness so you can speak up if you're under too much pressure
- train managers to spot stress and poor work-life balance
- offer flexible and remote working where possible
- encourage breaks, whether that's during the working day or by using annual leave
- regularly review your workload to make sure it's achievable
- give you time off to volunteer
- increase support for parents and carers so they're not forced to leave
- allow you to attend counselling and support services during working hours as they would for other medical appointments
- encourage stress-relieving activities such as lunchtime exercise or relaxation classes
- ask employees what would improve their work-life balance.

HUMAN RESOURCE AUDITIING

Objectives and benefits

A periodic HR audit can qualify its effectiveness within an organization. HR audits may accomplish a variety of objectives, such as ensuring legal compliance; helping maintain or improve a competitive advantage; establishing efficient documentation and technology practices; and identifying strengths and weaknesses in training, communications and other employment practices.

Objectives of the Human Resource Audit

- To review the performance of the Human Resource Department and its relative activities in order to assess the effectiveness on the implementation of the various policies to realize the Organizational goals.
- To identify the gaps, lapses, irregularities, short-comings, in the implementation of the Policies, procedures, practices, directives, of the Human Resource Department and to suggest remedial actions.
- To know the factors which are detrimental to the non-implementation or wrong implementation of the planned Programmes and activities.
- To suggest measures and corrective steps to rectify the mistakes, shortcomings if any, for future guidance, and advise for effective performance of the work of the Human Resource Department.
- To evaluate the Personnel staff and employees with reference to the Performance Appraisal Reports and suggest suitable recommendations for improving the efficiency of the employees.
- To evaluate the job chart of the Human Resource Managers, Executives, Administrative Officers, Executive Officers, Recruitment Officers, whether they have implemented the directives and guidelines for effective Management of the Human resources in their respective Departments.

Benefits of Human Resource Audit

Several benefits associated with Human Resource audit are listed below. An audit reminds member of HR department and others its contribution, creating a more professional image of the department among manager and specialist. The audit helps clarify the department’s role and leads to greater uniformity, especially in the geographically scattered and decentralized HR function of large organisations. Perhaps most important, it finds problems and ensures compliance with a variety of laws and strategic plans in an organization.

- Identifies the contribution of Human Resource department to the organization
- Improves the professional image of the Human Resource department.
- Encourages greater responsibility and professionalism among member of the Human Resource department.
- Clarifies the HR department’s duties and responsibilities.

- Stimulates uniformity of HR policies and practices.
- Finds critical HR problems.
- Ensures timely compliance with legal requirements.
- Reduces human resource cost through more effective Human Resource procedure.
- Creates increased acceptance of needed change in the Human Resource department.
- Requires thorough review of Human Resource department's information system.

Besides ensuring compliance, the audit can improve the department's image and contribution to the company. Operating managers may have more respect for the department when an audit team seeks their view. If the comments of manager are acted on, the department will be seen as being more responsive to their needs. And since it is service department, these actions may improve its contribution to organizational objectives.

Auditing Process (Essential steps in Human Resource Auditing)

Though the process would vary from organization to organization, generally it involves the following steps:

1) Briefing and orientation:
This is a preparatory meeting of key staff members to:

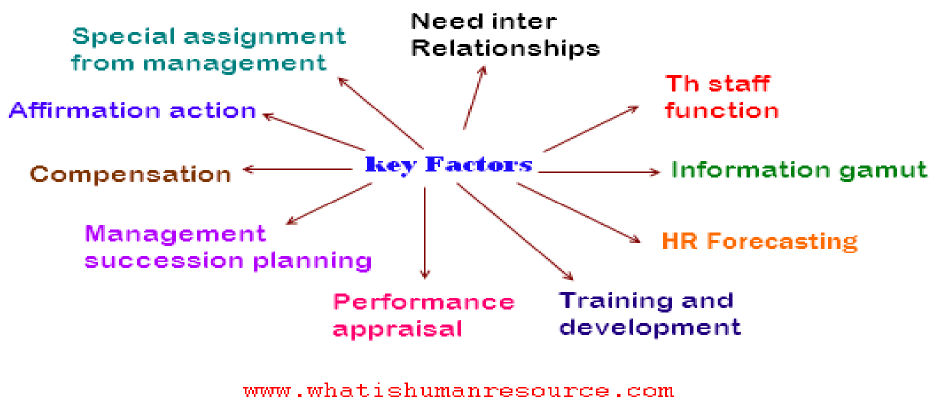
- discuss particular issues considered to be significant,
- chart out audit procedures, and
- develop plans and programme of audit.

