

GOVERNMENT ARTS AND SCIENCE

COLLEGE

NAGERCOIL

DEPARTMENT OF COMMERCE

II B.Com

HUMAN RESOURCE MANAGEMENT

SMCO34

Dr.H.SAJEENA

II B. COM (III SEMESTER) – UNDER CBCS
PART III – MAJOR CORE -8
HUMAN RESOURCE MANAGEMENT

Objectives

1. To study about the importance of human resource.
2. To study the techniques of performance appraisal of employees.
3. To know the methods to redress the grievances of employees.

Unit I: Introduction- Concept – objectives – characteristics – functions – principles.

Unit II: Man power planning – definition – need – process job analysis – job description – specification – job evaluation – recruitment and selection process.

Unit III: Employee's training – needs – importance – principles – training methods – promotion types – demotion – labour turnover - performance appraisal methods.

Unit IV: Industrial relations – significance – causes of poor industrial relations – suggestions – labour disputes and settlement.

Unit V: Workers participation in management – collective bargaining and industrial relations – employee's grievances.

Text Books

1. J. Jaya Sankar, Human Resource Management, Margham Publications, Chennai.
2. G.D. Maheshwari, Human Resource Management, Sultan Chand Publications.
3. T.S.Reddy & A.Murthy, Human Resource Management, Margham Publications, Chennai.

Reference Books

1. Wreather and Davis, Human Resource Management. Pearson Education.
2. TN Chhabra, Human Resource Management, Dhanpat Rai & Co., Delhi.
3. Biswajeet Patttanayak, Human Resource Management, PHI Learning.
4. Khurana Ashok, Human Resource Management, V.K. Publications.
5. Sankalp Gaurav, Human Resource Management, Sahitya Bhawan Publications.

Unit - 1 : Introduction to Human Resource Management

Introduction

Human beings are social beings and hardly ever live and work in isolation. We always plan, develop and manage our relations both consciously and unconsciously. The relations are the outcome of our actions and depend to a great extent upon our ability to manage our actions. From childhood each and every individual acquire knowledge and experience on understanding others and how to behave in each and every situations in life. Later we carry forward this learning and understanding in carrying and managing relations at our workplace. The whole context of Human Resource Management revolves around this core matter of managing relations at work place.

Since mid 1980's Human Resource Management (HRM) has gained acceptance in both academic and commercial circle. HRM is a multidisciplinary organizational function that draws theories and ideas from various fields such as management, psychology, sociology and economics.

There is no best way to manage people and no manager has formulated how people can be managed effectively, because people are complex beings with complex needs. Effective HRM depends very much on the causes and conditions that an organizational setting would provide. Any Organization has three basic components, People, Purpose, and Structure.

Today, companies that offer products with the highest quality are the ones with a leg up on the competition; But the only thing that will uphold a company's advantage tomorrow is the caliber of people in the organization.

That predicted future is today's reality. Most managers in public- and private sector firms of all sizes would agree that people truly are the organization's most important asset. Having competent staff on the payroll does not guarantee that a firm's human resources will be a source of competitive advantage. However in order to remain competitive, to grow, and diversify an organization must ensure that its employees are qualified, placed in appropriate positions, properly trained, managed effectively, and committed to the firm's success. The goal of HRM is to maximize employees' contributions in order to achieve optimal productivity and effectiveness, while simultaneously attaining individual objectives (such as having a challenging job and obtaining recognition), and societal objectives (such as legal compliance and demonstrating social responsibility).

What is Human Resource Management?

HRM is the study of activities regarding people working in an organization. It is a managerial function that tries to match an organization's needs to the skills and abilities of its employees.

1.3.1 Definitions of HRM

Human resources management (HRM) is a management function concerned with hiring, motivating and maintaining people in an organization. It focuses on people in organizations. **Human resource management** is designing management systems to ensure that human talent is used effectively and efficiently to accomplish organizational goals.

HRM is the personal function which is concerned with procurement, development, compensation, integration and maintenance of the personnel of an organization for the purpose of contributing towards the accomplishments of the organization's objectives. Therefore, personnel management is the planning, organizing, directing, and controlling of the performance of those operative functions (Edward B. Philippo).

According to Dessler (2008) the policies and practices involved in carrying out the “people” or human resource aspects of a management position, including recruiting, screening, training, rewarding, and appraising comprises of HRM.

Generally HRM refers to the management of people in organizations. It comprises of the activities, policies, and practices involved in obtaining, developing, utilizing, evaluating, maintaining, and retaining the appropriate number and skill mix of employees to accomplish the organization’s objectives. The goal of HRM is to maximize employees’ contributions in order to achieve optimal productivity and effectiveness, while simultaneously attaining individual objectives (such as having a challenging job and obtaining recognition), and societal objectives (such as legal compliance and demonstrating social responsibility).

In short Human Resource Management (HRM) can be defined as the art of procuring, developing and maintaining competent workforce to achieve the goals of an organization in an effective and efficient manner.

Nature of HRM

HRM is a management function that helps manager’s to recruit, select, train and develop members for an organization. HRM is concerned with people’s dimension in organizations.

The following constitute the core of HRM

- 1. HRM Involves the Application of Management Functions and Principles.** The functions and principles are applied to acquiring, developing, maintaining and providing remuneration to employees in organization.
- 2. Decision Relating to Employees must be Integrated.** Decisions on different aspects of employees must be consistent with other human resource (HR) decisions.
- 3. Decisions Made Influence the Effectiveness of an Organization.** Effectiveness of an organization will result in betterment of services to customers in the form of high quality products supplied at reasonable costs.
- 4. HRM Functions are not Confined to Business Establishments Only** but applicable to non-business organizations such as education, health care, recreation and like.

HRM refers to a set of programmes, functions and activities designed and carried out in order to maximize both employee as well as organizational effectiveness.

Scope of HRM

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.

The 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.

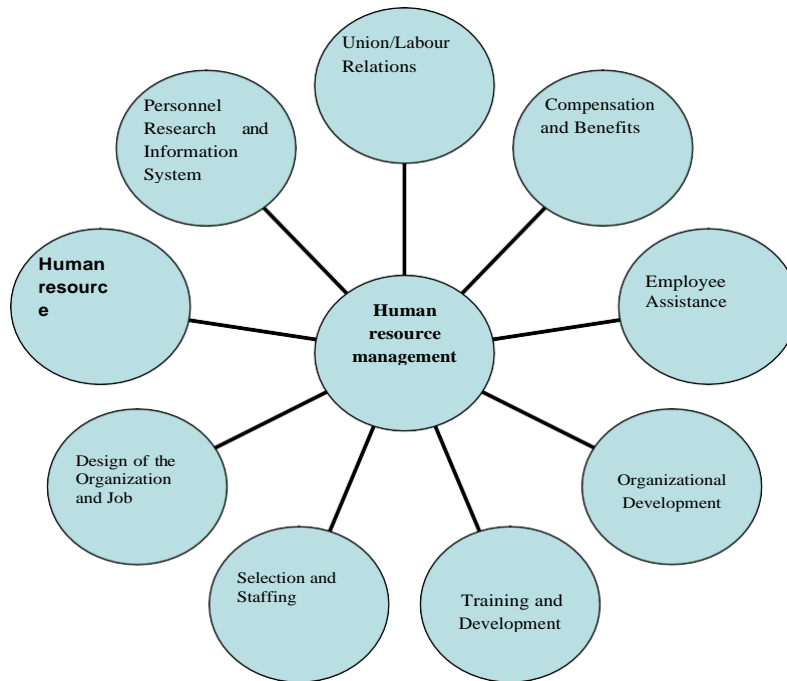


Figure 1.1: Scope of HRM

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.
- 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 fulfill 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 everyday. 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 happy.
- 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 behaviour. 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 fold. 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 HRM

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

- 1) Human capital : assisting the organization in obtaining the right number and types of employees to fulfill its strategic and operational goals
- 2) Developing organizational climate: helping to create a climate in which employees are encouraged to develop and utilize their skills to the fullest and to employ the skills and abilities of the workforce efficiently
- 3) Helping to maintain performance standards and increase productivity through effective job design; providing adequate orientation, training and development; providing performance-related feedback; and ensuring effective two-way communication.
- 4) Helping to establish and maintain a harmonious employer/employee relationship
- 5) Helping to create and maintain a safe and healthy work environment

- 6) Developing programs to meet the economic, psychological, and social needs of the employees and helping the organization to retain the productive employees
- 7) Ensuring that the organization is in compliance with provincial/territorial and federal laws affecting the workplace (such as human rights, employment equity, occupational health and safety, employment standards, and labour relations legislation). To help the organization to reach its goals
- 8) To provide organization with well-trained and well-motivated employees
- 9) To increase the employees satisfaction and self-actualization
- 10) To develop and maintain the quality of work life
- 11) To communicate HR policies to all employees.
- 12) To help maintain ethical polices and behavior.

The above stated HRM objectives can be summarized under four specific objectives: societal, organizational, and functional and personnel.

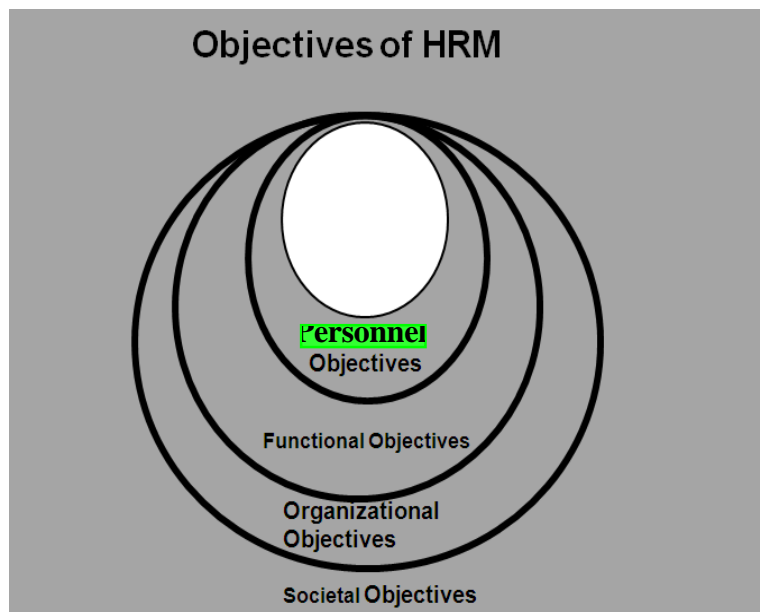


Figure 1.2: Objectives of HRM

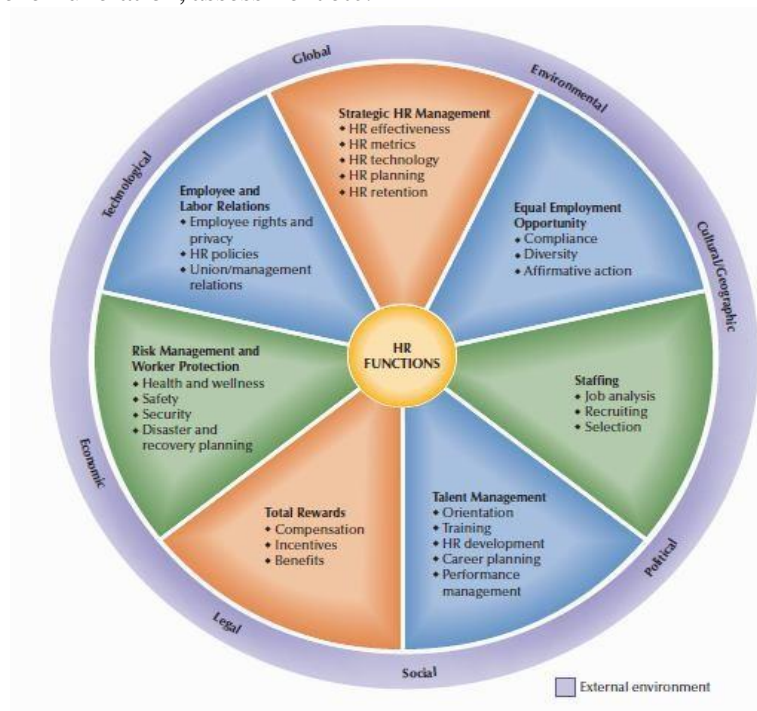
- 1) **Societal Objectives:** seek to ensure that the organization becomes socially responsible to the needs and challenges of the society while minimizing the negative impact of such demands upon the organization. The failure of the organizations to use their resources for the society's benefit in ethical ways may lead to restriction.
- 2) **Organizational Objectives:** it recognizes the role of HRM in bringing about organizational effectiveness. It makes sure that HRM is not a standalone department, but rather a means to assist the organization with its primary objectives. The HR department exists to serve the rest of the organization.
- 3) **Functional Objectives:** is to maintain the department's contribution at a level appropriate to the organization's needs. Human resources are to be adjusted to suit the organization's demands. The department's value should not become too expensive at the cost of the organization it serves.
- 4) **Personnel Objectives:** it is to assist employees in achieving their personal goals, at least as far as these goals enhance the individual's contribution to the organization. Personal objectives of employees must be met if they are to be maintained, retained and motivated. Otherwise employee performance and satisfaction may decline giving rise to employee turnover.

Table 1.1 HRM Objectives and Functions

HRM Objectives		Supporting Functions
1.	Societal Objectives	Legal compliance Benefits Union- management relations
2.	Organizational Objectives	Human Resource Planning Employee relations Selection Training and development Appraisal Placement Assessment
3.	Functional Objectives	Appraisal Placement Assessment
4.	Personal Objectives	Training and development Appraisal Placement Compensation Assessment

Functions of HRM

Human Resources management has an important role to play in equipping organizations to meet the challenges of an expanding and increasingly competitive sector. Increase in staff numbers, contractual diversification and changes in demographic profile which compel the HR managers to reconfigure the role and significance of human resources management. The functions are responsive to current staffing needs, but can be proactive in reshaping organizational objectives. All the functions of HRM are correlated with the core objectives of HRM (Table 1.1). For example personal objectives is sought to be realized through functions like remuneration, assessment etc.

**Figure 1.3 : Functions of HRM**

Functions of Human Resource Management

Human Resource Management functions can be classified in following three categories.

Managerial Functions,

Operative Functions, and

Advisory Functions

The *Managerial Functions* of Human Resource Management are as follows:

- 1. Human Resource Planning** - In this function of HRM, the number and type of employees needed to accomplish organizational goals is determined. Research is an important part of this function, information is collected and analyzed to identify current and future human resource needs and to forecast changing values, attitude, and behaviour of employees and their impact on organization.
- 2. Organizing** - In an organization tasks are allocated among its members, relationships are identified, and activities are integrated towards a common objective. Relationships are established among the employees so that they can collectively contribute to the attainment of organization goal.
- 3. Directing** - Activating employees at different level and making them contribute maximum to the organization is possible through proper direction and motivation. Taping the maximum potentialities of the employees is possible through motivation and command.
- 4. Controlling** - After planning, organizing, and directing, the actual performance of employees is checked, verified, and compared with the plans. If the actual performance is found deviated from the plan, control measures are required to be taken.

The *Operative Functions* of Human Resource Management are as follows:

- 1. Recruitment and Selection** - Recruitment of candidates is the function preceding the selection, which brings the pool of prospective candidates for the organization so that the management can select the right candidate from this pool.
- 2. Job Analysis and Design** - Job analysis is the process of describing the nature of a job and specifying the human requirements like qualification, skills, and work experience to perform that job. Job design aims at outlining and organizing tasks, duties, and responsibilities into a single unit of work for the achievement of certain objectives.
- 3. Performance Appraisal** - Human resource professionals are required to perform this function to ensure that the performance of employee is at acceptable level.
- 4. Training and Development** - This function of human resource management helps the employees to acquire skills and knowledge to perform their jobs effectively. Training and development programs are organized for both new and existing employees. Employees are prepared for higher level responsibilities through training and development.
- 5. Wage and Salary Administration** - Human resource management determines what is to be paid for different type of jobs. Human resource management decides employees compensation which includes -

wage administration, salary administration, incentives, bonuses, fringe benefits, and etc.,.

6. Employee Welfare - This function refers to various services, benefits, and facilities that are provided to employees for their well being.

7. Maintenance - Human resource is considered as asset for the organization. Employee turnover is not considered good for the organization. Human resource management always try to keep their best performing employees with the organization.

8. Labour Relations - This function refers to the interaction of human resource management with employees who are represented by a trade union. Employees comes together and forms an union to obtain more voice in decisions affecting wage, benefits, working condition, etc.,.

9. Personnel Research - Personnel researches are done by human resource management to gather employees' opinions on wages and salaries, promotions, working conditions, welfare activities, leadership, etc.,. Such researches helps in understanding employees satisfaction, employees turnover, employee termination, etc.,.

10. Personnel Record - This function involves recording, maintaining, and retrieving employee related information like - application forms, employment history, working hours, earnings, employee absents and presents, employee turnover and other other data related to employees.

The *Advisory Functions* of Human Resource Management are as follows:

Human Resource Management is expert in managing human resources and so can give advice on matters related to human resources of the organization. Human Resource Management can offer advice to:

1. Advise to Top Management

Personnel manager advises the top management in formulation and evaluation of personnel programs, policies, and procedures.

2. Advised to Departmental Heads

Personnel manager advises the heads of various departments on matters such as manpower planning, job analysis, job design, recruitment, selection, placement, training, performance appraisal, etc.

Role of HRM

The role of HRM is to plan, develop and administer policies and programs designed to make optimum use of an organizations human resources. It is that part of management which is concerned with the people at work and with their relationship within enterprises. Its objectives are: (a) effective utilization of human resources, (b) desirable working relationships among all members of the organizations, and (c) maximum individual development. Human resources function as primarily administrative and professional. HR staff focused on administering benefits and other payroll and operational functions and didn't think of themselves as playing a part in the firm's overall strategy.

HR professionals have an all encompassing role. They are required to have a thorough knowledge of the organization and its intricacies and complexities. The ultimate goal of every HR person should be to develop a linkage between the employee and organization because employee's commitment to the organization is crucial.

The first and foremost role of HR personnel is to impart continuous education to the employees about the changes and challenges facing the country in general and their organization in particular. The employees

should know about the balance sheet of the company, sales progress, and diversification of plans, share price movements, turnover and other details about the company. The HR professionals should impart such knowledge to all employees through small booklets, video films and lectures.

The primary responsibilities of Human Resource managers are:

- To develop a thorough knowledge of corporate culture, plans and policies.
- To act as an internal change agent and consultant
- To initiate change and act as an expert and facilitator
- To actively involve in company's strategy formulation
- To keep communication line open between the HRD function and individuals and groups both within and outside the organization\
- To identify and evolve HRD strategies in consonance with overall business strategy.
- To facilitate the development of various organizational teams and their working relationship with other teams and individuals.
- To try and relate people and work so that the organization objectives are achieved efficiently and effectively.
- To diagnose problems and determine appropriate solution particularly in the human resource areas.
- To provide co-ordination and support services for the delivery of HRD programmes and services
- To evaluate the impact of an HRD intervention or to conduct research so as to identify, develop or test how HRD In general has improved individual and organizational performance.

Different management gurus have deliberated different roles for the HR manager based on the major responsibilities that they full fill in the organization. Few of the commonly accepted models are enumerated below.

Pat Mc Lagan has suggested nine roles that are played by HR practitioners

1. To bring the issues and trends concerning an organization's external and internal people to the attention of strategic decision makers and to recommend long term strategies to support organizational excellence and endurance.
2. To design and prepare HR systems and actions for implementation so that they can produce maximum impact on organizational performance and development.
3. To facilitate the development and implementation of strategies for transforming one's own organization by pursuing values and visions.
4. To create a positive relationship with the customer's by providing them with the best services; to utilize the resources to the maximum and to create commitment among the people who help the organization to meet the customers needs whether directly connected or indirectly connected to the organization.
5. To identify the learning needs hence to design and develop structured learning programmes and materials to help accelerate learning for individuals and groups.
6. To enable the individuals and groups to work in new situations and to expend \and change their views so that people in power move from authoritarian to participative models of leadership.

7. To help employees to assess their competencies, values and goals so that they can identify, plan and implement development plans.
8. He also assists the individual employee to add values in the workplace and to focus on the interventions and interpersonal skills for helping people change and sustain change.
9. He assesses the HRD practices and programmes and their impact and to communicate results so that the organization and its people accelerate their change and development.