2) Scanning material information:
This involves scrutiny of all available information pertaining to the personnel, personnel handbooks and manuals, guides, appraisal forms, material on recruitment, computer capabilities and all such other information considered material.

3) Surveying employees:
Surveying employees involves interview with key managers, functional executives, top functionaries in the organisation, and even employees' representatives, if necessary. The purpose is to pinpoint issues of concern, present strengths, anticipated needs and managerial philosophies on human resources.

4) Conducting interviews:
What questions to ask? The direction which audit must follow is based on issues developed through the scanning of information gathered for the purpose. However, the audit efforts will get impetus if clarity is obtained as to the key factors of human resource management selected for audit and the related questions that need to be examined.

The following model depicts the various key factors on which information needs during human resource audit need to be focussed. It is developed from the interview guide used in an electronics company. It covers a wide range of topics of profound interest relating to human resource management practices in the organisation.



The questions to be asked on these topics need to be framed very carefully. These questions may be developed by the interviewer/audit team on the following aspects as indicated against each topic.

The process of the interview and the sequence of questions is often as important as their content. Another effective method is the 'focus interview'. A focus interview involves meetings between a trained interviewer and selected members of the organisation. Here the interviewer asks a variety of questions planned and prepared in the same fashion as the interview questionnaire explained earlier.

5) Synthesizing:

The data thus gathered is synthesized to present the

- current situation
- priorities
- staff pattern, and
- issues identified.

Similarly, future needs are identified and appropriate criteria developed for spotlighting the human resource priorities and specific recommendations made.

6) Reporting:
Just as the planning meetings of briefing and orientation, the results of the audit are discussed within several rounds with the managers and staff specialists. In the process, the issues that get crystallized are brought to the notice of the management in a formal report. Follow-ups are necessary after an audit to see if the action plan used to solve problems found this the audit worked or not.

In conclusion, human resource audit is an important approach to human resource planning. It is practical because if correctly conducted, it should increase the effectiveness of the design and implementation of human resource policies, planning and programmes. A periodic and systematic audit helps human resource planners develop and update employment and programme plans.

AuditReport

The audit report is a comprehensive description of HR activities that includes both commendations for effective practices and recommendations for improving practices that are less effective. A recognition of both good and bad practices is more balanced and encourages wider acceptance of the report. An audit report contains several sections. One part is for line managers, another is for managers of specific HR functions, and the final part is for the HR managers. For line managers, the report summarises their HR objectives, responsibilities and duties. Examples of duties include interviewing applicants, training employees, evaluating performance, motivating workers, and satisfying employee needs. The report also identifies people's problems. Violations of policies and employee relations laws are highlighted. Poor management practices are revealed in the report along with the recommendations.

The specialists who handle employment, training, compensation, and other activities also need feedback. The audit report they receive isolates areas of good and poor performance within their functions. For example, one audit team observed that many jobs did not have qualified replacements. This information was given to the manager of training and development along with the recommendation for more programs to develop promising supervisors and managers. The report may also provide other feedback such as attitudes of operating managers about the HR specialists' efforts.

The HR manager's report contains all the information given to both operating mangers and staff specialists. In addition, the manager gets feedback about:

1. Attitudes of operating managers and employees about the department's benefits and services.
2. A review of the departments' objectives and plans to achieve them.
3. HR problems and their implications.
4. Recommendations for needed changes and the priority for their implementation.

With the information contained in the audit report, the HR manager can take a broad view of the function. Instead of solving problems in a random manner, the manager can focus on those which have the greatest potential for improving the department's contribution to the organisation. Perhaps the most important, the audit serves as the map for future efforts and a reference point for future audits. With knowledge of the department's current performance, the manager can make long term plans to upgrade crucial activities. These plans identify new goals for the department, which serve as standards for future audit teams.

ETHICS IN HUMAN RESOURCE MANAGEMENT

Meaning of HRM

HRM can be understood in simple terms as employing people, developing their resources, utilising, maintaining and compensating their services in tune with the job and organizational requirements with the view to contribute to the goals of the organization, individuals and the society. 'OR' HRM is the process of planning, organizing, directing and controlling human activities to achieve the organizational goal and individual goals.

Meaning of Ethics

Ethics are those values, which has been imbibed within an individual or reinforced externally that help him to distinguish between Right and wrong and to act accordingly. There can be several sources of ethics like religion, organizational culture, legal obligations etc.

Ethics in HRM

Ethics in HRM indicates the treatment of employees with ordinary decency and distributive justice. The ethical business contributes to the business goals as the employees will feel motivated and they will work with efficiency and effectiveness. Ethics in HRM basically deals with the affirmative moral obligations of the employer towards employees to maintain equality and equity justice.

Areas of HRM ethics

- Basic human rights, civil and employment fight. (E.g. lab security, feedback from tests);
- Safety in the workplace;
- Privacy;
- Justifiable treatment to employees. (Eg. Equity and equal opportunity);
- Respect fairness and honesty based process in the workplace.

Role of HR in Promoting Ethics

1. Improve recruitment and selection tests

- Follow the recruitment policy that is identification of the recruitment nee., monetary aspects, criteria of selection and preference etc.:

- Follow the situational factors such as economic factors, social factors. technological factors etc.:

- Selection must be in planned manner;

- Avoid illegal questions.

2. Conduct ethics training-

It is a short term process of training given to the HR of the organization to do their work in adherence to the ethical code of conduct. The main advantages are increased productivity, higher employee morale, less supervision, less wastage, etc.

3. Ensure that there are no pitfalls in performance appraisal-Performance appraisal should be factual and there should not be any partiality or bias in the attitude towards the employees.

4. Rewards and disciplinary system
5. Improve and facilitate two way communication
6. Avoid any kind of discrimination among the employees based on certain factors like caste, colour, culture, religion, appearances etc.
7. Equal opportunities must be given to every employee for his advancement and development.
8. Measures should be taken for employee safety while working in the organization.

Unethical Practices of HRM

1. EMPLOYERS

- Creating split in union leaders;
- Biased attitude in selection, transfer, promotion etc.;
- Off-shoring and exploiting ‘ cheap labour markets;
- Child labour ;
- Reneging on company pension agreements;
- Physical violence;
- Coercion;
- Longer and inflexible working hours;
- Putting on more stress on employees for increasing the productivity;

• The use of disputed and dubious practices in hiring and firing of personnel.

The perception of consumers' about the company is based upon the ethics of the company. Eventually, based upon the perception about the company, the investors will affect its' share mice. Similarly, it has been suggested that poor standards of conduct emanating from the top management affect employee motivation and commitment to organisational goals.

2. EMPLOYEES-

Some of the common problems are-
• False claim of personal details like age, qualifications etc.
• Producing false certificates.
• Taking decisions as per their convenience.

3. GOVERNMENT-

• Announcing the vacancies and not taking any action further.
• Functioning of govemment offices is not transparent and reliable.
• Selection committees will be excessively cautious of reservation quotas and possible court cases rather than gaining through the responsibilities.