Current Classification of HR roles

According to R.L Mathis and J. H. Jackson (2010) several roles can be fulfilled by HR management. The nature and extent of these roles depend on both what upper management wants HR management to do and what competencies the HR staff have demonstrated. Three roles are typically identified for HR. The focus of each of them, as shown in Figure 1. is elaborated below:

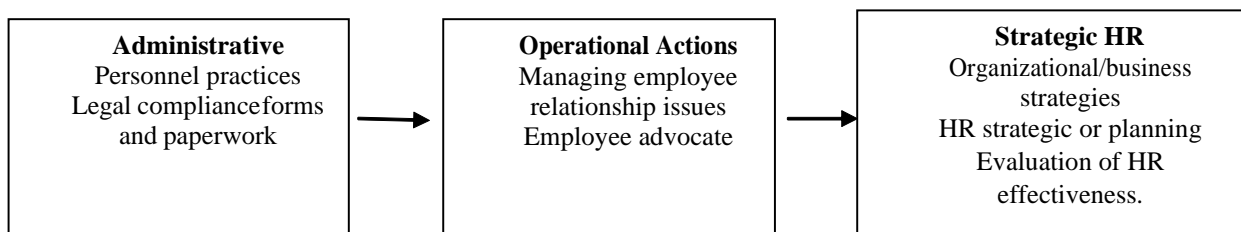


Figure 1.4 : Current Classification of HR roles

1. Administrative Role of HR

The administrative role of HR management has been heavily oriented to administration and recordkeeping including essential legal paperwork and policy implementation. Major changes have happened in the administrative role of HR during the recent years. Two major shifts driving the transformation of the administrative role are: Greater use of technology and Outsourcing.

Technology has been widely used to improve the administrative efficiency of HR and the responsiveness of HR to employees and managers, more HR functions are becoming available electronically or are being done on the Internet using Web-based technology. Technology is being used in most HR activities, from employment applications and employee benefits enrollments to e-learning using Internet-based resources.

Increasingly, many HR administrative functions are being outsourced to vendors. This outsourcing of HR administrative activities has grown dramatically in HR areas such as employee assistance (counseling), retirement planning, benefits administration, payroll services, and outplacement services.

2. Operational and Employee Advocate Role for HR

HR managers manage most HR activities in line with the strategies and operations that have been identified by management and serves as employee “champion” for employee issues and concerns.

HR often has been viewed as the “employee advocate” in organizations. They act as the voice for employee concerns, and spend considerable time on HR “crisis management,” dealing with employee problems that are both work-related and not work-related. Employee advocacy helps to ensure fair and equitable treatment for employees regardless of personal background or circumstances.

3. Strategic Role for HR

The administrative role traditionally has been the dominant role for HR. However, as Figure 1.4 indicates that a broader transformation in HR is needed so that significantly less HR time and fewer HR staffs are used just for clerical work.

Differences between the operational and strategic roles exist in a number of HR areas. The strategic HR role means that HR professionals are proactive in addressing business realities and focusing on future business needs, such as strategic planning, compensation strategies, the performance of HR, and measuring its results. However, in some organizations, HR often does not play a key role in formulating the strategies for the organization as a whole; instead it merely carries them out through HR activities.

HRM in the New Millennium

Human Resources have never been more indispensable than today. The competitive forces that we face today will continue to face in the future demanding organizational excellence. In order to achieve this extended quality, organization's need to focus on learning, quality development, teamwork, and reengineering. These factors are driven by the way organizations implement things and how employees are treated.

1. HR Can Help in Dispensing Organizational Excellence: To achieve this paradigm shift in the organization excellence there is a need for organizations to reform the way in which work is carried out by the Human Resource department. By designing an entirely new role and agenda that results in enriching the organization's value to customers, investors and employees, HR can help in delivering organizational excellence. This can be carried out by helping line managers and senior managers in moving planning from the conference room to the market place and by becoming an expert in the way work is organized and executed.

2. Human Resource Should be a Strategy Partner: HR should also become a partner in strategy executions by propelling and directing serious discussions of how the company should be organized to carry out its strategy.

3. HR Accountability Should be Fixed to Ensure Employee Commitment: HR must be held accountable for ensuring that employees feel committed to the organization and contribute fully. They must take responsibility for orienting and training line management about the importance of high employee morale and how to achieve it

4. The New HR Must Become a Change Agent: The new HR must become a change agent, which is building the organization's capacity to embrace and capitalize on change. Even though they are not primarily responsible for executing change it is the duty of the HR manager to make sure that the organization carries out the changes framed for implementation.

5. Improving the Quality of HR: The most important thing that managers can do to drive the new mandate for HR is to improve the quality of the HR staff itself. Senior executives must get beyond the stereotypes of HR professionals as incompetent support staff and unleash HR's full potential

6. Change in Employment Practices: The balance sheet of an organization shows human resource as an expense and not as a Capital. In the information age, it is perceived that the machines can do the work more efficiently than most people however; technology to work is dependent on people.

The challenges for Employment Practice in the New Millennium will require that there should be strategic

involvement of the **people and labour-management partnerships** as they both have to take organization ahead.

7. Benchmarking Tool Must be Mastered by HR Professionals: HR professionals must master benchmarking, which is a tool for continuous improvement- directing the human side associated with the strategic path adopted by the organization.

8. Aligning Human Resources to Better Meet Strategic Objectives: Too often organizations craft their strategy in a vacuum. Some organizations don't even include key people during strategy formulation resulting in lacunae between the actual problems and the solutions implemented- as critical inputs are not sought from those individuals who are supposed to implement the new strategies.

9. Promote From Within and Invest in Employees: Promoting employees from within sends a powerful message that the organization's employees are valued. New blood and fresh ideas often come from newcomers to the organization.

10. Review the Recruitment and Selection Process: A key element of human resource planning is ensuring that the supply of appropriate employees (with the right skill mix) is on board when needed. This requires a proactive approach whereby the organization anticipates its needs well in advance. It is important to identify the competencies being sought. That is, the criteria upon which selection decisions are to be made should be decided in advance

11. Communicate Mission and Vision: If employees are expected to contribute to the attainment of the organization's strategic objectives, they must understand what their role is. This can be achieved in part by clearly communicating the mission and vision statements of the firm. The old adage is certainly true. If a person does not know where he or she is going, any road will get him or her there.

Unit - 2 : Human Resource Planning

Introduction

First part of Human resource strategy is HRP – Human Resource Planning. All other HR activities like employee hiring, training and development, remuneration, appraisal and labour relations are derived from HRP. HR planning is important in a wide variety of industries and firms. HR planning affects what employers do when recruiting, selecting, and retaining people, and of course these actions affect organizational results and success. The challenges caused by changing economic conditions during recent years show why HR workforce planning should occur.

Staffing an organization is an HR activity that is both strategic and operational in nature. As the HR Headline indicates, HR planning is important in a wide variety of industries and firms. HR planning affects what employers do when recruiting, selecting, and retaining people, and, of course these actions affect organizational results and success. Human Resources planning mean different means to different organizations. To some companies, human resources planning mean management development. It involve helping executives to make better decisions, communicate more effectively, and know more about the firm. The purpose of HRP is to make the manager a better equipped for facing the present and future.

Human Resource Planning (HRP)

Human resource planning is important for helping both organizations and employees to prepare for the future. The basic goal of human resource planning is to predict the future and based on these predictions, implement programmes to avoid anticipated problems. Very briefly humans resource planning is the process of examining an organization's or individual's future human resource needs for instance, what types of

skills will be needed for jobs of the future compared to future human resource capabilities (such as the types of skilled employees you already have) and developing human resource policies and practices to address potential problems for example, implementing training programmes to avoid skill deficiencies.

Definition of Human Resource Planning

According to Vetter, “HRP is the process by which management determines how the organization should move from its current man power position to desired manpower position. Through planning, management strives to have the right time, doing things which result in both the organization and individual receiving maximum long run benefits”.

According to Gordon Mc Beath, “HRP is concerned with two things: Planning of manpower requirements and Planning of Manpower supplies”.

According to Beach, “HRP is a process of determining and assuming that the organization will have an adequate number of qualified persons, available at proper times, performing jobs which meet the needs of the enterprise and which provides satisfaction for the individuals involved”

Simply HRP can be understood as the process of forecasting an organization’s future demands for and supply of the right type of people in the right number. In other words HRP is the process of determining manpower needs and formulating plans to meet these needs.

HRP is a Four-Phased Process.

- **The first phase** involves the gathering and analysis of data through manpower inventories and forecasts,
- **The second phase** consists of establishing manpower objectives and policies and gaining top management approval of these.
- **The third phase** involves designing and implementing plans and promotions to enable the organization to achieve its manpower objectives.
- **The fourth phase** is concerned with control and evaluation of manpower plans to facilitate progress in order to benefit both the organization and the individual. The long run view means that gains may be sacrificed in the short run for the future grounds. The planning process enables the organization to identify what its manpower needs is and what potential manpower problems required current action. This leads to more effective and efficient performance.

Objectives of Human Resource Planning

1. To ensure optimum utilization of human resources currently available in the organization.
2. To assess or forecast the future skill requirement of the organization.
3. To provide control measures to ensure that necessary resources are available as and when required.
4. A series of specified reasons are there that attaches importance to manpower planning and forecasting exercises. They are elaborated below:
 - To link manpower planning with the organizational planning
 - To determine recruitment levels.
 - To anticipate redundancies.

- To determine optimum training levels.
- To provide a basis for management development programs.
- To cost the manpower.
- To assist productivity bargaining.
- To assess future accommodation requirement.
- To study the cost of overheads and value of service functions.
- To decide whether certain activity needs to be subcontracted, etc.

The objectives of human resource planning may be summarized as below:

- ***Forecasting Human Resources Requirements:*** HRP is essential to determine the future needs of HR in an organization. In the absence of this plan it is very difficult to provide the right kind of people at the right time.
- ***Effective Management of Change:*** Proper planning is required to cope with changes in the different aspects which affect the organization. These changes need continuation of allocation/reallocation and effective utilization of HR in organization.
- ***Realizing the Organizational Goals:*** In order to meet the expansion and other organizational activities the organizational HR planning is essential.
- ***Promoting Employees:*** HRP gives the feedback in the form of employee data which can be used in decision-making in promotional opportunities to be made available for the organization.
- ***Effective Utilization of HR:*** The data base will provide the useful information in identifying surplus and deficiency in human resources. The objective of HRP is to maintain and improve the organizational capacity to reach its goals by developing appropriate strategies that will result in the maximum contribution of HR.

Need for HRP in Organizations

Major reasons for the emphasis on HRP at the Macro level:

- 1) **Employment-Unemployment Situation:** Though in general the number of educated unemployment is on the rise, there is acute shortage for a variety of skills. This emphasizes on the need for more effective recruitment and employee retention.
- 2) **Technological Change:** The changes in production technologies, marketing methods and management techniques have been extensive and rapid. Their effect has been profound on the job contents and job contexts. These changes have caused problems relating to redundancies, retention and redeployment. All these suggest the need to plan manpower needs intensively and systematically.
- 3) **Demographic Change:** The changing profile of the work force in terms of age, sex, literacy, technical inputs and social background has implications for HRP.
- 4) **Skill Shortage:** Unemployment does not mean that the labour market is a buyer's market. Organizations generally become more complex and require a wide range of specialist skills that are rare and scarce. A problem arises in an organization when employees with such specialized skills leave.
- 5) **Governmental Influences:** Government control and changes in legislation with regard to

affirmative action for disadvantages groups, working conditions and hours of work, restrictions on women and child employment, casual and contract labour, etc. have stimulated the organizations to become involved in systematic HRP.

- 6) **Legislative Control:** The policies of “hire and fire” have gone. Now the legislation makes it difficult to reduce the size of an organization quickly and cheaply. It is easy to increase but difficult to shed the fat in terms of the numbers employed because of recent changes in labour law relating to lay-offs and closures. Those responsible for managing manpower must look far ahead and thus attempt to foresee manpower problems.
- 7) **Impact of the Pressure Group:** Pressure groups such as unions, politicians and persons displaced from land by location of giant enterprises have been raising contradictory pressure on enterprise management such as internal recruitment and promotion, preference to employees’ children, displace person, sons of soil etc.
- 8) **Systems Approach:** The spread of system thinking and advent of the macro computer as the part of the on-going revolution in information technology which emphasis planning and newer ways of handling voluminous personnel records.
- 9) **Lead Time:** The log lead time is necessary in the selection process and training and deployment of the employee to handle new knowledge and skills successfully.

Importance of HRP

HRP is the subsystem in the total organizational planning. Organizational planning includes managerial activities that set the company’s objective for the future and determines the appropriate means for achieving those objectives. The importance of HRP is elaborated on the basis of the key roles that it is playing in the organization.

1. **Future Personnel Needs:** Human resource planning is significant because it helps to determine the future personnel needs of the organization. If an organization is facing the problem of either surplus or deficiency in staff strength, then it is the result of the absence of effecting HR planning.
2. **Part of Strategic Planning:** HRP has become an integral part of strategic planning of strategic planning. HRP provides inputs in strategy formulation process in terms of deciding whether the organization has got the right kind of human resources to carryout the given strategy.
3. **Creating Highly Talented Personnel:** Even though India has a great pool of educated unemployed, it is the discretion of HR manager that will enable the company to recruit the right person with right skills to the organization
4. **International Strategies:** An international expansion strategy of an organization is facilitated to a great extent by HR planning. The HR department’s ability to fill key jobs with foreign nationals and reassignment of employees from within or across national borders is a major challenge that is being faced by international business.
5. **Foundation for Personnel Functions:** HRP provides essential information for designing and implementing personnel functions, such as recruitment, selection, training and development, personnel movement like transfers, promotions and layoffs.

6. **Increasing Investments in Human Resources:** Organizations are making increasing investments in human resource development compelling the increased need for HRP. Organizations are realizing that human assets can increase in value more than the physical assets.
Resistance to Change: Employees are always reluctant whenever they hear about change and even about job rotation. Organizations cannot shift one employee from one department to another without any specific planning. Even for carrying out job rotation (shifting one employee from one department to another) there is a need to plan well ahead and match the skills required and existing skills of the employees.
7. **Uniting the Viewpoint of Line and Staff Managers:** HRP helps to unite the viewpoints of line and staff managers. Though HRP is initiated and executed by the corporate staff, it requires the input and cooperation of all managers within an organization. Each department manager knows about the issues faced by his department more than anyone else. So communication between HR staff and line managers is essential for the success of HR Planning and development.
8. **Succession Planning:** Human Resource Planning prepares people for future challenges. The 'stars' are picked up, trained, assessed and assisted continuously so that when the time comes such trained employees can quickly take the responsibilities and position of their boss or seniors as and when situation arrives.
9. **Other Benefits:** (a) HRP helps in judging the effectiveness of manpower policies and programmes of management. (b) It develops awareness on effective utilization of human resources for the overall development of organization. (c) It facilitates selection and training of employees with adequate knowledge, experience and aptitudes so as to carry on and achieve the organizational objectives (d) HRP encourages the company to review and modify its human resource policies and practices and to examine the way of utilizing the human resources for better utilization.

Factors Affecting HRP

HRP is influenced by several factors. The most important of the factors that affect HRP are (1) type and strategy of organization (2) organizational growth cycles and planning (3) environmental uncertainties (4) time horizons (5) type and quality of forecasting information (4) nature of jobs being filled and (5) off loading the work.

1. Type and Strategy of the Organization: Type of the organization determines the production processes involve, number and type of staff needed and the supervisory and managerial personnel required. HR need is also defined by the strategic plan of organization. If the organization has a plan for organic growth then organization need to hire additional employees. The nature of HR plan is also decides upon the formality of the plan. It can decides to have an informal plan that lies mostly in the minds of the managers and personnel staff or can have a formal plan which is properly documented in writing



Figure 2.1 : Factors Affecting HRP.

Figure 2.1 summarizes the five factors that influence an organization while framing its strategic HRP.

2. Organizational Growth Cycles and Planning: All organizations pass through different stages of growth from the day of its inception. The stage of growth in which an organization is determines the nature and extends of HRP. Small organizations in the earlier stages of growth may not have well defined personnel planning.

3. Environmental Uncertainties: Political, social and economic changes affect all organizations and the fluctuations that are happening in these environments affect organizations drastically. Personnel planners deal with such environmental uncertainties by carefully formulating recruitment, selection, training and development policies and programmes. The balance in the organization is achieved through careful succession planning, promotion channels, layoffs, flexi time, job sharing, retirement, VRS and other personnel related arrangements.

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

5. Type and Quality of information: The information used to forecast personnel needs originates from a multitude of sources. The forecast depends to a large extent upon the type of information and the quality of data that is available to personnel planners. The quality and accuracy of information depend upon the clarity with which the organizational decision makers have defined their strategy, structure, budgets, production schedule and so on.

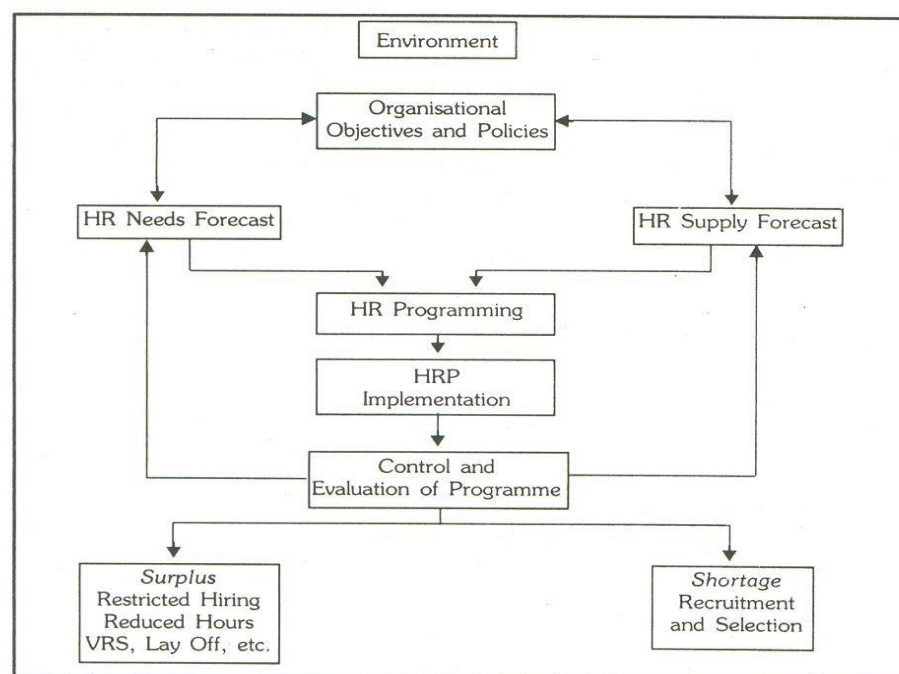
6. Nature of Jobs Being Filled: Personnel planners need to be really careful with respect to the nature of the jobs being filled in the organization. Employees belonging to lower level who need very limited skills

can be recruited hastily but, while hiring employees for higher posts, selection and recruitment need to be carried out with high discretion. Organization need to anticipate vacancies far in advance as possible, to provide sufficient time to recruit suitable candidate.

7. Outsourcing: Several organizations outsource part of their work to outside parties in the form of subcontract. Outsourcing is a regular feature both in the public sector as well as in the private sector companies. Many of the organizations have surplus labour and hence instead of hiring more people they go for outsourcing. Outsourcing is usually done for non critical activities. Outsourcing of non- critical activities through subcontracting determines HRP.

HRP Process

HRP effectively involves forecasting personnel needs, assessing personnel supply and matching demand–supply factors through personnel related programmes. The HR planning process is influenced by overall organizational objectives and environment of business.



Environmental Scanning:

It refers to the systematic monitoring of the external forces influencing the organization. The following forces are essential for pertinent HRP.

- Economic factors, including general and regional conditions.
- Technological changes
- Demographic changes including age, composition and literacy,
- Political and legislative issues, including laws and administrative rulings
- Social concerns, including child care, educational facilities and priorities.

By scanning the environment for changes that will affect an organization, managers can anticipate their impact and make adjustments early.

Organizational Objectives and Policies: HR plan is usually derived from the organizational objectives. Specific requirements in terms of number and characteristics of employees should be derived from organizational objectives

Once the organizational objectives are specified, communicated and understood by all concerned, the HR department must specify its objective with regard to HR utilization in the organization.