4. FAIRNESS AND JUSTICE

As an HR Manager you are ethically responsible for promoting and fostering faimess and justice for an employees and their organizations. Following points must be considered to promote the fairness and justice in an organization:

I. The organization must realize the intrinsic value of its employees.

2. Treat people with dignity, respect and compassion to foster a trusting work environment free of harassment, intimidation and unlawful discrimination.
3. Giving opportunities to the employees equally to develop their competency skills.
4. Bring in the feeling of owning the organization, within employees so that the employees would be committed towards the organization.
S. Laying down such policies and procedure which will ensure equitable treatment for an.
6. The individual goals on an employee must be streamlined with the organizational goal. Individual goal of an employee should not obstruct him to achieve the organizational goals.
7. The organization must be fair and honest to its staff. Decisions taken by the management must be ethical and legal.

Importance and Functions of Information Technology

Information Technology is made up of both **information** and **technology**.

What is Information? This is processed data with a meaning or an organized, meaningful and useful interpretation of data.

What is Technology? Technology is humans using objects (tools, machines, systems, and materials) to change the natural and human-made environment.

What are the characteristics of good Information?

- It has to be accurate
- Must be relevant to basic purposes
- Complete in respect to the key elements of the problem
- It has to be Timely (should be communicated in time to be used)
- It has to be consistent and reliable
- It has to be Up-to-date
- Easy to understand
- It has to be tailored to the needs of managers and end users

What are the characteristics of Technology?

- Technology is human knowledge
- Technology uses tools, materials and systems.
- Its application will result into artifacts (human-made things)
- Technology is developed by people to modify their environment.

Information technology has become a major driving force in many organizations. These organizations are seeking to get IT applications which can help them sell their products or services effectively. For example, by use of Internet, organizations or businesses are moving information faster and they also coordinate multiple activities to achieve efficiency. They also use the internet to sell their services or products. Information technology has changed businesses, education so many other sectors. In the business world it has helped in creating a "networked economy" where businesses are linked with their suppliers, customers, manufacturers and business partners in real time. So in this case we look at Information Technology as an enabler and as an industry for the economic development. **Below I have listed a few detailed points on the importance and functions of information technology.**

Importance of information technology to users and organizations:

IT helps in re-engineering of work practices: re-engineering is the reshaping of business process to eliminate obstacles that prevent an organization from providing better services and products and to help the organization capitalize on its strength. Many organizations have used information technology tools to increase and improve on their production. For example, tools like data bases which enable centralization of information help users and organization transmit and transfer information in a timely manner. This information is used in carrying out productive decisions for the organization and it also improves on the **customer care**.

Speed: Users of information technology can use tools like computers to perform different tasks faster and accurately. A computer can perform multiple functions on the same time which can not be done by humans. This helps users perform a given task on time and it even reduces tension and stress at work. Computers have applications which can store data in a systematic way making it easy to understand and organize important facts. Another important tool is internet, this can be accessed any where at any given time, so users can easily interact with each other and exchange relevant information. Organizations can use internet to interact with their customers in real time and respond to their needs. Time is a basic factor in both business and life, so information technology speeds up the process of doing anything which saves both users and organizations time.

Consistency and accuracy: Even though information technology is managed by humans, it is more likely to be more accurate than humans. Users are well trained on how to use information technology tools. For example, an accountant will be trained on how to use accounting software like Quick-books to perform accounting tasks. This user has formal knowledge on all accounting basics and they are as well equipped with IT knowledge to help them carry out their accounting tasks using software. The benefit in this is that, the user trained has formal knowledge on the subject in question and all they need is an IT tool which makes all their work easier and accurate.

Reliability: Information technology systems can run 24hrs 7 days a week. These systems can only be interrupted for repairs and maintenance which takes just a few hours and the system will be up for use. This is a win-win process for both organizations and customers who need the service in time. Let's take a simple example of a Bank. This is a financial institution whose services are needed by the end-user on time. Banks use IT systems to deliver services like remote banking so customers can easily deposit money, withdraw money or print out bank statements with out coming to a physical main branch of that bank. IT experts make sure that these remote ATM machines and other remote banking systems are running all the time, they can do maintenance in the late hours when users are not active so that they do not interrupt the service when needed by the user.