HR Demand Forecast:

Demand forecasting is the process of estimating the future quantity and quality of people required to meet the future needs of the organization. Annual budget and long-term corporate plan when translated into activity into activity form the basis for HR forecast.

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Demand forecasting is influenced by both internal factors and external factors: external factors include-competition, economic climate, laws and regulatory bodies, changes in technology and social factors whereas internal factors are budget constraints, production level, new products and services, organizational structure and employee separations.

Demand forecasting is essential because it helps the organization to 1. Quantify the jobs, necessary for producing a given number of goods, 2. To determine the nature of staff mix required in the future, 3. To assess appropriate levels in different parts of organization so as to avoid unnecessary costs to the organization, 4. To prevent shortages of personnel where and when, they are needed by the organization. 5. To monitor compliances with legal requirements with regard to reservation of jobs.

Techniques like managerial judgment, ratio- trend analysis, regression analysis, work study techniques, Delphi techniques are some of the major methods used by the organization for demand forecasting.

HR Supply Forecast:

Supply forecast determines whether the HR department will be able to procure the required number of workers. Supply forecast measures the number of people likely to be available from within and outside an organization, after making allowance for absenteeism, internal movements and promotions, wastage and changes in hours, and other conditions of work.

Supply forecast is required because it is needed as it 1. Helps to quantify the number of people and positions expected to be available in future to help the organization realize its plans and meet its objectives 2. Helps to clarify the staff mixes that will arise in future 3. It assesses existing staffing in different parts of the organization. 4. It will enable the organization to prevent shortage of people where and when they are most needed. 5. It also helps to monitor future compliance with legal requirements of job reservations.

Supply analysis covers the existing human resources, internal sources of supply and external sources of supply.

HR Programming:

Once an organization's personnel demand and supply are forecasted the demand and supply need to be balanced in order that the vacancies can be filled by the right employees at the right time.

HR Plan Implementation:

HR implementation requires converting an HR plan into action. A series of action are initiated as a part of HR plan implementation. Programmes such as recruitment, selection and placement, training and development, retraining and redeployment, retention plan, succession plan etc when clubbed together form the implementation part of the HR plan.

Control and Evaluation:

Control and evaluation represent the final phase of the HRP process. All HR plan include budgets, targets and standards. The achievement of the organization will be evaluated and monitored against the plan. During this final phase organization will be evaluating on the number of people employed against the established (both those who are in the post and those who are in pipe line) and on the number recruited against the recruitment targets. Evaluation is also done with respect to employment cost against the budget and wastage accrued so that corrective action can be taken in future.

Requisites for Successful HRP

1. HRP must be recognized as an integral part of corporate planning
2. Support of top management is essential
3. There should be some centralization with respect to HRP responsibilities in order to have co-ordination between different levels of management.
4. Organization records must be complete, up to date and readily available.
5. Techniques used for HR planning should be those best suited to the data available and degree of accuracy required.
6. Data collection, analysis, techniques of planning and the plan themselves need to be constantly revised and improved in the light of experience.

Barriers to HRP

Human Resource Planners face significant barriers while formulating an HRP. The major barriers are elaborated below:

- 1) HR practitioners are perceived as experts in handling personnel matters, but are not experts in managing business. The personnel plan conceived and formulated by the HR practitioners when enmeshed with organizational plan, might make the overall strategic plan of the organization ineffective.
- 2) HR information often is incompatible with other information used in strategy formulation. Strategic planning efforts have long been oriented towards financial forecasting, often to the exclusion of other types of information. Financial forecasting takes precedence over HRP.
- 4) Conflict may exist between short term and long term HR needs. For example, there can be a conflict between the pressure to get the work done on time and long term needs, such as preparing people for assuming greater responsibilities. Many managers are of the belief that HR needs can be met immediately because skills are available on the market as long as wages and salaries are competitive. Therefore, long times plans are not required, short planning are only needed.
- 5) There is conflict between quantitative and qualitative approaches to HRP. Some people view HRP as a number game designed to track the flow of people across the department. Others take a qualitative approach and focus on individual employee concerns such as promotion and career development. Best result can be achieved if there is a balance between the quantitative and qualitative approaches.
- 6) Non-involvement of operating managers renders HRP ineffective. HRP is not strictly an HR department function. Successful planning needs a co-ordinated effort on the part of operating managers and HR personnel.

Job Analysis :

Introduction

Manpower planning is concerned with determination of quantitative and qualitative requirements of manpower for the organization. Determination of manpower requirements is one of the most important problems in manpower planning. Job analysis and job design, provide this knowledge. Before going through the mechanism of job analysis and job design, it is relevant to understand the terms which are used in job analysis and job design.

Decenzo and P. Robbins define other terms as follows:

- Task:** It is a distinct work activity carried out for a distinct purpose.
- Duty:** It is a number of tasks.
- Position:** It refers to one or more duties performed by one person in an organization, There are at least as many positions as there are workers in the organization; vacancies may create more positions than employees.
- Job:** It is a type of position within the organization.
- Job Family:** It is group of two or more jobs that either call for similar worker characteristics or contain parallel work tasks as determined by job analysis.
- Occupation:** It is a group of similar jobs found across organizations.
- Career:** It represents a sequence of positions, jobs, or occupations that a person has over his working life.

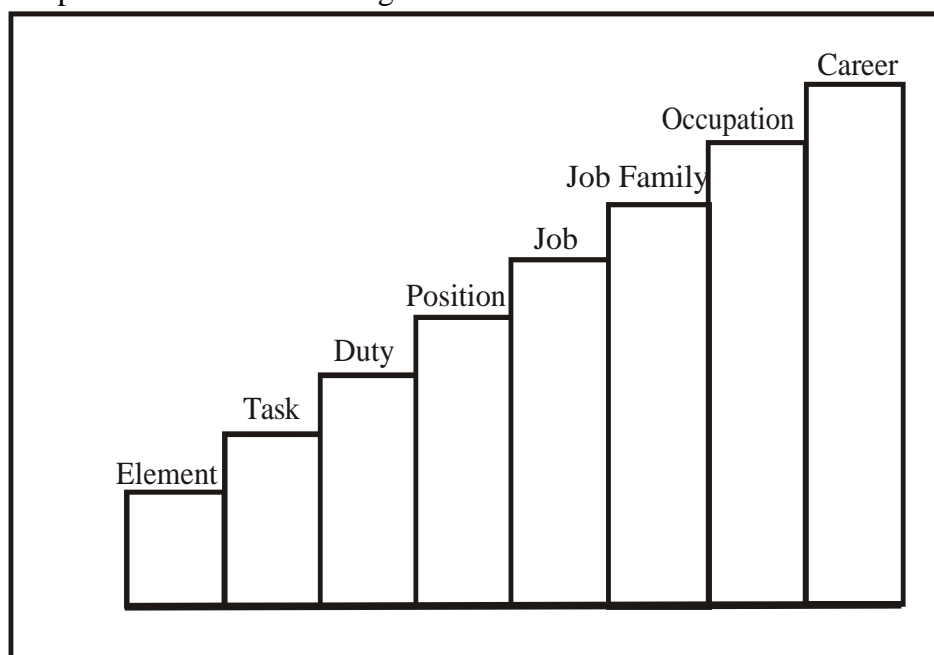


Figure 3.1: Job Analysis Information Hierarchy
(Adapted from Decenzo and P. Robbins, Personnel/Human Resource Management)

Job Analysis Defined

Developing an organizational structure, results in jobs which have to be staffed. Job analysis is the procedure through which you determine the duties and nature of the jobs and the kinds of people (in terms of skills and experience) who should be hired for them.' It provides you with data on job requirements, which are then used for developing job descriptions (what the job entails) and job specifications (what kind of people to hire for the job). Some of the definitions of job analysis are given as follows, to understand the meaning of the term more clearly:

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

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

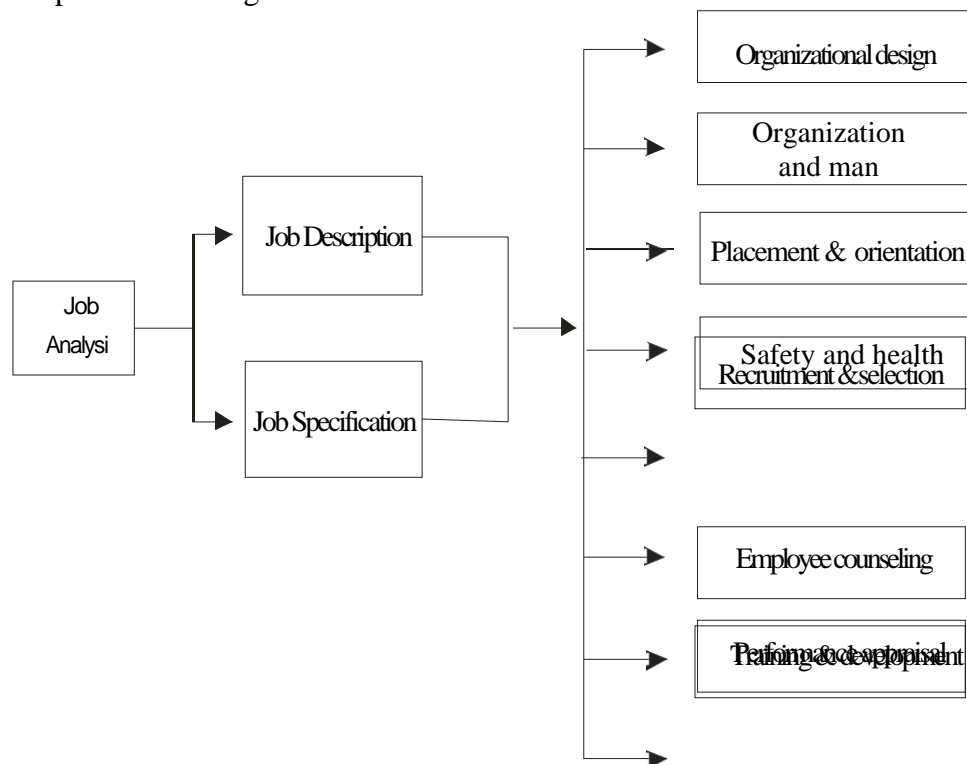
According to Herbert G Herman "A job is a collection of tasks that can be performed by a single employee to contribute to the production of some product or service provided by the organization. Each job has certain ability requirements (as well as certain rewards) associated with it. Job analysis process used to identify these requirements."

Flippo has offered a more comprehensive definition of job analysis as, "Job analysis is the process of studying and collecting information relating to the operations and responsibilities of a specific job. The immediate products of the analysis are job descriptions and job specifications"

Thus, job analysis involves the process of identifying the nature of a job (job description) and the qualities of the likely job holder (job specification).

Uses of Job Analysis

As summarized in Figure 3.2 the information generated by the job analysis is used as a basis of several interrelated personnel management activities:



Uses of Job Analysis

1. Achievement of Goals: Weather and Davis have stated, “Jobs are at the core of every organization’s productivity, if they are designed well and done right, the organization makes progress towards its objectives. Otherwise, productivity suffers, profits fall, and the organization is less able to meet the demands of society, customer, employees, and other with a stake in its success.”

2. Organizational Design: Job analysis will be useful in classifying the jobs and the interrelationships among the jobs. On the basis of information obtained through job analysis, sound decisions regarding hierarchical positions and functional differentiation can be taken and this will improve operational efficiency.

3. Organization and Manpower Planning: It is helpful in organization planning, for it defines labour in concrete terms and co-ordinates the activities of the work force, and clearly divides duties and responsibilities.

4. Recruitment and Selection: Job analysis provides you with information on what the job entails and what human requirements are required to carry out these activities. This information is the basis on which you decide what sort of people to recruit and hire.

5. Placement and Orientation: Job analysis helps in matching the job requirements with the abilities, interests and aptitudes of people. Jobs will be assigned to persons on the basis of suitability for the job. The orientation programme will help the employee in learning the activities and understanding duties that are required to perform a given job more effectively.

6. Employee Training and Management Development: Job analysis provides the necessary information to the management of training and development programmes. It helps in to determine the content and subject matter of in training courses. It also helps in checking application information, interviewing test results and in checking references.

7. Job Evaluation and Compensation: Job evaluation is the process of determining the relative worth of different jobs in an organization with a view to link compensation, both basic and supplementary, with the worth of the jobs. The worth of a job is determined on the basis of job characteristics and job holder characteristics. Job analysis provides both in the forms of job description and job specification.

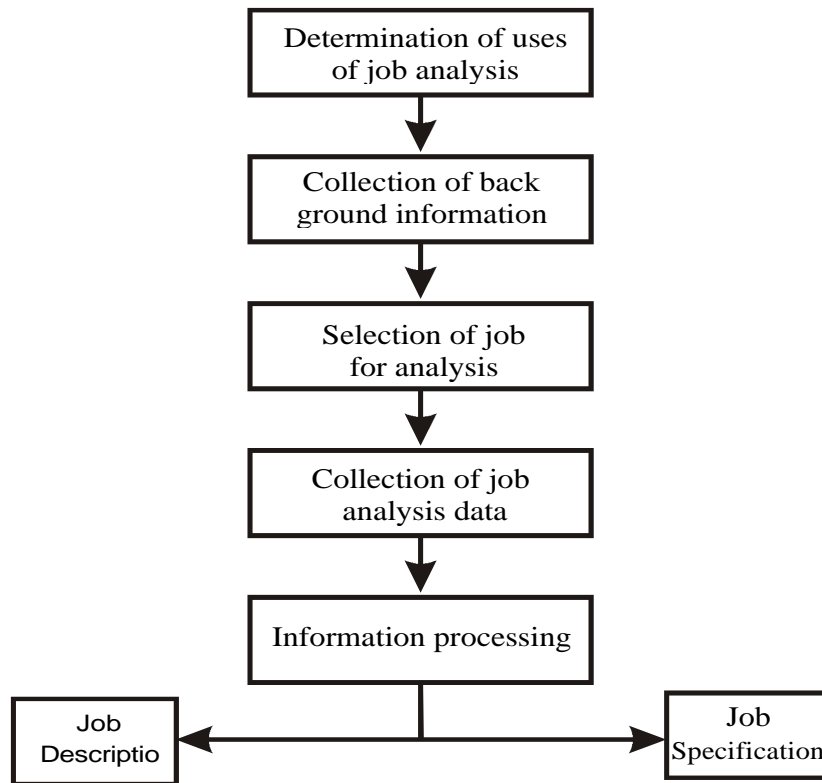
8. Performance Appraisal: Performance appraisal involves comparing each employee’s actual performance with his or her desired performance. Through job analysis industrial engineers and other experts determine standards to be achieved and specific activities to be performed.

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

10. Employee Counselling: Job analysis provides information about career choices and personal limitation. Such information is helpful in vocational guidance and rehabilitation counselling. Employees who are unable to cope with the hazards and demands of given jobs may be advised to opt for subsidiary jobs or to seek premature retirement.

Steps in Job Analysis

The six steps of job analysis are shown in figure 3.3:



Job Analysis Process

1. Determine the Use of the Job Analysis Information: Start by identifying the use to which the information will be put, since this will determine the type of data you collect and the technique you use to collect them.

2. Collection of Background Information: According to Terry, “The make-up of a job, its relation to other jobs, and its requirements for competent performance are essential information needed for a job evaluation. This information can be had by reviewing available background information such as organization charts (which show how the job in question relates to other jobs and where they fit into the overall organization); class specifications (which describe the general requirements of the class of job to which the job under analysis belongs); and the existing job descriptions which provide a starting point from which to build the revised job description”.

3. Selection of Jobs for Analysis: To do job analysis is a costly and time consuming process. It is hence, necessary to select a representative sample of jobs for purposes of analysis. Priorities of various jobs can also be determined. A job may be selected because it has undergone undocumented changes in job content. The request for analysis of a job may originate with the employee, supervisor, or a manager.

4. Collection of Job Analysis Data: Job data on features of the job, required employee qualification and requirements, should be collected either from the employees who actually perform a job; or from other employees (such as foremen or supervisors) who watch the workers doing a job and thereby acquire knowledge about it; or from the outside persons, known as the trade job analysis who are appointed

to watch employees performing a job.

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

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

7. Developing Job Specifications: Job specifications are also prepared on the basis of information collected. It is a statement of minimum acceptable qualities of the person to be placed on the job. It specifies the standard by which the qualities of the person are measured. Job analyst prepares such statement taking into consideration the skills required in performing the job properly. Such statement is used in selecting a person matching with the job.

Job Description

Job description is the immediate product of job analysis process; the data collected through job analysis provides a basis for job description and job specification.

Job Description: is a written record of the duties, responsibilities and requirements of a particular job. It is concerned with the job itself and not with the job holders. It is a statement describing the job in such terms as its title, location, duties, working conditions and hazards.

Flippo has Defined Job Description as, “A job description is an organized, factual statement of duties and responsibilities of a specific job. In brief, it should tell what is to be done. How it is done why. It is a standard of function, in that defines the appropriate and authorized content of a job.

According to Pigors and Myres, “Job description is a pertinent picture (in writing) of the organizational relationships, responsibilities and specific duties that constitutes a given job or position. It defines a scope of responsibility and continuing work assignments that are sufficiently different from that of other jobs to warrant a specific title.”

According to Zerga, who analyzed 401 articles on job description about 30 years ago. A job description helps us in:

- (i) Job grading and classification
- (ii) Transfers and promotions.
- (iii) Adjustments of grievances;
- (iv) Defining and outlining promotional steps;
- (v) Establishing a common understanding of a job between employers and employees;
- (vi) Investigation accidents;
- (vii) Indicating faulty work procedures or duplication of papers;
- (viii) Maintaining, operating and adjusting machinery;
- (ix) Time and motion studies;

- (x) Defining the limits of authority;
- (xi) Indicating case of personal merit;
- (xii) Studies of health and fatigue;
- (xiii) Scientific guidance;
- (xiv) Determining jobs suitable for occupational therapy;
- (xv) Providing hiring specifications; and
- (xvi) Providing performance indicators.

“Job description” is different from “performance assessment.” The former concerns such functions as planning, co-ordination, and assigning responsibility; while the latter concerns the quality of performance itself. Though job description is not assessment, it provides an important basis establishing assessment standards and objectives.

Writing Job Description

A Job description is a written statement of what the job holder actually does, how he or she does it, and under what conditions the job is performed. This information is in turn used to write a job specification. This lists the knowledge, abilities, and skills needed to perform the job satisfactorily. While there is no standard format you must use in writing a job description, most descriptions contain at least sections on:

1. Job Identification: It includes the job title, alternative title, department, division, and plant and code number of the job. The job title identifies and designates the job properly, the department, division, etc., indicate the name of the department where it is situated – whether it is the maintenance department, mechanical shop etc. Location gives the name of the place. This portion of job description gives answer to two important questions: to what higher level job is this job accountable. And who is supervised directly?

2. Job Summary: Job summary describes the contents of the jobs in terms of activities or tasks performed. Job summary should clear the nature of the job. Primary, secondary and other duties to be performed on the job should clearly be indicated separately.

3. Duties and Responsibilities: This is the most important phase of job description and should be prepared very carefully. It describes the duties to be performed along with frequency of each major duty. Responsibilities concerning custody of money, supervision and training of staff etc. are also described in this part.

Example of a Job Description

Job Title: Record Clerk
Supervisor: Record Supervisor
Supervises: None

Job No. 011
Job Grand –III
Date: 2/21/12

Job Summary: Originate, process, and maintain comprehensive records; implement required controls; collect and summarize data as requested.

Job Duties and Responsibilities :

- Review a variety of documents, listings, summarizes, etc, for completeness and accuracy.
- Check records against other current sources such as reports or summaries; investigate differences and take required action to ensure that records are accurate and up to date; compile and summarize data report format as required.
- Implement controls or obtaining, preserving, and supplying a variety of information. Prepare simple requisitions, forms, and other routine memoranda.
- Provide functional guidance to lower-level personnel as required.

Working Conditions: Normal working conditions. But visits sites on average twice a week. Eight hours per day

Relationships:

- With equivalent officers in other departments.
- Maintains formal and social contacts with local officials.

Job Characteristics: Skilled operation of computer, calculating machine, or key punch machine is not necessarily a requirement of this job.

The above information is correct and approved by:

(Signed)

Job Analyst

(Signed)

In charge Manager

4. Supervision: Under it is given number of persons to be supervised along with their job titles, and the extent of supervision involved –general, intermediate or close supervision.

5. Relation to Other Jobs: It describes the vertical and horizontal relationships of work flow. It also indicates to whom the jobholder will report and who will report to him. It gives an idea of channels of promotion.

6. Machine, tools and equipment define each major type or trade name of the machines and tools and the raw materials used.

7. Working Conditions: The working environment in terms of heat, light, noise, dust and fumes etc, the job hazards and possibility of their occurrence and working conditions should also be described. It will be helpful in job evaluation.

8. Social Environment: It specifies the social conditions under which the work will be performed. In this part the size of work group, interpersonal interactions required to perform the job and development facilities are mentioned

Job Specification

The job specification states the minimum acceptable qualifications that the incumbent must possess to perform the job successfully. Based on the information acquired through job analysis, the job specification identifies the knowledge, skills, and abilities needed to do the job effectively. Individuals possessing the personal characteristics identified in the job specification should perform the job more effectively than individuals lacking these personal characteristics. The job specification, therefore, is an important tool in the

selection process, for it keeps the selector's attention on the list of qualifications necessary for an incumbent to perform the job and assists in determining whether candidates are qualified.

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

Flippo has defined job specification as, "Job specification is a statement of the minimum acceptable human qualities necessary to perform a job properly It is a standard of personnel and designates the qualities required for acceptable performance."

It is clear from the above definitions that job specification is a statement of summary of personnel requirements for a job. It may also be called "standard of personnel for the selection"

A Job Specification should include:

- (i) **Physical characteristics**, which include health, strength, endurance, age, height, weight, vision, voice, eye, hand and foot co-ordination, motor co-ordination, and colour discrimination.
- (ii) **Psychological and social characteristics** such as emotional stability, flexibility, decision making ability, analytical view, mental ability, pleasing manners, initiative, conversational ability etc.
- (iii) **Mental Characteristics** such as general intelligence, memory, judgement, ability to concentrate, foresight etc.
- (iv) **Personal Characteristics** such as sex, education, family background, job experience, hobbies, extracurricular activities etc.

All these characteristics must be classified into three categories:

- Essential attributes which a person must possess.
- Desirable attributes which a person ought to possess.
- Contra indicators which will become a handicap to successful job performance.
- productivity is reduced by moving a worker into new position just when his efficiency at the prior job was creating organizational economies.
- Training costs are increased.
- The supervisor may also have to spend more time answering question and monitoring the work of the recently rotated employee.
- It can demotivate intelligent and ambitious trainees who seek specific responsibilities in their chosen specialty.

Recruitment

Introduction

Successful human resource planning should identify our human resource needs. Once we know these needs, we will want to do something about meeting them. The next step in the acquisition function, therefore, is recruitment. This activity makes it possible for us to acquire the number and types of people necessary to ensure the continued operation of the organization.

Hallett says, "It is with people that quality performance really begins and ends." Robert Heller also says, "If people of poor calibre are hired, nothing much else can be accomplished and Gresham's law will work: the bad people will drive out the good or cause them to deteriorate."

Recruiting is the discovering of potential candidates for actual or anticipated organizational vacancies. Or, from another perspective, it is a linking activity-bringing together those with jobs to fill and those seeking

jobs.

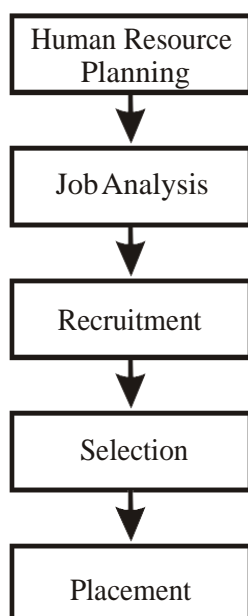
Recruitment: Meaning and Definition

Recruitment forms a step in the process which continues with selection and ceases with the placement of the candidate. It is the next step in the procurement function, the first being the manpower planning. Recruiting makes it possible to acquire the number and types of people necessary to ensure the continued operation of the organisation. Recruiting is the discovering of potential applicants for actual or anticipated organisational vacancies.

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

According to Lord, “Recruitment is a form of competition. Just as corporations compete to develop, manufacture, and market the best product or service, so they must also compete to identify, attract and hire the most qualified people. Recruitment is a business, and it is a big business.”

In the words of Dale Yoder, “Recruiting is a process to discover the sources of manpower to meet the requirements of the staffing schedule and to employ effective measures for attracting that manpower in adequate numbers to facilitate effective selection of an efficient working force.”



Recruitment to Human Resource Acquisition Process

According to Werther and Davis, “Recruitment is the process of finding and attracting capable applicants for employment. The process begins when new recruits are sought and ends when their applications are submitted. The result is a pool of applicants from which new employees are selected.”

Dales S. Beach writes, “Recruitment is the development and maintenance of adequate manpower resources. It involves the creation of a pool of available labour upon whom the organisation can depend when it needs additional employees.”

Thus, recruitment process is concerned with the identification of possible sources of human resource supply and tapping those sources. In the total process of acquiring and placing human resources in the organisation, recruitment falls in between different sub-processes as shown in Figure 4.2.

According to Scott, Clothier and Spriegel the need for recruitment arises out of the following situations:

- Vacancies created due to expansion, diversification, and growth of business.
- An increase in the competitive advantage of certain concerns, enabling them to get more of the

available business than formerly.

- An increase in business arising from an upswing during the recovery period of a business cycle.
- Vacancies created due to transfer, promotion, retirement, termination, permanent disability or death.
- The normal population growth, which requires increased goods and services to meet the needs of the people.
- A rising standard of living, which requires more of the same goods and services as well as the creation of new wants to be satisfied.

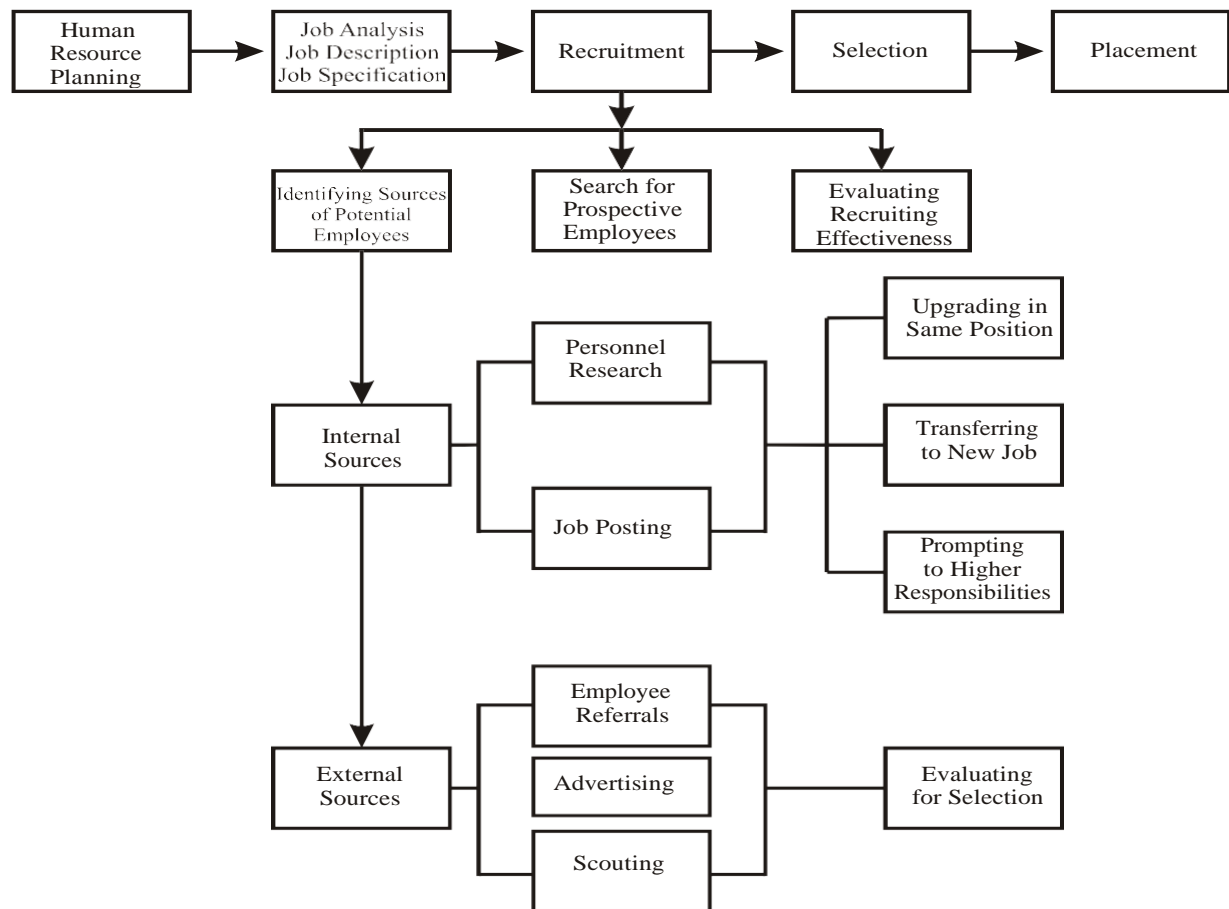
Process of Recruitment

Recruitment process passes through the following stages:

- Recruitment process begins when the personnel department receives requisitions for recruitment from any department of the company, The personnel requisitions contain details about the position to be filled, number of persons to be recruited, the duties to be performed, qualifications expected from the candidates, terms and conditions of employment and the time by which the persons should be available for appointment etc.
- Locating and developing the sources of required number and type of employees.
- Identifying the prospective employees with required characteristics.
- Developing the techniques to attract the desired candidates. The goodwill of an organisation in the market may be one technique. The publicity about the company being a good employer may also help in stimulating candidates to apply. There may be others of attractive salaries, proper facilities for development etc.
- Evaluating the effectiveness of recruitment process.

According to Famularo, personnel recruitment process involves five elements, viz., a recruitment policy, a recruitment organisation, a forecast of manpower, the development of sources of recruitment, and different techniques used for utilising these sources, and a method of assessing the recruitment programme. The explanation of these is described below:

1. Recruitment Policy: It specifies the objectives of recruitment and provides a framework for the implementation of the recruitment programme. It also involves the employer's commitment to some principles as to find and employ the best qualified persons for each job, to retain the most promising of those hired, etc. It should be based on the goals, needs and environment of the organisation.



Place of Recruitment in Selection System

2. Recruitment Organisation: The recruitment may be centralised like public sector banks or decentralised. Both practices have their own merits. The choice between the two will depend on the managerial philosophy and the particular needs of the organisation.

3. Sources of Recruitment: Various sources of recruitment may be classified as internal and external. These have their own merits and demerits.

4. Methods of Recruitment: Recruitment techniques are the means to make contact with potential candidates, to provide them necessary information and to encourage them to apply for jobs.

5. Evaluation of Recruitment Programme: The recruitment process must be evaluated periodically. The criteria for evaluation may consist of cost per applicant, the hiring ratio, performance appraisal, tenure of stay, etc. After evaluation, necessary improvements should be made in the recruitment programme.

Factor Affecting Recruitment

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

The internal factors are:

- Wage and salary policies;
- The age composition of existing working force;
- Promotion and retirement policies;

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

The external factors are:

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

Sources of Recruitment

After the finalisation of recruitment plan indicating the number and type of prospective candidates, they must be attracted to offer themselves for consideration to their employment. This necessitates the identification of sources from which these candidates can be attracted. Some companies try to develop new sources, while most only try to tackle the existing sources they have. These sources, accordingly, may be termed as internal and external.

Internal Sources

It would be desirable to utilise the internal sources before going outside to attract the candidates. Yoder and others suggest two categories of internal sources including a review of the present employees and nomination of candidates by employees. Effective utilisation of internal sources necessitates an understanding of their skills and information regarding relationships of jobs.

Merits of Internal Sources: The following are the merits of internal sources of recruitment:

- It creates a sense of security among employees when they are assured that they would be preferred in filling up vacancies.
- It improves the morale of employees, for they are assured of the fact that they would be preferred over outsiders when vacancies occur.
- It promotes loyalty and commitment among employees due to sense of job security and opportunities for advancement.
- The employer is in a better position to evaluate those presently employed than outside candidates. This

is because the company maintains a record of the progress, experience and service of its employees.

- Time and costs of training will be low because employees remain familiar with the organisation and its policies.
- Relations with trade unions remain good. Labour turnover is reduced.
 - As the persons in the employment of the company are fully aware of, and well acquainted with, its policies and know its operating procedures, they require little training, and the chances are that they would stay longer in the employment of the organisation than a new outsider would.
- It encourages self-development among the employees. It encourages good individuals who are ambitious.
- It encourages stability from continuity of employment.
- It can also act as a training device for developing middle and top-level managers.

Demerits of Internal Sources: However, this system suffers from certain defects as:

- There are possibilities that internal sources may “dry up”, and it may be difficult to find the requisite personnel from within an organisation.
- It often leads to inbreeding, and discourages new blood from entering an organisation.
- As promotion is based on seniority, the danger is that really capable hands may not be chosen. The likes and dislikes of the management may also play an important role in the selection of personnel.
- Since the learner does not know more than the lecturer, no innovations worth the name can be made. Therefore, on jobs which require original thinking (such as advertising, style, designing and basic research), this practice is not followed.

This source is used by many organisations; but a surprisingly large number ignore this source, especially for middle management jobs.

External Sources

DeCenzo and Robbins remark, “Occasionally, it may be necessary to bring in some ‘new blood’ to broaden the present ideas, knowledge, and enthusiasm.” Thus, all organisations have to depend on external sources of recruitment. Among these sources are included:

- Employment agencies.
- Educational and technical institutes. and
- Casual labour or “applicants at the gate” and new applicants.

Public and private employment agencies play a vital role in making available suitable employees for different positions in the organisations. Besides public agencies, private agencies have developed markedly in large cities in the form of consultancy services. Usually, these agencies facilitate recruitment of technical and professional personnel. Because of their specialisation, they effectively assess the needs of their clients and aptitudes and skills of the specialised personnel. They do not merely bring an employer and an employee together but computerise lists of available talents, utilising testing to classify and assess applicants and use advanced techniques of vocational guidance for effective placement purposes.

Educational and technical institutes also form an effective source of manpower supply. There is an increasing emphasis on recruiting students from different management institutes and universities commerce and management departments by recruiters for positions in sales, accounting, finance, personnel and production. These students are recruited as management trainees and then placed in special company training programmes. They are not recruited for particular positions but for development as future supervisors and executives. Indeed, this source provides a constant flow of new personnel with leadership potentialities.

Frequently, this source is tapped through on-campus interview with promising students. In addition, vocational schools and industrial training institutes provide specialised employees, apprentices, and trainees for semiskilled and skilled jobs. Persons trained in these schools and institutes can be placed on operative and similar jobs with a minimum of in-plant training. However, recruitment of these candidates must be based on realistic and differential standards established through research reducing turnover and enhancing productivity.

Advantages of External Recruitment: External sources of recruitment are suitable for the following reasons:

- It will help in bringing new ideas, better techniques and improved methods to the organisation.
- The cost of employees will be minimised because candidates selected in this method will be placed in the minimum pay scale.
- The existing employees will also broaden their personality.
- The entry of qualitative persons from outside will be in the interest of the organisation in the long run.
- The suitable candidates with skill, talent, knowledge are available from external sources.
- The entry of new persons with varied expansion and talent will help in human resource mix.

Disadvantages of External Sources:

- Orientation and training are required as the employees remain unfamiliar with the organisation.
- It is more expensive and time-consuming. Detailed screening is necessary as very little is known about the candidate.
- If new entrant fails to adjust himself to the working in the enterprise, it means yet more expenditure on looking for his replacement.
- Motivation, morale and loyalty of existing staff are affected, if higher level jobs are filled from external sources. It becomes a source of heart-burning and demoralisation among existing employees.

Methods of Recruitment

Methods of recruitment are different from the sources of recruitment. Sources are the locations where prospective employees are available. On the other hand, methods are way of establishing links with the prospective employees. Various methods employed for recruiting employees may be classified into the following categories:

1. Direct Methods:

These include sending recruiters to educational and professional institutions, employees, contacts with public, and manned exhibits. One of the widely used direct methods is that of sending of recruiters to colleges and technical schools. Most college recruiting is done in co-operation with the placement office of a college. The placement office usually provides help in attracting students, arranging interviews, furnishing space, and providing student resumes.

For managerial, professional and sales personnel campus recruiting is an extensive operation. Persons reading for MBA or other technical diplomas are picked up in this manner. For this purpose, carefully prepared brochures, describing the organisation and the jobs it offers, are distributed among students, before the interviewer arrives. Sometimes, firms directly solicit information from the concerned professors about students with an outstanding record. Many companies have found employees contact with the public a very effective method. Other direct methods include sending recruiters to conventions and seminars,

setting up exhibits at fairs, and using mobile offices to go to the desired centres.

2. Indirect Methods:

The most frequently used indirect method of recruitment is advertisement in newspapers, journals, and on the radio and television. Advertisement enables candidates to assess their suitability. It is appropriate when the organisation wants to reach out to a large target group scattered nationwide. When a firm wants to conceal its identity, it can give blind advertisement in which only box number is given. Considerable details about jobs and qualifications can be given in the advertisements. Another method of advertising is a notice-board placed at the gate of the company.

3. Third-Party Methods:

The most frequently used third-party methods are public and private employment agencies. Public employment exchanges have been largely concerned with factory workers and clerical jobs. They also provide help in recruiting professional employees. Private agencies provide consultancy services and charge a fee. They are usually specialised for different categories of operatives, office workers, salesmen, supervisory and management personnel. Other third-party methods include the use of trade unions. Labour-management committees have usually demonstrated the effectiveness of trade unions as methods of recruitment.

Several criteria discussed in the preceding section for evaluating sources of applicants can also be used for assessing recruiting methods. Attempts should be made to identify how the candidate was attracted to the company. To accomplish this, the application may consist of an item as to how the applicant came to learn about the vacancy. Then, attempts should be made to determine the method which consistently attracts good candidates. Thus, the most effective method should be utilised to improve the recruitment programme.

Selection

Introduction: Selection

Human resource selection is the process of choosing qualified individuals who are available to fill positions in an organization. In the ideal personnel situation, selection involves choosing the best applicant to fill a position. Selection is the process of choosing people by obtaining and assessing information about the applicants with a view to matching these with the job requirements. It involves a careful screening and testing of candidates who have put in their applications for any job in the enterprise. It is the process of choosing the most suitable persons out of all the applicants. The purpose of selection is to pick up the right person for every job.

According to Dale Yoder, “Selection is the process in which candidates for employment are divided into two classes—those who are to be offered employment and those who are not”.

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

According to Keith Davis, “Selection is the process by which an organisation chooses from a list of screened applicants, the person or persons who best meet the selection criteria for the position available.”