Functions of information technology

Data capture: This is the process of compiling information. For example, electronic commerce companies like AMAZON.COM use internet cookies to capture data about a customer's purchases via their website. So in this case, they use this data to suggest items to a user related to their previous orders via their website. Also GOOGLE.com uses internet cookies to monitor websites and content we search for online, then they use that data to suggest adverts tailored basing on our interests. Many online companies are using internet cookies to capture data as a way on increasing their sales and improve on their service because this data is used to tailor services basing on users needs.

Data Processing: This involves converting, analyzing, computing and producing all forms of data, information. After capturing data, the system must re-organize that data basing on what the organization wants to use that information for. For example, when an e-commerce website captures data about your previous purchases via their website. Their system can organize that data inform of prices, products of interest, categories of interest, period of purchase etc , and this data will be used next time when a user goes back to that e-store to suggest relevant products.

Generation of Information: This involves organizing information into a useful form.

Storage of information: This involves retaining information for future use. The best example is ''Facebook.com'' This is a social network which connects people, but upon registering with the network , the user will provide their interests , profession , background information like former college , etc…. Then facebook will use this information to suggest friends to that user. The other trick is that Facebook will still use the same information when suggesting Adverts to this user. On their platform, advertisers can tailor adverts basing on users interests, location and sex. All this data is provided by the user upon registration.

Retrieval of Information: It is process by which a computer device is used to find and copy data for further distribution and processing. A good example on this is a "Search Engine like Google , Bing , Yahoo " these companies have data centers which store information which can be used at a latter stage by the end user who will be searching for information online. They have robots which crawl and find information on website servers, this information is indexed and cached on data centers. So at a latter stage, users of search engines like Google will query this stored data to process information they desire.

Five Contemporary Challenges in HRM in 2021

2020 was a difficult time for **Human Resource Management (HRM) professionals** as they had to deal with a lot of challenges that came with the COVID-19 pandemic.

Some of the significant difficulties that arose during that time are global because the entire world went through a similar situation.

Here are **five** of such **issues** that **HRM** professionals are faced within **2021**:

1. Retaining Employees

Technological advancements have created grounds for regular skill upgradation of employees, especially for the senior (age-wise) workforce.

HRM needs to identify which skills need revamping and identify the employees who are struggling to cope with the new forms of technology.

Cultural factors are also relevant aspects to build awareness and sensitivity among employees, given the rapid globalization of ***employment***.

2. Workforce Adjustment and Employee Wellbeing

The uncertainty of the COVID-19 pandemic affected the mental health of the general public; this is a major challenge for **HRM** because employees' productivity and state of mind influence a company's performance.

The layoffs mean that **HRM** has to readjust the workforce hierarchy structure and work on boosting the motivation of the remaining employees by providing incentives and a better environment.

3. Increased Work-Family Conflict

Due to the remote working model, most employees have to look after their children at home, especially due to the schools taking on the online ***format***. That's on top of the increased worry for their family's health and safety.

That presents a challenge for **HRM** when creating remote work policies because they have to consider the home situations for the policies to be effective. So they have to offer some leeway while ensuring high performance.

4. Remote Onboarding Challenges

Hiring new employees during lockdowns brought new **issues for HRM** – from keeping them engaged before the first day to getting them trained to use company software and tools.

Human Resource professionals have to create a blueprint to help new members adjust to the company culture, meet with colleagues and form a professional connection and for managers to remotely supervise and understand the strengths and weaknesses of the new ***hires***.

5. Acting Swiftly

Since a majority of the global workforce is working remotely for the first time, **HRM** professionals have to quickly resolve issues that the employees, mid-level managers and even executives raise ***daily***.

Most of the challenges are new for HR professionals as well, and they had to train *themselves* along the way.

Conclusion

Although some of the **contemporary issues** of **HRM** in 2021 are unique and pandemic specific, others will be a permanent concern from now on.

Factors such as retaining employees and improving work-family balance are not new but there is now a need to address them from a different perspective.

This is an ideal time for experienced **HRM** professionals to refresh their knowledge so that they are in a better position to manage these **contemporary issues**. Enrol in our **Masters' in Human Resource Management program** and learn all about how you can be a remarkable HR professional in trying times.