Selection Procedure

The selection procedure is concerned with securing relevant information about an applicant. This information is secured in a number of steps or stages. The objective of selection process is to determine whether an applicant meets the qualification for a specific job and to choose the applicant who is most likely to perform well in that job. Selection is a long process, commencing from the preliminary interview of the

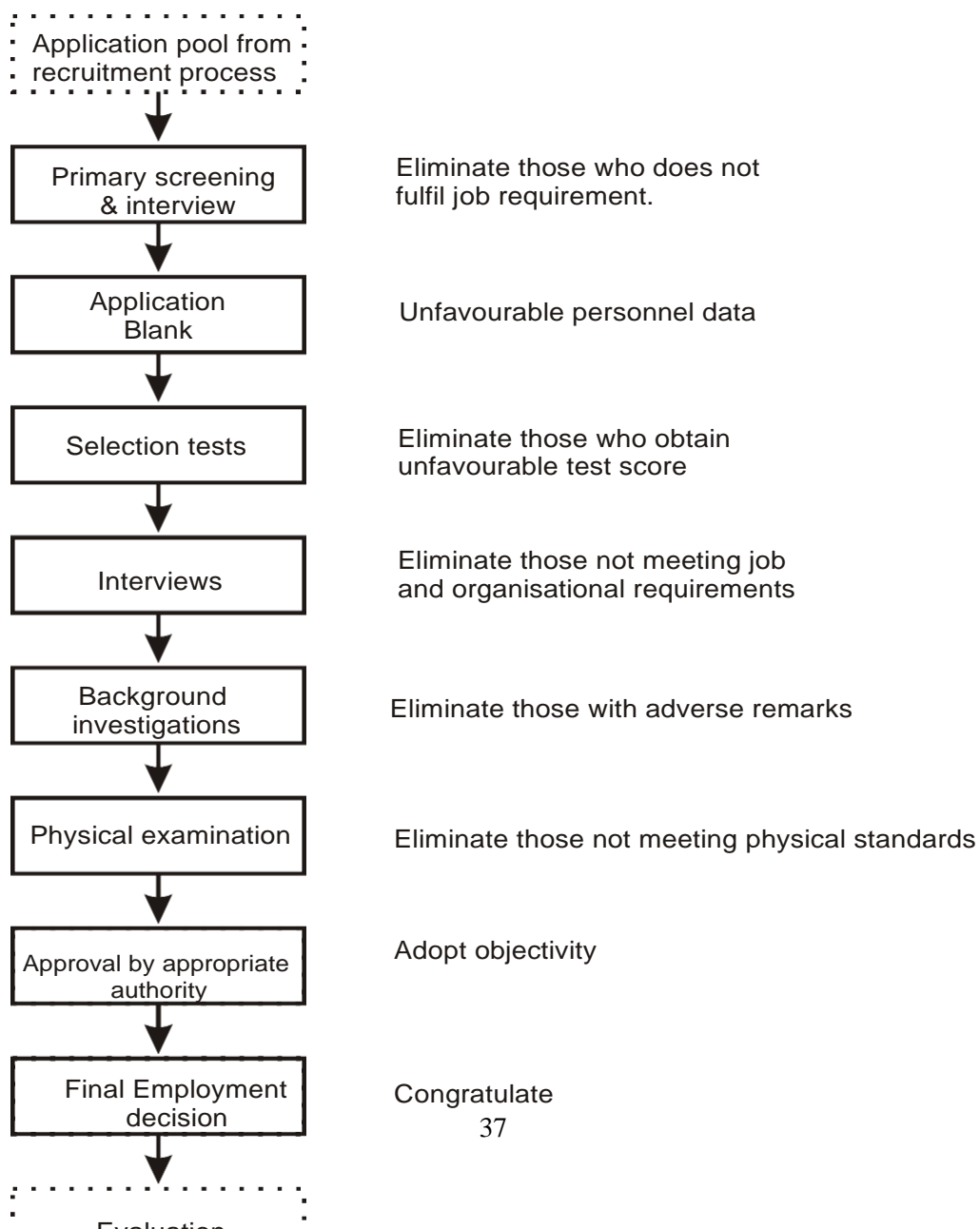
applicants and ending with the contract of employment (sometimes).

The selection procedure consists of a series of steps. Each step must be successfully cleared before the applicant proceeds to the next. The selection process is a series of successive hurdles or barriers which an applicant must cross. These hurdles are designed to eliminate an unqualified candidate at any point in the selection process. Thus, this technique is called “Successive Hurdles Technique”. In practice, the process differs among organisations and between two different jobs within the same organisation. Selection procedure for the senior managers will be long drawn and rigorous, but it is simple and short while hiring lower level employees.

The major factors which determine the steps involved in a selection process are as follows:

- Selection process depends on the number of candidates that are available for selection.
- Selection process depends on the sources of recruitment and the method that is adopted for making contact with the prospective candidates.
- Various steps involved in as selection process depend on the type of personnel to be selected.

All the above factors are not mutually exclusive, rather these operate simultaneously. In any case, the basic objective of a selection process is to collect as much relevant information about the candidates as is possible so that the most suitable candidates are selected. A comprehensive selection process involves the various steps as shown in Figure 5.1.



Check the reliability and validity

Steps in Selection Process

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

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

Preliminary interview is a sorting process in which the prospective candidates are given the necessary information about the nature of the job and the organisation. Necessary information is obtained from the candidates about their education, skills, experience, expected salary etc. If the candidate is found suitable, he is elected for further screening. This courtesy interview; as it is often called helps the department screen out obvious misfits. Preliminary interview saves time and efforts of both the company and the candidate. It avoids unnecessary waiting for the rejected candidates and waste of money on further processing of an unsuitable candidate. Since rejection rate is high at preliminary interview, the interviewer should be kind, courteous, receptive and informal.

3. Application Blank or Application Form: An application blank is a traditional widely accepted device for getting information from a prospective applicant which will enable the management to make a proper selection. The blank provides preliminary information as well as aid in the interview by indicating areas of interest and discussion. It is a good means of quickly collecting verifiable (and therefore fairly accurate) basic historical data from the candidate. It also serves as a convenient device for circulating information about the applicant to appropriate members of management and as a useful device for storing information for, later reference. Many types of application forms, sometimes very long and comprehensive and sometimes brief, are used. Information is generally taken on the following items:

(a) **Biographical Data:** Name, father's name, date and place of birth, age, sex, nationality, height, weight, identification marks, physical disability, if any, marital status, and number of dependants.

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

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

(d) **Salary and Benefits:** Present and expected.

(e) **Other Items:** Names and addresses of previous employers, references, etc. An application

blank is a brief history sheet of an employee's background and can be used for future reference, in case needed.

The application blank must be designed from the viewpoint of the applicant as well as with the company's purpose in mind. It should be relatively easy to handle in the employment office. Application form helps to serve many functions like:

- Its main usefulness is to provide information for reference checking, good interviewing, and correlation with testing data.
- It helps to weed out candidates who are lacking in education, experience or some other eligibility traits.
- It helps in formulating questions to be asked in the interview.
- Data contained in application form can be stored for future reference.
- It also tests the candidate's ability to write, to organize his thoughts, and to present facts clearly and succinctly.
- It indicates further whether the applicant has consistently progressed to better jobs. It provides factual information.

Weighted Application Blanks

Some organisations assign numeric values or weights to the responses provided by the applicants. This makes the application form more job related. Generally, the items that have a strong relationship to job performance are given higher scores. For example, for a sales representative's position, items such as previous selling experience, area of specialisation, commission earned, religion, language etc. The total score of each applicant is then obtained by adding the weights of the individual item responses. The resulting scores are then used in the final selection. WAB is best suited for jobs where there are many employees especially for sales and technical jobs. It can help in reducing the employee turnover later on. However, there are several problems associated with WAB e.g.

- It takes time to develop such a form.
- The WAB would have to be updated every few years to ensure that the factors previously identified are still valid products of job success.
- The organisation should be careful not to depend on weights of a few items while finally selecting the employee.

4. Selection Tests: Many organisations hold different kinds of selection tests to know more about the candidates or to reject the candidates who cannot be called for interview etc. Selection tests normally supplement the information provided in the application forms. Such forms may contain factual information about candidates. Selection tests may give information about their aptitude, interest, personality, which cannot be known by application forms. Types of tests and rules of good of testing have been discussed in brief below:

- A. Aptitude Tests:** These measure whether an individual has the capacity or talent ability to learn a given job if given adequate training. These are more useful for clerical and trade positions.
- B. Personality Tests:** At times, personality affects job performance. These determine personality traits of the candidate such as cooperativeness, emotional balance etc. These seek to assess an

individual's motivation, adjustment to the stresses of everyday life, capacity for interpersonal relations and self-image.

- C. Interest Tests:** These determine the applicant's interests. The applicant is asked whether he likes, dislikes, or is indifferent to many examples of school subjects, occupations, amusements, peculiarities of people, and particular activities.
- D. Performance Tests:** In this test the applicant is asked to demonstrate his ability to do the job. For example, prospective typists are asked to type several pages with speed and accuracy.
- E. Intelligence Tests:** This aims at testing the mental capacity of a person with respect to reasoning, word fluency, numbers, memory, comprehension, picture arrangement, etc. It measures the ability to grasp, understand and to make judgement.
- F. Knowledge Tests:** These are devised to measure the depth of the knowledge and proficiency in certain skills already achieved by the applicants such as engineering, accounting etc.
- G. Achievement Tests:** Whereas aptitude is a capacity to learn in the future, achievement is concerned with what one has accomplished. When applicants claim to know something, an achievement test is given to measure how well they know it.
- H. Projective Tests:** In these tests the applicant projects his personality into free responses about pictures shown to him which are ambiguous.

Rules of Good Testing

- Norms should be developed for each test. Their validity and reliability for a given purpose should be established before they are used.
- Adequate time and resources must be provided to design, validate, and check tests.
- Tests should be designed and administered only by trained and competent persons.
- The user of tests must be extremely sensitive to the feelings of people about tests.
- Tests are to be used as a screening device.
- Reliance should not be placed solely upon tests in reaching decisions.
- Tests should minimize the probabilities of getting distorted results. They must be 'race-free'.
- Tests scores are not precise measures. They must be assigned a proper weightage.

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

Objectives of Interviews: Interview helps:

- To obtain additional information from the candidate.
- Facilitates giving to the candidate information about the job, company, its policies, products etc.
- To assess the basic suitability of the candidate.

The selection interview can be:

- One to one between the candidate and the interviewer:
- Two or more interviewers by employers representatives-sequential;
- By a panel of selections, i.e., by more than representative of the employer.

The sequential interview involves a series of interviews; each interviewer meeting the candidate separately.

The panel interview consists of two or more interviews meeting the candidate together.

Types of interviews: Interviews can be classified in various ways according to:

- (A) Degree of Structure
- (B) Purpose of Interview
- (C) Content of Interview

(A) Degree of Structure:

(1) Unstructured or non directive: in which you ask questions as they come to mind. There is no set format to follow.

(2) Structured or directive: in which the questions and acceptable responses are specified in advance. The responses are rated for appropriateness of content.

Structured and non-structured interviews have their pros and cons. In structured interviews all applicants are generally asked all required questions by all interviewers. Structured interviews are generally more valid. However structured interviews do not allow the flexibility to pursue points of interests as they develop.

(B) Purpose of Interview: A selection interview is a type of interview designed to predict future job performance, on the basis of applicant's responses to the oral questions asked to him.

A **stress interview** is a special type of selection interview in which the applicant is made uncomfortable by series of awkward and rude questions. The aim of stress interview is supposedly to identify applicant's low or high stress tolerance. In such an interview the applicant is made uncomfortable by throwing him on the defensive by series of frank and often discourteous questions by the interviewer.

(C) Content of Interview: The content of interview can be of a type in which individual's ability to project a situation is tested. This is a situation type interview. **In job-related interview**, interviewer attempts to assess the applicant's past behaviours for job related information, but most questions are not considered situational.

In a behaviour interview a situation is described and candidates are asked how they behaved in the past in such a situation. While in **situational interviews** candidates are asked to describe how they would react to situation today or tomorrow. In the behavioural interview they are asked to describe how they did react to the situation in the past.

Principles of Interviewing

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

- Provide proper surroundings. The physical setting for the interview should be both private and comfortable.
- The mental setting should be one of rapport. The interviewer must be aware of non-verbal behaviour.
- Plan for the interview by thoroughly reviewing job specifications and job descriptions.
- Determine the specific objectives and the method of the interviewing.
- Inform yourself as much as possible concerning the known information about the interviewee.
- The interviewer should possess and demonstrate a basic liking and respect for people.
- Questions should be asked in a manner that encourages the interviewee to talk. Put the applicant at ease.
- Make a decision only when all the data and information are available. Avoid decisions that are

based on first impressions.

- Conclude the interview tactfully, making sure that the candidate leaves feeling neither too elated nor frustrated.
- Maintain some written record of the interview during or immediately after it.
- Listen attentively and, if possible, protectively.
- Questions must be stated clearly to avoid confusion and ambiguity. Maintain a balance between open and overtly structured questions.
- 'Body language' must not be ignored.
- The interviewer should make some overt sign to indicate the end of the interview.

Interviewing is largely an art, the application of which can be improved through practice.

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

The background investigation has major implications. Every personnel administrator has the responsibility to investigate each potential applicant. In some organization, failure to do so could result in the loss of his or her job. But many managers consider the background investigation data highly biased. Who would actually list a reference that would not give anything but the best possible recommendation? The seasoned personnel administrator expects this and delves deeper into the candidate's background, but that, too, may not prove to be beneficial. Many past employers are reluctant to give any information to another company other than factual information (e.g., date of employment).

Even though there is some reluctance to give this information, there are ways in which personnel administrators can obtain it. Sometimes, for instance information can be obtained from references once removed. For example, the personnel administrator can ask a reference whose name has been provided on the application form to give another reference, someone who has knowledge of the candidate's work experience. By doing this, the administrator can eliminate the possibility of accepting an individual based on the employee's current employer's glowing recommendation when the motivation for such a positive recommendation was to get rid of the employee.

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

- Whether the candidate's physical measurements are in accordance with job requirements or not?
- Whether the candidate suffers from bad health which should be corrected?
- Whether the candidate has health problems or psychological attitudes likely to interfere with work efficiency or future attendance?
- Whether the candidate is physically fit for the specific job or not?

Policy on these physical exams has changed today. Dale Yoder writes, "Modern policy used the physical examination not to eliminate applicants, but to discover what jobs they are qualified to fill. The examination should disclose the physical characteristics of the individual that are significant from the standpoint of his efficient performance of the job he may enter or of those jobs to which he may reasonably expect to be transferred or promoted. It should note deficiencies, not as a basis for rejection, but as indicating restrictions

on his transfer to various positions also.”

8. Approval by Appropriate Authority: On the basis of the above steps, suitable candidates are recommended for selection by the selection committee or personnel department. Though such a committee or personnel department may have authority to select the candidates finally, often it has staff authority to recommend the candidates for selection to the appropriate authority. Organisations may designate the various authorities for approval of final selection of candidates for different categories of candidates. Thus, for top level managers, board of directors may be approving authority; for lower levels, even functional heads concerned may be approving authority.

9. Final Employment Decision: After a candidate is finally selected, the human resource department recommends his name for employment. The management or board of the company offers employment in the form of an appointment letter mentioning the post, the rank, the salary grade, the date by which the candidate should join and other terms and conditions of employment. Some firms make a contract of service on judicial paper. Usually an appointment is made on probation in the beginning. The probation period may range from three months to two years. When the work and conduct of the employee is found satisfactory, he may be confirmed. The personnel department prepare a waiting list and informs the candidates. In case a person does not join after being selected, the company calls next person on the waiting list.

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

Unit - III: Employee Training

Introduction : Concept

Training is a process of learning a sequence of programmed behavior. It is the application of knowledge & gives people an awareness of rules & procedures to guide their behavior. It helps in bringing about positive change in the knowledge, skills & attitudes of employees.

Thus, training is a process that tries to improve skills or add to the existing level of knowledge so that the employee is better equipped to do his present job or to mould him to be fit for a higher job involving higher responsibilities. It bridges the gap between what the employee has & what the job demands.

Training refers to a planned effort by a company to facilitate employees' learning of job related competencies. These competencies include knowledge, skills, or behaviors that are critical for successful job performance. The goal of training is for employees to master the knowledge, skill, and behaviors emphasized in training programs and to apply them to their day to day activities. Training is seen as one of several possible solutions to improve performance. Other solutions can include such actions as changing the job or increasing employee motivation through pay and incentives. Today there is a greater emphasis on-

- Providing educational opportunities for all employees. These educational opportunities may include training programs, but they also include support for taking courses offered outside the company, self-study, and learning through job rotation.
- An ongoing process of performance improvement that is directly measurable rather than organizing one time training events.
- The need to demonstrate to executives, managers, and trainees the benefits of training.
- Learning as a lifelong event in which senior management, trainer manager, and employees have

ownership.

- Training being used to help attain strategic business objectives, which help companies, gains a competitive advantage.

The term **training** refers to the acquisition of knowledge, skills, and competencies as a result of the teaching of vocational or practical skills and knowledge that relate to specific useful competencies. It forms the core of apprenticeships and provides the backbone of content at institutes of technology (also known as technical colleges or polytechnics). In addition to the basic training required for a trade, occupation or profession, observers of the labor-market recognize as of 2008^[update] the need to continue training beyond initial qualifications: to maintain, upgrade and update skills throughout working life. People within many professions and occupations may refer to this sort of training as professional development.

Training usually refers to some kind of organized (and finite it time) event — a seminar, workshop that has a specific beginning data and end date. It's often a group activity, but the word training is also used to refer to specific instruction done one on one.

Employee development, however, is a much bigger, inclusive “thing”. For example, if a manager pairs up a relatively new employee with a more experienced employee to help the new employee learns about the job, that's really employee development. If a manager coaches and employee in an ongoing way, that's employee development. Or, employees may rotate job responsibilities to learn about the jobs of their colleagues and gain experience so they might eventually have more promotion opportunities. That's employee development.

In other words employee development is a broader term that includes training as one, and only one of its methods for encouraging employee learning. The important point here is that different activities are better for the achievement of different results. For example, if the desire is provide an employee with a better understanding of how the department works, job rotation might work very well. If the goal is to improve the employee's ability to use a computer based accounting package direct training would be more appropriate than, let's say, job rotation.

TRAINING AND DEVELOPMENT OBJECTIVES

The principal objective of training and development division is to make sure the availability of a skilled and willing workforce to an organization. In addition to that, there are four other objectives: Individual, Organizational, Functional, and Societal. Training and development is a subsystem of an organization. It ensures that randomness is reduced and learning or behavioural change takes place in structured format.

Individual Objectives – help employees in achieving their personal goals, which in turn, enhances the individual contribution to an organization.

Organizational Objectives – assist the organization with its primary objective by bringing individual effectiveness.

Functional Objectives – maintain the department's contribution at a level suitable to the organization's needs.

Societal Objectives – ensure that an organization is ethically and socially responsible to the needs and challenges of the society.

The quality of employees and their development through training and education are major factors in determining long-term profitability of a small business. If you hire and keep good employees, it is good policy to invest in the development of their skills, so they can increase their productivity.

Training often is considered for new employees only. This is a mistake because ongoing training for current employees helps them adjust to rapidly changing job requirements. Reasons for emphasizing the growth

and development of personnel include

- Creating a pool of readily available and adequate replacements for personnel who may leave or move up in the organization.
- Enhancing the company's ability to adopt and use advances in technology because of a sufficiently knowledgeable staff.
- Building a more efficient, effective and highly motivated team, which enhances the company's competitive position and improves employee morale.
- Ensuring adequate human resources for expansion into new programs.

Research has shown specific benefits that a small business receives from training and developing its workers, including:

- Increased productivity.
- Reduced employee turnover.
- Increased efficiency resulting in financial gains.
- Decreased need for supervision.

Employees frequently develop a greater sense of self-worth, dignity and well-being as they become more valuable to the firm and to society. Generally they will receive a greater share of the material gains that result from their increased productivity. These factors give them a sense of satisfaction through the achievement of personal and company goals.

Need for Employee Training

Training of employees takes place after orientation takes place. Training is the process of enhancing the skills, capabilities and knowledge of employees for doing a particular job. Training process moulds the thinking of employees and leads to quality performance of employees. It is continuous and never ending in nature.

Training is given on four basic grounds:

1. New candidates who join an organization are given training. This training familiarizes them with the organizational mission, vision, rules and regulations and the working conditions.
2. The existing employees are trained to refresh and enhance their knowledge.

If any updations and amendments take place in technology, training is given to cope up with those changes. For instance, purchasing new equipment, changes in technique of production, computer impartment. The employees are trained about use of new equipments and work methods.

3. When promotion and career growth becomes important. Training is given so that employees are prepared to share the responsibilities of the higher level job.

Training needs can be assessed by analyzing three major human resource areas: the organization as a whole, the job characteristics and the needs of the individuals. This analysis will provide answers to the following questions:

- Where is training needed?
- What specifically must an employee learn in order to be more productive?
- Who needs to be trained?

Begin by assessing the current status of the company how it does what it does best and the abilities of your employees to do these tasks. This analysis will provide some benchmarks against which the effectiveness of a training program can be evaluated. Your firm should know where it wants to be in five years from its long-range strategic plan. What you need is a training program to take your firm from here to there. Second, consider whether the organization is financially committed to supporting the training efforts. If not, any attempt to develop a solid training program will fail.

Next, determine exactly where training is needed. It is foolish to implement a companywide training effort without concentrating resources where they are needed most. An internal audit will help point out areas that may benefit from training. Also, a skills inventory can help determine the skills possessed by the employees in general. This inventory will help the organization determine what skills are available now and what skills are needed for future development.

Also, in today's market-driven economy, you would be remiss not to ask your customers what they like about your business and what areas they think should be improved. In summary, the analysis should focus on the total organization and should tell you (1) where training is needed and (2) where it will work within the organization. Once you have determined where training is needed, concentrate on the content of the program. Analyze the characteristics of the job based on its description, the written narrative of what the employee actually does. Training based on job descriptions should go into detail about how the job is performed on a task-by-task basis. Actually doing the job will enable you to get a better feel for what is done. Individual employees can be evaluated by comparing their current skill levels or performance to the organization's performance standards or anticipated needs.

Importance

Training is crucial for organizational development and success. It is fruitful to both employers and employees of an organization. An employee will become more efficient and productive if he is trained well. The benefits of training can be summed up as:

1. **Improves Morale of Employees-** Training helps the employee to get job security and job satisfaction. The more satisfied the employee is and the greater is his morale, the more he will contribute to organizational success and the lesser will be employee absenteeism and turnover.
2. **Less Supervision-** A well trained employee will be well acquainted with the job and will need less of supervision. Thus, there will be less wastage of time and efforts.
3. **Fewer Accidents-** Errors are likely to occur if the employees lack knowledge and skills required for doing a particular job. The more trained an employee is, the less are the chances of committing accidents in job and the more proficient the employee becomes.
4. **Chances of Promotion-** Employees acquire skills and efficiency during training. They become more eligible for promotion. They become an asset for the organization.
5. **Increased Productivity-** Training improves efficiency and productivity of employees. Well trained employees show both quantity and quality performance. There is less wastage of time, money and resources if employees are properly trained.

Types of Employee Training

Some commentators use a similar term for workplace learning to improve performance: "training and development". One can generally categorize such training as on-the-job or off-the-job:

- On-the-job training takes place in a normal working situation, using the actual tools, equipment, documents or materials that trainees will use when fully trained. On-the-job training has a general reputation as most effective for vocational work.
- Off-the-job training takes place away from normal work situations — implying that the employee does not count as a directly productive worker while such training takes place. Off-the-job training has the advantage that it allows people to get away from work and concentrate more thoroughly on the training itself. This type of training has proven more effective in inculcating concepts and ideas.

The most frequently used method in smaller organizations that is on the job training. This method of training uses more knowledgeable, experienced and skilled employees, such as managers, supervisors to give training to less knowledgeable, skilled, and experienced employees. OJT can be delivered in classrooms as well. This type of training often takes place at the work place in informal manner.

On the Job Training is characterized by following points

- It is done on ad-hoc manner with no formal procedure, or content
- At the start of training, or during the training, no specific goals or objectives are developed
- Trainers usually have no formal qualification or training experience for training
- Training is not carefully planned or prepared
- The trainer are selected on the basis of technical expertise or area knowledge

Formal OJT programs are quite different from informal OJT. These programs are carried out by identifying the employees who are having superior technical knowledge and can effectively use one-to-one interaction technique. The procedure of formal on the job training program is:

1. The participant observes a more experienced, knowledgeable, and skilled trainer (employee)
2. The method, process, and techniques are well discussed before, during and after trainer has explained about performing the tasks
3. When the trainee is prepared, the trainee starts performing on the work place
4. The trainer provides continuing direction of work and feedback
5. The trainee is given more and more work so that he accomplishes the job flawlessly

The four techniques for on the job development are:

- COACHING
- MENTORING
- JOB ROTATION
- JOB INSTRUCTION TECHNIQUE (JIT)

1.) Coaching is one of the training methods, which is considered as a corrective method for inadequate performance. According to a survey conducted by International Coach Federation (ICF), more than 4,000 companies are using coach for their executives. These coaches are experts most of the time outside consultants.

A coach is the best training plan for the CEO's because

- It is one to one interaction
- It can be done at the convenience of CEO
- It can be done on phone, meetings, through e-mails, chat
- It provides an opportunity to receive feedback from an expert
- It helps in identifying weaknesses and focus on the area that needs improvement

This method best suits for the people at the top because if we see on emotional front, when a person reaches the top, he gets lonely and it becomes difficult to find someone to talk to. It helps in finding out the executive's specific developmental needs. The needs can be identified through 60 degree performance reviews.

OFF THE JOB TRAINING –

There are many management development techniques that an employee can take in off the job. The few popular methods are:

- SENSITIVITY TRAINING
- TRANSACTIONAL ANALYSIS
- STRAIGHT LECTURES/LECTURES
- SIMULATION EXERCISES

1.) Sensitivity Training is about making people understand about themselves and others reasonably, which is done by developing in them social sensitivity and behavioral flexibility.

Social sensitivity in one word is empathy. It is ability of an individual to sense what others feel and think from their own point of view. Behavioral flexibility is ability to behave suitably in light of understanding.

Sensitivity Training Program requires three steps:

Unfreezing the Old Values –

It requires that the trainees become aware of the inadequacy of the old values. This can be done when the trainee faces dilemma in which his old values is not able to provide proper guidance. The first step consists of a small procedure:

- An unstructured group of 10-15 people is formed.
- Unstructured group without any objective looks to the trainer for its guidance
- But the trainer refuses to provide guidance and assume leadership
- Soon, the trainees are motivated to resolve the uncertainty
- Then, they try to form some hierarchy. Some try assume leadership role which may not be liked by other trainees
- Then, they started realizing that what they desire to do and realize the alternative ways of dealing with the situation



Figure 6.2 Procedure of Sensitivity Training

Development of New Values – With the trainer's support, trainees begin to examine their interpersonal behavior and giving each other feedback. The reasoning of the feedbacks are discussed which motivates trainees to experiment with range of new behaviors and values. This process constitutes the second step in the change process of the development of these values.

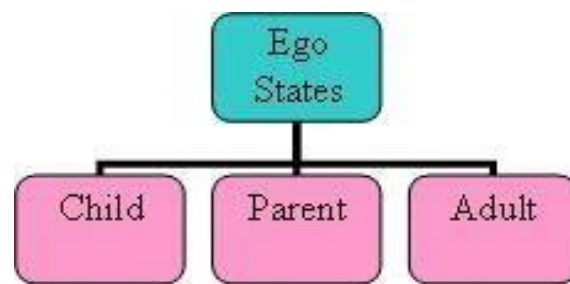
Refreezing the new ones – This step depends upon how much opportunity the trainees get to practice their new behaviors and values at their work place.

2.) Transactional Analysis provides trainees with a realistic and useful method for analyzing and understanding the behavior of others. In every social interaction, there is a motivation provided by one person and a reaction to that motivation given by another person. This motivation reaction relationship between two persons is a transaction.

Transactional analysis can be done by the ego states of an individual. An ego state is a system of feelings accompanied by a related set of behaviors. There are basically three ego states:

Child: It is a collection of recordings in the brain of an individual of behaviors, attitudes, and impulses which come to her naturally from her own understanding as a child. The characteristics of this ego are to be spontaneous, intense, unconfident, reliant, probing, anxious, etc. Verbal clues that a person is operating from its child state are the use of words like “I guess”, “I suppose”, etc. and non verbal clues like, giggling, coyness, silent, attention seeking etc.

Parent: It is a collection of recordings in the brain of an individual of behaviors, attitudes, and impulses imposed on her in her childhood from various sources such as, social, parents, friends, etc. The characteristics of this ego are to be overprotective, isolated, rigid, bossy, etc. Verbal clues that a person is operating from its parent states are the use of words like, always, should, never, etc and non-verbal clues such as, raising eyebrows, pointing an accusing finger at somebody, etc.



Adult: It is a collection of reality testing, rational behavior, decision making, etc. A person in this ego state verifies, updates the data which she has received from the other two states. It is a shift from the taught and felt concepts to tested concepts. All of us evoke behavior from one ego state which is responded to by the other person from any of these three states.

3.) Lecture is telling someone about something. Lecture is given to enhance the knowledge of listener or to give him the theoretical aspect of a topic. Training is basically incomplete without lecture. When the trainer begins the training session by telling the aim, goal, agenda, processes, or methods that will be used in training that means the trainer is using the lecture method. It is difficult to imagine training without lecture format. There are some variations in Lecture method. The variation here means that some forms of lectures are interactive while some are not.

Straight Lecture: Straight lecture method consists of presenting information, which the trainee attempts to absorb. In this method, the trainer speaks to a group about a topic. However, it does not involve any kind of interaction between the trainer and the trainees. A lecture may also take the form of printed text, such as books, notes, etc. The difference between the straight lecture and the printed material is the trainer's intonation, control of speed, body language, and visual image of the trainer. The trainer in case of straight lecture can decide to vary from the training script, based on the signals from the trainees, whereas same material in print is restricted to what is printed. A good lecture consists of introduction of the topic,

purpose of the lecture, and priorities and preferences of the order in which the topic will be covered. Some of the main features of lecture method are:

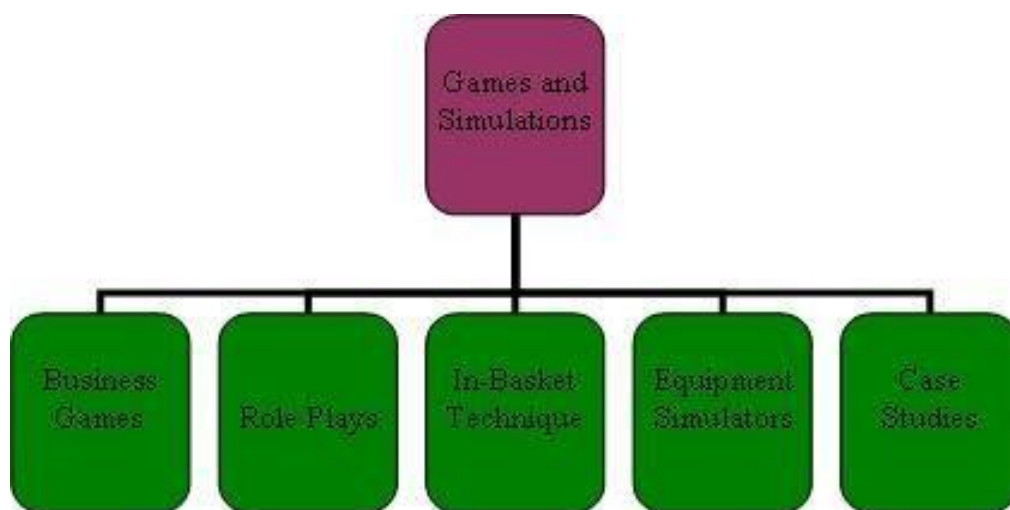
- Inability to identify and correct misunderstandings
- Less expensive
- Can be reached large number of people at once
- Knowledge building exercise
- Less effective because lectures require long periods of trainee inactivity

4.) Games and Simulations are structured and sometimes unstructured, that are usually played for enjoyment sometimes are used for training purposes as an educational tool. Training games and simulations are different from work as they are designed to reproduce or simulate events, circumstances, processes that take place in trainees' job.

A Training Game is defined as spirited activity or exercise in which trainees compete with each other according to the defined set of rules. Simulation is creating computer versions of real-life games. Simulation is about imitating or making judgment or opining how events might occur in a real situation. It can entail intricate numerical modeling, role playing without the support of technology, or combinations. Training games and simulations are now seen as an effective tool for training because its key components are:

- Challenge
- Rules
- Interactivity

These three components are quite essential when it comes to learning. Some of the examples of this technique are:



Trainees can therefore experience these events, processes, games in a controlled setting where they can develop knowledge, skills, and attitudes or can find out concepts that will improve their performance. The various methods that come under Games and Simulations are:

- BEHAVIOR-MODELLING
- BUSINESS GAMES
- CASE STUDIES

- EQUIPMENT STIMULATORS
- IN-BASKET TECHNIQUE
- ROLE PLAYS

Advantages of On the Job Training Methods

On the job training method has the following advantages that can be considered:

- Generally most cost-effective
- Employees are actually productive
- Opportunity to learn whilst doing
- Training alongside real colleagues.
- Training can be delivered on time and at the optimum time.
- The trainee will have the good opportunities to practice and implement.
- The trainee will have feedbacks.
- Trainee builds confidence by working with own speed and productivity.

Performance Appraisal

Introduction

. The evaluation of an individual's performance in the organization is called Performance Appraisal.

The, system of performance appraisal compels the management to have a promotion policy within the organization. It also gives motivation to those employees who are efficient and are capable of working in a best way. An organization's goals can be achieved only when people within the organization give their best efforts. How to know whether an employee has shown his or her best performance on a given job? The answer is performance appraisal.

Meaning of Performance Appraisal

Performance appraisal system has been defined in many ways. The easiest way to understand the meaning of performance appraisal is as follows:

It is the systematic assessment of an individual with respect to his or her performance on the job and his or her potential for development in that job. Thus, performance appraisal is a systematic and objective way of evaluating the relative worth or ability of an employee in performing his job. The two aspects of performance appraisal considered to be important are: systematic and objective. The appraisal is said to be systematic when it evaluates all performances in the same manner, by applying the same approach, so that appraisal of different persons are comparable. Such an appraisal is taken from time to time according to plan; it is not left to probability. Thus, both raters' and ratees know the system of performance appraisal and its timing. Appraisal has objectivity also. It's important aspect is that it attempts at precise measurement by trying to remove human biases and prejudices.

According to Flipppo, a prominent personality in the field of Human resources, "performance appraisal is the systematic, periodic and an impartial rating of an employee's excellence in the matters pertaining to his

present job and his potential for a better job.”

According to International Labor Organization, “A regular and continuous evaluation of the quality, quantity and style of the performance along with the assessment of the factors influencing the performance and behavior of an individual is called as performance appraisal.”

In short, we can say that performance appraisal is expected to result in an assessment of: development potential of the employees, training needs for the employees; capabilities of employees being placed in higher posts, behavior and obedience of the employees; and the need of the organization to evolve a control mechanism.

Need and Importance of Performance Appraisal

Performance is always measured in terms of outcome and not efforts. Performance Appraisal is needed in most of the organizations in order:

- (1) To give information about the performance of employees on the job and give ranks on the basis of which decisions regarding salary fixation, demotion, promotion, transfer and confirmation are taken.
- (2) To provide information about amount of achievement and behavior of subordinate in their job. This kind of information helps to evaluate the performance of the subordinate, by correcting loopholes in performances and to set new standards of work, if required.
- (3) To provide information about an employee's job-relevant strengths and & weaknesses.
- (4) To provide information so as to identify shortage in employee regarding ability, awareness and find out training and developmental needs.
- (5) To avoid grievances and in disciplinary activities in the organization.
- (6) It is an ongoing process in every large scale organization.

Performance appraisals in an organization provide employees and managers with an opportunity to converse in the areas in which employees do extremely well and those in which employees need improvement. Performance appraisals should be conducted on a frequent basis, and they need not be directly attached to promotion opportunities only. It is important because of several reasons such as:

- 1. Personal Attention:** Performance appraisal evaluation, gives employee to draw personal concern from supervisor and talk about their own strengths and weaknesses.
- 2. Feedback:** Employees on a regular basis get feedback of their performances and issues in which they lack, which needs to be resolved on a regular basis.
- 3. Career Path:** It allows employees and supervisors to converse goals that must be met to grow within the company. This may encompass recognizing skills that must be acquired, areas in which improvement is required, and additional qualification that must be acquired.
- 4. Employee Accountability:** Employees are acquainted that their evaluation will take place on a regular basis and therefore they are accountable for their job performance.
- 5. Communicate Divisional and Company Goals:** It not only communicates employees' individual goals but provides an opportunity for managers to explain organizational goals and in the manner

in which employees can contribute in the achievement of those goals.

Objectives of Performance Appraisal

Performance appraisal in any organization is undertaken to meet certain objectives which may be in the form of salary increase, promotion, recognizing training and development needs, providing feedback to employees and putting stress on employees for better performance.

An employee in an organization may think that performance appraisal is basically used by the organization to blame employees and to take corrective actions. An employee may feel that performance appraisal is introduced in an organization for punishment in such a case well thought out performance appraisal may result into failure. If the objectives set in a more positive, problems may arise as they may not all be achievable and they may cause conflict. For Example, an employee who is likely to be appraised will never disclose his loopholes as it may affect his appraisal. Thus the objective of performance appraisal should be clear and specific. Thus including objectives into the appraisal system may draw attention to areas for improvement, new directions and opportunities.

- 1. Salary Increase:** Performance appraisal plays an important role in making decision about increase in salary. Increase in salary of an employee depends on how he is performing his job. Evaluation of an employee takes place on a continuous basis which may be formally or informally. In a large as well as in small organizations performance appraisal takes place but it may be in a formal or informal way. It shows how well an employee is performing and to what extent a hike in salary would take place in comparison to his performance.
- 2. Promotion:** Performance appraisal gives an idea about how an employee is working in his present job and what his strong and weak points are. In comparison to his strength and weaknesses it is decided whether he can be promoted to the next higher position or not. If necessary what additional training is required. Similarly it could be used for demotion, discharge of an employee and transfer.
- 3. Training and Development:** Performance appraisal gives an idea about strengths and weaknesses of an employee on his present job. It gives an idea about the training required by an employee for overcoming the limitations that an employee is having for better performance in future.
- 4. Feedback:** Performance appraisal gives an idea to each employee where they are, how they are working, and how are they contributing towards achievement of organizational objectives. Feedback works in two ways. First, the person gets view about his performance and he may try to conquer his weaknesses which may lead to better performance. Second, the person gets satisfied after he relates his work with organizational objectives. It gives him an idea that he is doing a meaningful work and can also contribute in a better way.
- 5. Pressure on Employees:** Performance appraisal puts a sort of stress on employees for better performance. If the employees are aware that they are being appraised in comparison to their performance and they will have positive and acceptable behaviour in this respect

Methods of Performance Appraisal

Performance appraisal methods are categorized in two ways traditional and modern methods. Each organization adopts a different method of performance appraisal according to the need of organization. In small organization, it may be on an informal basis where personal opinion of a superior about his subordi-nates may consider for appraisal.

Table 8.2 Methods of Performance Appraisal

Traditional Methods	Modern Methods
Ranking method	Management by Objectives (MBO)
Paired comparison	Behaviorally anchored rating scales
Grading method	Assessment centers
Forced distribution method	360-degree appraisal
Forced choice method	Cost accounting method
Checklist method	
Critical incidents method	
Graphic scale method	
Essay method	
Field review method	

1. Ranking Method: It is the oldest and simplest method of performance appraisal in which employees' are ranked on certain criteria such as trait or characteristic. The employee is ranked from highest to lowest or from worst to best in an organization. Thus if there are seven employees to be ranked then there will be seven ranks from 1 to 7.

Rating scales offer the advantages of flexibility comparatively easy use and low cost. Nearly every type of job can be evaluated with the rating scale, the only condition being that the Job-performance criteria should be changed'. In such a way, a large number of employees can be evaluated in a shorter time period.

Thus, the greatest limitation of this method is that differences in ranks do not indicate how much an employee of rank 1 is better than the employee whose rank is last.

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

This method provides comparison of persons in a better way. However, this increases the work as the large number of comparisons has to be made. For example, to rank 50 persons through paired comparison, there will be 1,225 comparisons. Paired comparison method could be employed easily where the numbers of employees to be compared are less.

This may be calculated by a formula $\frac{N(N-1)}{2}$ where N is the total number of persons to be compared.

Where N is the total number of persons to be evaluated.

3. Grading Method: In this method, certain categories are defined well in advance and employees are put in particular category depending on their traits and characteristics. Such categories may be defined as outstanding, good, average, poor, very poor, or may be in terms of alphabet like A, B, C, D, etc. where A may indicate the best and D indicating the worst. This type of grading method is applied during Semester pattern of examinations. One of the major limitations of this method is that the rater may rate many employees on the better side of their performance.

4. Forced Distribution Method: This method was evolved to abolish the trend of rating most of the employees at a higher end of the scale. The fundamental assumption in this method is that employees' performance level conforms to a normal statistical distribution. For example, 10 per cent employees may be rated as excellent, 40 per cent as above average, 20 per cent as average, 10 per cent below average, and 20 per cent as poor. It eliminates or minimizes the favoritism of rating many employees on a higher side. It is simple and easy method to appraise employees. It becomes difficult when the rater has to explain why an employee is placed in a particular grouping as compared to others.

5. Forced-choice Method: The forced-choice rating method contains a sequence of question in a statement form with which the rater checks how effectively the statement describes each individual being evaluated in the organization. There may be some variations in the methods and statements used, but the most common method of forced choice contains two statements both of which may be positive or negative. It may be both the statement describes the characteristics of an employee, but the rater is forced to tick only one i.e the most appropriate statement which may be more descriptive of the employee.