TOTAL UALITY MANAGEMENT IN HRM

What is Total Quality Management?

Total Quality Management (TQM) is a business approach focused on continuous improvement, customer satisfaction, and ensuring high-quality standards at every level of an organization. It's not just about the final product or service, it's about improving employee engagement, and workplace culture.

TQM aims to make quality a shared responsibility. Every employee, from the CEO to entry-level staff, plays a role in maintaining and enhancing quality. By focusing on teamwork, process optimization, and a customer-first approach, organizations can create long-term success.

Benchmarking in Total Quality Management

Benchmarking in Total Quality Management (TQM) is the practice of evaluating your company's performance by comparing it with top-performing organizations. This process provides HR teams with valuable insights into improving employee performance, productivity, and workplace culture.

HR plays a crucial role in ensuring that a company meets quality management standards. By using benchmarking, HR can:

- Improve employee engagement by adopting strategies from top-performing companies.
- Enhance workforce productivity through innovative training and development programs.
- Optimize performance management by comparing appraisal systems with industry standards.
- Reduce attrition by understanding and implementing effective talent retention practices.

Types of Benchmarking in TQM

1. **Internal Benchmarking** – Comparing departments within the same organization to identify and replicate best practices.
2. **Competitive Benchmarking** – Analyzing competitors to understand where your company stands.
3. **Functional Benchmarking** – Comparing similar processes across different industries to gain insights.
4. **Strategic Benchmarking** – Looking at long-term strategies to improve overall business outcomes.

Advantages and Disadvantages of Total Quality Management TQM

Advantages of Total Quality Management

1. Enhanced Employee Engagement

Total Quality Management encourages a collaborative work environment, where employees are actively involved in problem-solving and decision-making. This boosts morale and creates a sense of ownership.

2. Improved Process Efficiency

Total Quality Management eliminates inefficiencies, reduces waste by focusing on continuous improvement. Hence, it ensures that HR processes like recruitment and performance management run smoothly.

3. Higher Customer Satisfaction

A company that practices Total Quality Management consistently delivers quality services, leading to better employee performance, which ultimately improves customer experience and retention.

4. Better Compliance and Risk Management

Total Quality Management promotes standardized processes and strict adherence to guidelines, reducing compliance risks related to labor laws and HR policies.

Disadvantages of Total Quality Management

1. Time-Consuming Implementation

Total Quality Management requires a long-term commitment. Changing organizational culture and training employees takes time, making it challenging for HR to see immediate results.

2. High Initial Costs

Investing in quality management systems, training programs, and process improvements can be expensive, especially for small and medium-sized businesses.

3. Resistance to Change

Not all employees welcome change. Implementing TQM methodologies might face resistance, requiring strong leadership and clear communication from HR.

4. Overemphasis on Process

Sometimes, organizations get so focused on processes that they forget about innovation and flexibility. This can slow down decision-making and reduce agility.

<u>Key Benefits of Total Quality Management in HR</u>

Implementing TQM in HR can lead to several benefits:

1. Improve Employee Engagement and Morale

One of the greatest benefits of TQM is its emphasis on involving all employees in the quality improvement process. When employees feel valued and part of a system that strives for excellence, it naturally boosts their morale. Total Quality Management encourages a culture of collaboration, where everyone's input is heard, creating a more motivated and engaged workforce. Engaged employees are more likely to contribute to the success of your organization, which translates to improved productivity and retention.

2. Enhance Customer Satisfaction

For HR, customer satisfaction might seem distant, but think of your internal customers i.e. employees. Total Quality Management helps you focus on providing them with the best possible environment, tools, and processes. When employees feel supported, they're more productive and provide better service to your external customers. Ultimately, when your internal processes run smoothly, the end result is happy and satisfied clients, contributing to long-term business success.

3. Streamline Processes

One of the key principles of Total Quality Management is the continuous evaluation of processes. In HR, this means improving recruitment, training, onboarding, and performance management processes. By regularly evaluating and optimizing these systems, you can save time, reduce errors, and improve efficiency. Think about how much time can be saved when there are fewer mistakes in payroll or performance reviews. The end result is a more efficient HR department that can focus on more strategic tasks.