6. Check-list Method: The main reason for using this method is to reduce the burden of evaluator. In this method of evaluation the evaluator is provided with the appraisal report which consist of series of questions which is related to the appraise. Such questions are prepared in a manner that reflects the behavior of the concerned appraise. Every question has two alternatives, yes or no, as given below:

1. Is he/she respected by his/her subordinates? Yes/No
2. Is he/she ready to help other employees? Yes/No
3. Does her behavior remain same for everyone in the organization? Yes/No

The concerned rater/evaluator has to tick appropriate answers relevant to the appraises.

When the check-list is finished, it is sent to the personnel department to prepare the final scores for all appraises based on all questions based on yes or no. While preparing question effort is made to establish the level of consistency of the rater by asking the same question twice but in a different manner. This method is considered to be easy if questions are framed properly for different categories of employees.

However, one of the disadvantages of the check-list method is that it is very difficult to accumulate, analyze and evaluate a number of statements about employee characteristics and contributions. It is even costly method with lot of time and efforts required by the organization.

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

This method is categorized in three steps. First, a list of notable (good or bad) on-the-job behavior of specific incidents or sudden trouble is prepared. Second, selected experts would then assign weightage or

score to these incidents according to how serious a particular incident is and their degree of willingness to perform a job. Third, finally a check-list indicating incidents that illustrate workers as good or “bad” is formed. Then, the checklist is given to the rater for evaluating the workers.

The strong point of critical incident method is that it focuses on behaviors and, thus, judge’s performance rather than personalities.

Its drawbacks are that too frequently they need to write down the critical incidents which is very time-consuming and burdensome for evaluators, i.e., managers. Generally, negative incidents are more noticeable than positives.

8. Graphic Scale Method: It is one of the simplest and most popular techniques for appraising performances of employee. It is also known as linear rating scale. In graphic rating scale the printed appraisal form is used to appraise each employee.

Such forms contain a number of objectives, and trait qualities and characters to be rated like quality of work and amount of work, job knowhow dependability, initiative, attitude, leadership quality and emotional stability.

The rater gives an estimate the extent to which subordinates possess each quality. The extent to which quality is possessed is measured on a scale which can vary from three points to several points. In general practice five-point scales is used. Some organizations use numbers in order to avoid the propensity of the rater to tick mark central points. It may be numbered or defined. Thus numbers like 5, 4, 3, 2 and 1 may denote points for various degrees of excellent-poor, high-low, or good-bad, and so on. Such numbers may be expressed in terms like excellent, very good, average, poor and very poor; or very high, high, average, low and very low.

Graphic scale method is good for measuring various job behaviors of an employee. But, it is bound to limitations of rater’s bias while rating employee’s behavior at job.

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

9. Field Review Method: In this method of appraisal direct superior is not going to appraise an employee but appraised by another person, usually, from personnel department. The rater, in such a case, appraises the employee on the basis of his past records of productivity and other information such as absentee-ism, late coming, etc. It is more suitable in a situation where an organization wants to provide promotion to an employee. It also gives information for comparing employees from different locations and units. It reduces partiality to some extent as personnel department person is supposed to be trained in appraisal mechanism. This method suffers from two limitations:

1. As employees are not rated by immediate boss, the rater from other department may not be familiar with the conditions in an employee’s work environment which may hamper his ability and work motivation to perform.
2. The rater from other department do not get a chance to scrutinize the employee’s behavior or performance with different time interval and in a variety of situations, but only in an unnaturally structured interview situation which is for a very short period of time.

Modern Methods

1. Management by Objectives (MBO): The concept of 'Management by Objectives' (MBO) was coined by Peter Drucker in 1954. It is a process where the employees and the superiors come together to identify some goals which are common to them, the employees set their own goals to be achieved, the benchmark is taken as the criteria for measuring their performances and their involvement is there in deciding the course of action to be followed.

2. Behaviorally Anchored Rating Scales: This method is a combination of traditional rating scales and critical incidents methods. It consists of preset critical areas of job performance or sets of behavioral statements which describes the important job performance qualities as good or bad (for e.g. the qualities like inter personal relationships, flexibility and consistency, job knowledge etc). These statements are developed from critical incidents.

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

360 Degree Performance Appraisals: This method is also known as 'multi-rater feedback', it is the appraisal in a wider perspective where the comment about the employees' performance comes from all the possible sources that are directly or indirectly related with the employee on his job.

In 360 degree performance appraisal an employee can be appraised by his peers, managers (i.e. superior), subordinates, team members, customers, suppliers/ vendors - anyone who comes into direct or indirect contact with the employee and can provide necessary information or feedback regarding performance of the employee the "on-the-job".

The four major component of 360 degree performance appraisal are

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

5. **Cost Accounting Method:** In this method performance of an employee is evaluated on the basis of monetary returns the employee gives to his or her organization. A relationship is recognized between the cost included in keeping the employee in an organization and the benefit the organization gets from him or her. The evaluation is based on the established relationship between the cost and the benefit.

The Performance Appraisal Process

The performance appraisal system of one organization may vary from other organizations, though some of the specific steps that an organization may follow are as follows:

1. **Establish Performance Standards:** It begins by establishing performance standards i.e. what they expect from their employee in terms of outputs, accomplishments and skills that they will

evaluate with the passage of time. The standards set should be clear and objective enough to be understood and measured.

2. **Communicating the Standards Set for an Employee:** Once the standards for performance are set it should be communicated to the concerned employee, about what it expected from them in terms of performance.
3. **Measuring of the Actual Performances:** It is one of the most crucial steps of performance appraisal process. It is very important to know as how the performance will be measured and what should be measured, thus four important sources frequently used by managers are personal observation, statistical reports, oral reports, and written reports. However, combination of all .
4. **Comparing Actual Performance with Standards Set in the Beginning:** In this step of performance appraisal the actual performance is compared with the expected or desired standard set. A comparison between actual or desired standard may disclose the deviation between standard performance and actual performance and will allow the evaluator to carry on with the discussion of the appraisal with the concerned employees.
5. **Discussion with the Concerned Employee:** In this step performance of the employee is communicated and discussed. It gives an idea to the employee regarding their strengths and weaknesses. The impact of this discussion may be positive or negative.

The impression that subordinates receive from their assessment has a very strong impact on their self esteem and, is very important, for their future performances.

6. **Initiate Corrective Action:** Corrective action can be of two types; one is instant and deals primarily with symptoms. The other is basic and deals with the causes. Instant corrective action is often described as “putting out fires”, where as basic corrective action gets to the source from where deviation has taken place and seeks to adjust the differences permanently. Instant action corrects something right at a particular point and gets things back on track. Basic action asks how and why performance deviated. In some instances, managers may feel that they do not have the time to take basic corrective action and thus may go for “perpetually put out fires.

Benefits of Performance Appraisal

An effective performance appraisal system can be of benefit to three parties they are for organization, for appraiser and for appraisee.

1) For the Organizations: Following are the benefits of an organization.

- It leads to better performance throughout the organization, due to successful communication of the objectives and values of the organizations, sense of being close to the organization, loyalty and improved relationships between managers and staff.
- Overall improvement in the duties performed by each employee of the organization.
- Due to performance appraisal of employee new ideas for improvement in their work is generated.
- Long-term plans can be generated.
- The need for training and development can be identified more clearly.
- A traditions of nonstop improvement and success in the organization can be formed and maintained.
- Career development plans can be chalked out for capable employee to enhance their performance in future.

2) For the appraiser: Following are the benefits to the appraiser:

- It gives an opportunity to the appraiser to develop a general idea of individual jobs and departments.
- For every new or difficult situation new idea is generated for improvement or for overcoming that problem.
- It gives an opportunity to integrate team and individual objectives and targets with departmental and organizational objectives.
- It gives an opportunity to explain the amount of work expected by manager from teams and individuals.
- It gives an opportunity to focus more on targets.
- It enables to form more productive relationship with staff based on mutual trust and understanding.

3) For the Appraisee: Following are the benefits for the appraisee:

- Increased motivation.
- Increased job satisfaction.
- Increased sense of personal value.
- Increase in morale of an employee.
- It gives an opportunity to know their strength and weaknesses.
- It gives an idea about areas of their improvement.
- There will be a chance to subordinate to express his views even after performance appraisal
- An employee should express his emotional needs and his value system which is considered to be important today.

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Unit – 1V : Industrial Relation

Introduction

Industrial relation is not a very new concept but it has become one of the most delicate and complex problem of modern Indian society. Industrial Progress is impossible without labour management cooperation and industrial harmony. The concept of Industrial relation has a wide meaning and connotation. In the narrow sense, the term “Industrial Relation” refers to the nature of relationship between the employers and employees in an Industrial enterprise. In the broad sense, industrial relation refers to all types of relationship between all the parties concerned with the industry. **Examples are:**

- Individual relations
- Relationship between employers and workers at the place of work or workers participation in management.
- Collective bargaining
- Trade union
- Machinery for settlement of industrial disputes
- Unfair labor practices
- Individual grievance and disciplinary policy and practice.

- Industrial relation training.
- State participation in industrial Relation.

Another related term is ‘employee relations’ or ‘human relation’.

The Concept of Industrial Relation or Meaning and Definition of Industrial Relation (IR)

The term “Industrial Relation” refers to all types of relationship between all the parties concerned with industry. **According to Encyclopaedia Britannica**, it denotes relations of all those associated in productive work, including industry, agriculture, mining, commerce, finance, transport and other services.

According to Dale in his book Personnel Management and Industrial Relation, defines Industrial relations are relationship between management and employees or among employee and their organization that arise out of employment.

According to R.A.Lester Industrial relations involves attempts to have workable solutions between conflicting objectives and values, between incentive and economic security, between discipline and the industrial democracy, between authority and freedom and between bargaining and cooperation”.

In modern usage, the phrase “Industrial Relation” includes the whole gamut of matters that arise due to the continuing relationship between the employers and the workers.

Its scope includes three rarely distinct areas:

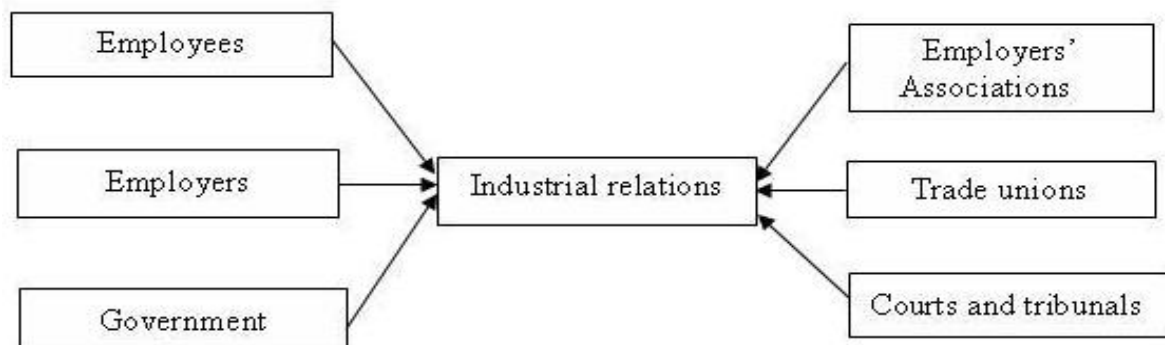
- Relations between managers and individual workers.
- The collective relations between employers and labor (trade) union.
- The role of government in the regulation of these relationships.

These three closely associated areas are often referred to respectively as

- Personnel Management
- Collective Bargaining
- Labor Legislation

Parties involved in industrial relations:

- - Employers
 - Employee
 - Government



Objective of Industrial Relation

The primary objectives of Industrial Relation at national level are that to improving the economic condition of workers, increasing productivity and achieving industrial democracy in industrial enterprise. The labor management committee of the Asian Regional Conference of the International Labor Organization (ILO) has recognized certain fundamental objectives of Industrial relations are to maintain sound and harmonious relations between employees and employers. The other objectives drawn from this objective are:

1. Industrial Relation safeguards the interest of labor and management through mutual understanding and goodwill among those parties in the industry which actively participates in the process of production.
2. To raise productivity of the industry at a higher level this is the need of the day to contribute to the economic development of the country.
3. To avoid all forms of industrial conflict
4. To minimize labour turnover and absenteeism by providing job satisfaction to the workers and increasing their morale.
5. To minimize the occurrence of strikes, lockouts and gheraos.
6. To encourage and develop trade unions in order to improve workers collective strength and resolving their problems through collective bargaining.
7. To establish, develop and maintain industrial democracy based on employee's participation in management and profit of the industry.
8. To facilitate government control over industries in regulating production and for protecting employment or where production needs to be regulated in public interest.
9. To check and ensure a healthy and balanced social order in the industry.

Suggestions and Measures to Improve IR

Good industrial relation refer to harmonious relations between the trade union and the management in an organization, but it is not easy to promote and maintain sound and harmonious industrial relations in an organization but there are some suggestions which are help to maintain sound and cordial relation between the labor and the management.

1. **Support of Top Management:** Top management action always be proactive and geared to problem solving and its action and decision must be in favour of an organization and employees.
2. **Sound Personnel Policies:** personnel policies constitute the business philosophy of an organization and guide it in arriving at human relations decisions. Sound policies and rules are of little help unless they are executed objectively and equitably at all the levels of an organization. Positive Attitudes: Both top management and trade union should adopt positive attitudes towards each other, they help them to understand problem of each and which can be solved by collective bargaining.
3. **Collective Bargaining:** Collective bargaining is an instrument which helps to maintain industrial peace in an organization .such collective bargaining agreements and association of employees in

decision making process will bring about cooperation between labour and management.

4. **Strong Trade Union and Sound Employers' Union:** Industrial relations can be sound only when the bargaining power of the employees' union is strong and equal to that of management. And employers' union should also be sound and well organized. Sound management are helpful for the maintenance and promotion of uniform personnel policies among various organizations and to protect the interest of weak employers.
5. **There are also some others suggestions** but they are some expensive because they want some research work on them:
 - There should be well established and properly administered grievance redress machinery, sometimes which provides an outlet for tensions and frustrations of workers. Similarly, a suggestions scheme will help to satisfy the creative urge of workers.
 - Job supervisors should be trained thoroughly to ensure that organizational policies and practices as well as leadership and communication skill, which help them too properly, implemented and carried into effect.
 - A regular follow up of IR programmed is essential so that existing practice may be properly evaluated and a check may be exercised on certain undesirable tendencies, should they manifest themselves.

Significance of Good Industrial Relations

If the objective of the nation is rapid national development and increased social justice are to be achieved, there must be harmonious relationship between management and union. Such relations will lead to the following benefits:

1. **Industrial Peace:** Good industrial relations bring harmony and remove causes of disputes. This leads to industrial peace, which is an ideal situation for an industrial unit to concentrate on productivity and growth.
2. **High Morale:** Cordial industrial relations improve the morale of the employee. It implies the existence of an atmosphere of cooperation, confidence, and respect within the enterprise. In such an atmosphere, there are common goals, which motivate all members of the organization to contribute their best. Consequently, there is higher productivity, higher income, and increased job satisfaction – all resulting in higher morale of the workforce.
3. **Mental Revolution:** Sound industrial relation completely transforms the outlook of employers and employee. It is based on consultation between the workers and the management. This motivates the workers to give their best to the organization and share the fruits of progress jointly with the management.
4. **Reduced Wastage and Increased Productivity:** It helps in increasing production. Wastage of man, material and machines are reduced to the minimum and thus national interest is protected. Thus, they will contribute to the economic growth of the countries.
5. **Programmes for Workers Development:** New programmes for workers development are introduced in an atmosphere of peace such as training facilities, labor welfare facilities etc. Hence, full advantage of latest inventions, innovations and other technological advancement can be obtained. Through these employee development programme, workforce easily adjust itself to required changes for betterment.

Industrial Disputes

Industrial Disputes Act 1947 defines any dispute or difference between employers and employees or between employers and workers, or between workers and workers, which is connected with the employment or non-employment or terms of employment or with the conditions of labor of any person.

Industrial Disputes are frequently clouded by a sense of exploitation, distrust and discontent between employee and employers. In simple language, the disputes between employers and employees on any Industrial matters are known as industrial disputes. The term 'dispute' is characterized by the following factors :

1. Dispute mainly relate to the strife between employers and their employees.
2. There must actually be a difference.
3. Its work related or industrial matter issues.
4. Disputes must be raised by group or class of workmen.
5. Disputes between one or two workmen and their employers are not an industrial dispute.

Forms of Industrial Disputes

Industrial dispute can take place in any of the following forms:

- 1) **Strikes:** A strike means a cessation of work by a body of persons employed in any industry acting in combination or a concerted refusal under a common understanding of a number of persons who are or have been so employed to continue work or to accept employment. Strikes are of several types:
 - Economic Strike
 - Sympathetic Strike
 - General Strike
 - Set down Strike
 - Slow Down Strike
 - Lightening Strike
 - Hunger Strike
- 2) **Lock Out:** lock out is the counterpart of strike. Lock outs bring psychological pressure on the workers to agree to his conditions or face closure of the units. A lockout is decaled as a trial of strength between the management and its employees. Lockouts means the employer closes down his factory where his workers are employed because he wants to force them to agree to his terms and conditions of service during the pendency of a dispute.
- 3) **Gherao:** Its means "to surround". According to National Commission on Labour "Gherao tend to inflict physical duress on the persons affected and endanger not only industrial harmony but also create problems of law and order".
- 4) **Picketing:** It is primarily a method of drawing public attention towards the disputes and it is legal so there is no violence is involved. In picketing, workers are dissuaded from reporting for work by certain persons stationed at the gate of the factory.
- 5) **Boycott:** Boycott aims at disrupting the normal functioning of an enterprise, through forceful appeals and negative behavioural acts.

Causes of Disputes

- 1) **Wages and Allowances:** The most important cause for disputes relates to wages. The demand for increase in wages and allowances is the most important cause of industrial disputes. The demand for wages and allowances has never been fully met because of inflation and high cost of living. High inflation results in increased cost of living resulting in never ending demands from unions. There are some more economic reasons who are the cause of industrial disputes are bonus, working conditions and working hours, modernization and automation and demand for other facilities.
- 2) **Union Rivalry:** Most organizations have multiple unions. Multiplicity of unions leads to inter-union rivalries. If one union agrees to a wage settlement, another union will oppose it.
- 3) **Political Interference:** Major trade unions are affiliated to political parties. Political affiliated is not peculiar to our country alone. Even a cursory assessment of labour movements around the world would show that trade unions are, by their very nature, political and that politicization of the rule rather than the exception. Everywhere trade union have been compelled to engage in political action to obtain enough freedom from legal restraint to exercise their main industrial functions.
- 4) **Managerial Causes:** These causes include autocratic managerial attitude and defective labour policies. In this includes failures of recognize the trade union, defective recruitment policies, irregular layoff and retrenchment, defiance of agreements and codes, defective leadership, weak trade unions.
- 5) **Unfair labour Practices:** The Industrial Dispute Act, 1947 is more specific about the unfair labour practices. According to the Act, the following constitute unfair labour practices:
 - To interfere with, restrain from or coerce workmen in the exercise of their right to organize, form, join or assist a trade union or to engage in concerted activities for the purpose of collective bargaining or other mutual aid or protection, that is to say,
 - Threatening workmen with discharge if they join a trade union
 - Threatening a lockout or closure, if a trade union is organised
 - Granting wage increases to workmen at crucial periods of the trade union organization, with a view to undermine the efforts of the trade union at organization.
 - To, dominate, interfere with or contribute support, financial or otherwise, to any trade union.
- 6) To encourage or discourage membership in any trade union by discriminating against workmen.
- 7) To discharge or dismiss workmen.
- 8) To indulge in acts of force or violence.
- 9) To refuse to bargaining collectively, in good faith with the recognized trade unions.
- 10) To insist upon individuals workmen, who are on a legal strike, to sign a good conduct bond as a precondition to allowing them to resume work?

Prevention of Industrial Disputes

It is very famous sentences prevention is always better than cure. Prevention steps should, therefore, be taken so that reduced industrial disputes and sometimes try to do not occur the industrial disputes in the organizations.

- 1) **Collective Bargaining:** Collective Bargaining is the most effective method of resolving industrial disputes. The role of collective bargaining in solving the problems arising between the management

and the worker has been widely recognized. Collective bargaining not only includes negotiation, administration and enforcement of the written contracts between the employees and the employers but also includes the process of resolving labour management conflicts.