4. Cost Reduction

Another major benefit of Total Quality Management is its ability to reduce costs. By focusing on quality and efficiency, organizations can minimize waste and rework. In HR, this could mean reducing turnover costs through better hiring processes or saving money through improved employee training and development. Over time, the improvements made under TQM will directly impact your company's bottom line.

5. Fostering a Culture of Continuous Improvement

A key principle of Total Quality Management is the focus on continuous improvement, and HR plays a pivotal role in this. By creating a workplace that values growth and development, you encourage employees to innovate and strive for better performance. A culture of improvement will not only help HR but will also make your organization more adaptable to changes, whether they're technological, market-related, or cultural.

The 8 Core Principles of Total Quality Management

Understanding these principles is crucial for HR professionals aiming to implement TQM:

1. Customer Focus – Quality Starts with Understanding the Customer

In any organization, the customer is at the heart of everything. Whether it's an external client or internal stakeholders, meeting their needs is essential for sustained success. For HR, this principle means focusing on the employee experience and ensuring that the workplace is designed to meet the needs of the team. By listening to employee feedback, HR can improve retention rates and boost overall morale.

Are you truly aware of what your employees want? Building a customer-focused culture internally sets the foundation for delivering high-quality service externally.

2. Leadership – Strong Leadership Guides Quality Improvement

Effective leadership is a cornerstone of Total Quality Management. Leaders are responsible for creating a vision that aligns with quality goals and motivating the workforce to pursue them. In HR, this means developing leaders who understand the significance of quality in all HR processes, whether it's recruitment, employee development, or performance management.

As an HR leader, do you provide the guidance needed for quality-driven initiatives? Leadership within HR helps instill the values of TQM, ensuring a commitment to excellence at every level.

3. Engagement of People – Empowering Employees to Contribute

Quality is a team effort, and every member of the organization should be engaged in quality improvement. The principle of engagement of people emphasizes the importance of involving everyone in the quality journey, fostering collaboration, and building a culture of accountability.

HR should facilitate an environment where employees feel valued and their contributions are recognized. When employees are motivated and engaged, their commitment to quality improves, benefiting both their personal growth and the organization's success.

4. Process Approach – Efficiency Drives Consistent Quality

A process-focused approach is one of the most powerful elements of Total Quality Management. By ensuring that HR processes are streamlined and efficient, HR professionals can reduce errors and enhance productivity. This means focusing on every step, from job descriptions to training programs, to ensure that the process leads to high-quality outcomes.

How does your HR team manage processes? By continuously evaluating and refining HR processes, HR can help eliminate inefficiencies and improve outcomes, contributing to the company's overall quality goals.

5. Improvement – Always Strive for Better

The essence of Total Quality Management lies in continuous improvement. It's about never being satisfied with the status quo and always seeking ways to enhance products, services, and operations. HR plays a critical role here by promoting a culture of improvement in training, employee feedback, and performance evaluation.

Are you constantly looking for areas to improve? By nurturing a mindset of continuous improvement, HR can help cultivate innovation, which is key to long-term success in any organization.

6. Evidence-Based Decision Making – Let Data Lead the Way

In today's digital world, relying on data to make decisions is crucial. This principle focuses on making decisions based on factual information, rather than assumptions or gut feelings. In HR, this can be applied by using data from employee surveys, performance metrics, and recruitment analytics to guide decisions and strategies.

Do you trust data when making HR decisions? Using evidence-based decision-making ensures that HR strategies are not only effective but also sustainable in the long run.

7. Relationship Management – Building Strong Connections with Stakeholders

Effective relationship management helps organizations thrive in a competitive landscape. Total Quality Management stresses the importance of fostering good relationships with both internal and external stakeholders, including employees, customers, suppliers, and even investors.

As HR professionals, it’s essential to focus on employee relations and maintain open communication channels to build trust. When employees feel valued, they’re more likely to contribute to the organization’s quality goals.

8. Systemic Approach to Management – The Big Picture Matters

Finally, a systemic approach to management is all about viewing the organization as a cohesive whole. Each department and function must align with the overall quality goals. For HR, this means integrating quality management principles into every HR initiative, from onboarding to performance management.

HR must ensure that its operations work in harmony with other departments to achieve organizational goals. By thinking systematically, HR can create an environment where quality improvement is embedded in the corporate culture.

Steps to Implement Total Quality Management (TQM)

1. Establish a Clear Vision for Quality

Before diving into Total Quality Management, the first step is to define what quality means for your organization. Quality isn’t just about products; it includes every interaction with customers, internal processes, and even employee satisfaction. Set a clear vision that everyone in the company understands. Ensure that your employees know how their work contributes to this vision.

You can begin by setting SMART goals (Specific, Measurable, Achievable, Relevant, Time-bound) related to quality. These goals will serve as a guide to measuring the success of TQM in your organization.

2. Engage and Educate Your Employees

One of the key pillars of Total Quality Management is employee involvement. Every employee, from top to bottom, should be on board with the quality management process. This requires proper education and training. Provide workshops, training sessions, and resources to help your team understand the importance of quality and how they can contribute to it.

Encourage an open environment where employees feel comfortable sharing their ideas for improvement. After all, the people on the ground are often the best sources for quality improvements. Don’t just tell them what to do; involve them in shaping the quality standards.

3. Develop Strong Leadership Support

For Total Quality Management to succeed, it's crucial that leadership is fully supportive. Leaders should not just delegate tasks but actively participate in quality initiatives. When top management sets an example, it motivates employees to follow suit. Ensure that leaders across all levels are committed to quality and demonstrate it through actions, not just words.

4. Continuous Improvement: The Kaizen Approach

A major part of Total Quality Management is the belief that quality improvement is a never-ending journey. This is where the Kaizen principle comes into play. Kaizen, a Japanese term meaning "continuous improvement," encourages small, incremental changes rather than big leaps. These small improvements, when made consistently, can lead to significant enhancements in the overall quality.

HR can support this by regularly assessing the processes and finding areas for improvement. It can be as simple as adjusting how training is delivered or improving communication channels. The key is to always be on the lookout for better ways to do things.

5. Measure Performance Using Data and Feedback

Implementing Total Quality Management without measuring its success is like sailing without a map. You need clear metrics to understand whether your efforts are paying off. Collect data regularly, track performance metrics, and analyze customer feedback to gauge your progress.

Customer satisfaction surveys, employee feedback forms, and internal audits are great tools to measure the effectiveness of your TQM strategy. These insights will help you identify areas of weakness and adjust accordingly.

6. Foster a Customer-Centric Culture

The ultimate goal of Total Quality Management is customer satisfaction. To make this happen, you need to build a customer-centric culture where everyone focuses on delivering quality experiences. This is where HR can play a significant role. HR can work to instill customer-first values across the organization through internal communications, training programs, and recognition systems.

When employees see the direct impact of their work on customer satisfaction, they are more likely to be motivated to uphold high-quality standards.

7. Promote Teamwork and Collaboration

No matter how skilled individuals are, working together as a team can yield better results. Total Quality Management emphasizes teamwork as one of its foundational principles. When employees from different departments collaborate, they can identify inefficiencies and discover better ways to achieve quality standards.

HR can encourage cross-functional teams and collaborative projects that focus on problem-solving. These teams should work together to identify issues, brainstorm solutions, and develop actionable plans for improvement.

Conclusion

Total Quality Management is more than just a business strategy—it's a cultural shift that prioritizes excellence in every aspect of an organization. For HR professionals, TQM presents a powerful opportunity to improve workplace efficiency, employee satisfaction, and overall business success.

By embracing Total Quality Management principles and fostering a culture of continuous improvement, your company can build a strong foundation for long-term growth. So, why not start today? The road to quality excellence begins with small, consistent steps!