Collective bargaining offers the following benefits to both of the employees and employers :

- It helps increase economic strength of both the parties at the same time protecting their interest.
- It helps resolve disputes when it is occur in the organization.
- It also help to establish uniform conditions of employment with a view to avoid occurrences of industrial disputes.
- It lays down rules and norms for dealing with labour.

- 2) **National Arbitration Promotion Board:** The Truce Resolution 1962 and the code of Discipline as evolved in 1958 recognized the principle of voluntary Arbitration. The Government of India took note of the intention of both the industrial partners and set up the National Arbitration Promotion Board in July 1967 to promote arbitration.

Arbitration is a procedure in which a neutral third party studies the bargaining situation, listen to both the parties and gathers information, and then makes recommendations that are building on the parties. Arbitration is effective because it is established by the parties themselves and the decision is acceptable to them and it also delays are cut down, settlement are speeded up and less expensive when compared to courts or tribunals.

- 3) **Grievance Redressal Procedure:** Grievance may be understood as an employee's dissatisfaction or feeling of personal injustice relating to his or her employment relationship. Grievance is generally well- defined in a collective bargaining agreement. The Indian Labour Conference in 1958 evolved a code of discipline which was ratified by the national trade union and employers' organization. Under this code, both the parties voluntarily agree to maintain and create an atmosphere of mutual trust and cooperation in the factory and to settle all the disputes and grievance by mutual negotiation, conciliation and voluntary arbitration and avoid direct action.

- 4) **The Implementation Machinery:** The central organizations of workers and employers have set up machinery to screen cases of industrial disputes before they are taken to courts with a view to reducing litigation. The main function of consultative machinery is to bring the parties together for mutual settlement of difference in a spirit of co-operation and goodwill. Consultative machinery operates at the plant, industry, national and state levels. At the plant level, there are works committees and joint management councils. Being essentially bipartite in character, Work committee are constituted as per the provisions of the Industrial Disputes Act, 1947 and joint management councils are set up following the trust laid down in the Industrial Policy Resolution, 1956. At the industry level, there are Wage Boards and Industrial Committees. Implementation cells have been set up in almost all the states and their activities are coordinated by the central Implementation and Evaluation Cell with a view to ensure uniform policies and action.

- 5) **Workers Participation in Management:** It is a method whereby the workers are allowed to be consulted and to have a say in the management of the unit. The important schemes of workers participation are:

- **Work Committees** consisting of representatives of employer and employee where every industrial undertaking employing 100 or more workers is under an obligation to set up. Its main purpose to promote industrial relations.

- **Joint Management Councils:** Government suggested setting up joint management council to make a start in labour participation in management.
 - **Shop council:** it have been set up in the manufacturing and mining industries employing 500 or more workers in private, public and joint sectors. Its main function to assist the management in achieving production targets, improving production, productivity efficiency, eliminating wastage and in achieving optimum utilization of machinery and manpower.
 - **Joint Council :** joint council have been established for the whole unit and deals with matters relating to optimum production and efficiency and the fixations of productivity norms for man and machine for the unit as a whole.
- 6) **Tripartite Bodies:** Tripartite bodies composed of employer, employee and government have been set up for consultation and discussion on problems of labour to solve it out.
- 7) **Model Standing Orders:** Government enacted the Industrial Employment (Standing Order) Act 1946 for to avoid frictions amongst employers and workmen over the terms of employment. This Act is requiring employers in the establishment to defuse with sufficient precision, the condition of employment under him and to make them known to all the workers. Such conditions include conditions of recruitment, discharge, disciplinary action, holidays, leave etc of the workers. Thus, the main object of the act is to prevent the dispute as soon as it arises by framing model rules for maintaining discipline and better relations.

Settlement of Industrial Disputes

If dispute could not be prevented on voluntary basis and do arise, steps have to be taken for their settlement. Industrial Dispute Act 1947 as amended in 1982 provides several provisions for settling the disputes. Various methods and provision are for resolving disputes. More important of them are as follows:

- 1) Arbitration
- 2) Conciliation
- 3) Collective Bargaining
- 4) Code of Discipline
- 5) Grievance Procedure
- 6) Adjudication
- 7) Consultative machinery

1) Arbitration: it is a procedure in which a neutral third party studies the bargaining situation listen to both the parties and gathers information and then make recommendation that are binding the parties. It is effective because established by the parties themselves and the decision is acceptable to them and relatively expeditious when compared to courts or tribunals. Delays are cut down and settlements are speeded up. But it has some weakness also are it is expensive. The expenditure needs to be shared by the labour and the management and judgment become arbitrary if there is a mistake in selecting the arbitrator.

2) Conciliation: It is a process by which representatives of workers and employees are brought together before a third party with a view to persuading them to arrive at an agreement by mutual discussion between them. The third party may be one individual or a group of people. The alternative name for the third party is mediators.

The conciliation officer can be appointed by the central and state government to mediate in all disputes brought to his notice. The officer enjoys the power of civil courts. He can call and witness disputing parties on oath and interpret the facts of the case. He is expected to give judgment within 14 days of the

commencement of the conciliation proceedings. His judgment is binding on all the parties to the disputes. When the conciliation officer fails to resolve the disputes between the parties, the government can appoint a Board of Conciliation. It is not a permanent Board. It consists of a chairman and two or four other members nominated in equal numbers by the parties to the disputes.

3) Collective Bargaining: it is a process by which employers on the one hand and representative of the employees on the other, attempt to arrive at agreements covering the conditions under which employees will contribute and be compensated for their services. We already discuss on it.

4) Code of Discipline: The code of discipline evolved by the Ministry of Labour and Employment. The code of discipline defines duties and responsibilities of employers and workers. The objectives of promoting constructive co-operation between their representatives at all levels, avoiding stoppage as well as litigation, securing settlement of grievance by mutual negotiation, conciliation and voluntary arbitration, facilitating the growth of trade union and eliminating all forms of coercion and violence of Industrial Relation.

5) Grievance Procedures: A grievance may be understood as an employee's dissatisfaction or feeling of personal injustice relating to his or her employment relationship. There are some condition which may give rise to a grievance are like a violation of law, a violation of the intent of the parties as stipulated during contract negotiation, a violation of company rules, a change in working conditions or past company practices and a violation of health and/or safety standards.

It is resolved by set procedure :

- How the grievance will be initiated?
- The number of steps in the process.
- Who will represent each party?
- The specified number of working days within which the grievance must be taken on the next step in the hearing.

6) Adjudication: it is means a mandatory settlement of an industrial dispute by a labour court or a tribunal. Whenever an industrial dispute remains unresolved by the conciliation officer and the board of conciliation, the matter is referred in a court of inquiry. A court of inquiry may consist of one independent person or such numbers of independent persons as the appropriate government may think fit and submit its report to the government within six months from the date of the commencement of the inquiry. If settlement is not arrived at by the efforts of the above machinery, three types of semi-judicial bodies are formed i.e. labour court, industrial tribunals and national tribunals.

- **Labour Court** shall consist of one person only to be appointed by the appropriate government. Labor court for adjudication of industrial disputes relating to disputed orders of the employers. e.g. dismissal, discharge and suspensions of employees, application and interpretation of standing orders, withdrawal of any concession or privilege, legality or otherwise of any strike or lockout etc.
- **Industrial Tribunals:** the tribunals will consist of one person of the rank of a high court judge by state government. This tribunals solve out the disputes relating to wages, hour of work and rest, intervals, leave with pay, holidays, compensatory and other allowances, bonus, profit sharing, provident fund, retrenchment, gratuity and etc.
- **National Tribunal:** National Tribunals are set up by the Central Government for the adjudication of the industrial disputes which involves the question of national importance or which affect industrial establishment situated in more than one state. It gives decisions on matters referred to it by the Central Government which matter is referred to the national tribunal by the central government, the labour courts and industrial tribunals are barred from entertaining such disputes and if any such dispute is before labour court or tribunals. Shall be deemed to be quashed.

7) Consultative Machinery: It is set by the government to resolve disputes. The main function of this machinery is to bring the parties together for mutual settlement of differences in a spirit of co-operation and goodwill. Consultative machinery operates at the plant, industry, state and the national level. At the plant level, there are works committees and joint management councils being bipartite in character and at the industry level there are wage boards and industrial committees.

Unit - V : Collective Bargaining

Introduction

Collective bargaining is specifically an industrial relations mechanism or tool, and is an aspect of negotiation, applicable to employment relationship. As a process, the two are in essence the same, and the principle applicable to negotiations is relevant to collective bargaining as well. In collective bargaining the union always has a collective interest since the negotiations are for the benefit of several employees. Where collective bargaining is not for one employer but for several, collective interests become a feature for both parties to the bargaining process. In collective bargaining certain essential conditions need to be satisfied, such as the existence of freedom of association and a labor law system. Further, since the beneficiaries of collective bargaining are in daily contact with each other, negotiations take place in the background of a continuing relationship which ultimately motivates the parties to resolve the specific issues.

Collective bargaining is a process of negotiations between employers and the representatives of a unit of employees aimed at reaching agreements that regulate working conditions. Collective agreement usually set out wage scales, working hours, training, health and safety, overtime, grievances, mechanisms and rights to participate in workplace or company affairs.

Concept/Definition of Collective Bargaining

Collective bargaining is a process whereby organized labor and management negotiate the terms and the conditions of employment. Let us explore some definitions from different sources:

“Collective bargaining is a method by which trade unions protect and improve the condition of their member’s working lives.”

According to Flanders “Collective Bargaining as a means of joint regulation”

According to ILO, (convention no: 87) “Collective Bargaining is a fundamental right. The right to Collective Bargaining forms an integral part of the ILO declaration on fundamental Principles (1998).”

OECD (Organization for Economic Co-operation and Development), WTO (World Trade Organization) and the United Nations advocates Collective Bargaining in similar tones. Collective Bargaining is a part of “Core Labor Standards, Social clause and Global Compact respectively” This means further that Collective Bargaining should be considered as a Fundamental Right.

Today collective bargaining has assumed a complex nature, conducted in the most formal environment, associating the services of a large number of experts, legal practitioners, consultants and specialized personnel. Today it is regarded as a social process, because it occurs in a social setting.

In majority of the cases collective bargaining process deals with issues like:

- Rate of wages, pay.
- Hours of employment, working conditions

- Employment policies
- Productivity settlement

Why Workers Join Unions?

It is essential to understand why workers join unions to understand the importance of collective bargaining, these are:

- Dissatisfaction with working environment, including working conditions, compensation, and supervision
- A desire to have more influence in affective change in the work environment
- Employee beliefs regarding the potential benefits of unions.

Advantages of Collective Bargaining

To understand the collective bargaining it is necessary to know about the various advantages of collective bargaining, these are:

- Collective bargaining has the advantage of settlement through dialogue and consensus rather than through conflict and confrontation. Agreement resulting from collective bargaining usually represents the choice or compromise of the parties themselves.
- Collective bargaining agreements often institutionalize settlement through dialogue. For instance, a collective agreement may provide for methods by which disputes between the parties will be settled. In that event parties know beforehand that if they are in disagreement there is an agreed method by which such disagreement may be resolved.
- Collective bargaining is a form of participation because it involves a sharing of rule making power between rule making power between employers and unions in the areas which in earlier times were regarded as management prerogative e.g. transfer, promotion, redundancy.
- Collective bargaining agreements sometimes renounce or limit the settlement of disputes through trade union action.
- Collective bargaining is an essential feature in the concept of social partnership towards which labor relations should strive. Social partnership in this context may be described as a partnership between organized employer institutions and organized labor institutions designed to maintain non- confrontational process in the settlement of disputes which may arise between employers and employees.
- Collective bargaining has a valuable by- products relevant to the relationship between the two parties.
- In societies where there is a multiplicity of unions and shifting union loyalties, collective bargaining a consequent agreements tend to stabilize union membership.
- Collective bargaining is the most important and effective in improving industrial relations.

Objectives and Features of Collective Bargaining

There are some basic objectives of collective bargaining on that basis whole process generally work,

these are:

- Settle the conflicts related to working conditions and wages.
- To protect the interest of the workers through collective action.
- To resolve the difference between the workers and management through voluntary negotiations and to arrive at a consensus.
- To avoid third party intervention in matters relating to employment.
- Practically speaking any issues that has any relevance to management and workers becomes the subject matter of bargaining.

Features of Collective Bargaining

“Collective Bargaining is a mutual obligation on the employer and employee to bargain in good faith towards the settlement”. Keeping this statement in mind let’s explain the features of collective bargaining in detail:

- **Collective:** It’s collective in two ways:
 - 1) All the workers collectively bargain for their collective interest, because they do not have individual capacity.
 - 2) Workers and the management jointly arrive at an amicable solution through negotiations. The Union is expected to bring out the common consensus on collective issues rather than individual issues.
- **Bargaining Power:** In collective bargaining the bargaining strength of both the parties across the table is equal. Ideally it is industrial democracy at work. It will only be democratic only if both the parties are equipped with knowledge and skill. The strength of the union also depends on the demand and supply of working force. Similarly how much capital is invested upon one worker also determines the ratio of bargaining power. For example: A pilots union would have more bargaining power than the union of road transport. Because the capital stake invested on the pilot is much higher than the drivers.
- **Flexible:** In collective bargaining both the parties should have to flexible mental set up to arrive amicably at a common consensus.
- **Voluntary:** Both the parties come in front of each other voluntary in order to arrive at a voluntary agreement, which is mutually acceptable to both the parties.
- **Continuous:** Collective bargaining not only commences with negotiation and ends in argument, but it’s a continuous process that includes implementation of the agreement and also further negotiations.
- **Dynamic:** It’s a dynamic process because it involves the following:
 - 1) A process of agreement which itself contains various concepts which may change and alter time to time.
 - 2) The implementation process is also on going.
 - 3) The mental makeup of the parties keeps on changing.
 - 4) Various strategies used by both the parties keeps on changing based on the demand of the situation.
 - 5) We all are a part of the global economy and the product, consumer’s taste; market place etc

keeps on changing. This has tremendous effect on companies. The same has impact on the bargaining as well.

- **Power relationship:** Both the parties want to extract the maximum from each other. But to reach a consensus both the parties have to retreat from their positions in order to reach a common consensus. In such an attempt both the parties try to reach on a common ground without any serious dilution of their power. Example: If the job of the worker is not skilled and he is being easily replaceable, he would have lesser bargaining power. Because, there is a huge mass of unemployed youth waiting to be replaced.
- **Representation:** The Collective Bargaining process must be represented by those who have the capacity to take decisions.
- **Bipartite Process:** The employees and the employers negotiate the issue directly across the table. And there is no third party intervention like pressure groups, legal consultants.
- **Good Faith Bargaining Process:** Good faith bargaining is characterized by the following events:
 - 1) Meeting for the purposes of negotiations, the contract is used scheduled and conducted with the union of responsible time and place.
 - 2) Realistic proposals are submitted.
 - 3) Reasonable counter proposal should be offered.
 - 4) Each party has to sign once it has been completed.

Types of Collective Bargaining

In bargaining situations, demands are pitched higher than what one would really settle for and offers are initially made lower than what one is really prepared to give. On the other hand it's a charter in which some major and some minor demands consist. All these variations in bargaining can be divided in three types, these are:

1. **Distributive Bargaining:** Distributive bargaining is the most common type of bargaining and involves zero-sum negotiation. In other words, one side wins and other side loses. Union employees may try to convince management that they will strike if they don't get the wages or working conditions they desire. Management, in turn may be willing to try to ride the strike out, especially if they have cross-trained other workers or have external replacements to fill in for those on strike. In this bargaining, union and management have initial offers or demands, target points, resistance points and settlement ranges.
2. **Integrative Bargaining:** Integrative bargaining is similar to problem-solving sessions in which both sides are trying to reach mutually beneficial alternatives. Both the employer and union try to resolve the conflict to the benefit of both parties.
3. **Concessionary Bargaining:** It involves a union's giving back to management some of what it has gained in previous bargaining. Why would labor be willing to give back what it worked so hard to obtain? Usually such a move is prompted by labor leader who recognize the need to assist employers in reducing operating cost in order to prevent layoffs and that motivates concessionary bargaining.

Process of Collective Bargaining

Developing a Bargaining Relationship

One of the very important facets which need to be considered before studying the process of collective bargaining is “Understanding and developing of a good Bargaining relationship”. This step consists of these activities mainly;

1. Recognition of the Bargaining Agent: In those organizations where there is a single trade union, that union is generally granted recognition to represent the workers. But where there is more than one union, any of these criteria may be used for identifying the representative union, namely:

- Selection of the union by a secret ballot.
- Selection through verification of membership by some government agency if required.
- Bargaining with a joint committee of all major unions.
- Bargaining with a negotiation committee in which different unions would be represented in proportion to their verified membership
- Bargaining with a negotiation committee which consists of elected representative of every department of the organization selected by secret ballot, irrespective of their union affiliations.

2. Levels of bargaining. Collective bargaining is possible at all levels, such as:

- At the level of the enterprise,
- It may be at the level of the industry in a particular region.
- At the level of the entire industry in the country, that is, at the national level.

From the point of view of an individual establishment, enterprise-level bargaining is generally useful in the sense that the settlement is tailored to the conditions of that organization.

3. Scope and Coverage of Collective Bargaining: Though in many organizations bargaining is struck only by specific issues like wage increase, bonus, or seniority, promotion, etc., yet it is considered advantageous, both for the management and the trade unions, to cover as many issues of interests to both parties as possible. Now a days the orientation of collective bargaining is changing from conflict to cooperation and there by building an atmosphere of trust, progress and social welfare. For example: union must strive for larger scope and coverage like wages and service conditions for contract labor, temporary, part time employees, trainees etc.

4. Process Variation of Collective Bargaining: The negotiation process has been visualized in different ways. Collective bargaining procedure can be compared with the similar to an exercise in politics where the relative strength of the parties stems from decisiveness and that it resembles with a debate. They are also of the view that both the parties on the bargaining table become entirely flexible and willing to be persuaded only when all the facts have been presented.

However with the increasing maturity of collective bargaining, there has been enlargement of the rational process. In addition several other factors also influence the negotiation process. Among these factors some are mentioned below:

- Objectives of the parties.
- Kind of experience, knowledge the parties have.
- The Industrial legislation of the concerned country.
- The personalities and training of the negotiators.
- The history of the labor relations in the enterprise.
- The size of the bargaining unit and
- The economic environment.

Preparation for Negotiation

Prior to the actual bargaining sessions, enough care should be taken by both the parties to have a thorough preparation for the negotiations. This has become a pre – requisite to collective bargaining in view of several reasons. Consultation with the lower level members of their respective organizations can help both the parties to obtain valuable information and evolve specific bargaining table approaches. The consultation process also increases the morale of the two organizations. Again the technical assistance of legal and public relations experts can also be utilized gainfully in the collective bargaining process. Finally care should be taken to preplan with mutual consent the meeting places, ground rules relating to transcripts of the sessions , publicity releases, the payment system of union representatives and allied issues.

Negotiation Stage

Methodology for bargaining is very important in negotiating process. It will help the negotiator to develop those personal and managerial (administrative) qualities of preparedness, knowledge, ability, sensitivity, timing, analytical abilities, composure and patience. These qualities develop as a result of observation, experience involvement and conscious individual effort and experience.

As a bargaining methodology it is desirable to list all the bargaining items, whether introduced by the employer or the employee that the parties will consider during the course of the collective bargaining negotiations. These bargaining items could be separated into two parts –

- The cost or financial items
- The other for non cost or non financial items.

After listing the items priority rating can be determined for these items based on its value or importance relative to all other items on the agenda. The range of the objectives could be decided. This methodology provides a systematic framework for approaching collective bargaining negotiations. Some advantages to collective bargaining negotiations result from the use of the methodology by objectives.

Management Strategies:

Prior to the bargaining session, management negotiators prepare by developing the strategies and proposals they will use. Three major areas of preparation have been identified:

- Determination of the general size of the economic package that the company anticipates offering during the negotiations.
- Preparation of statistical displays and supportive data that the company will use during negotiations.
- Preparation of a bargaining book for the use of company negotiators, a compilation of information on issues that will be discussed, giving an analysis of the effect of each clause, its use in other companies, another fact.

Union Strategies:

Like management, unions need to prepare for negotiations by collecting information. More and better information gives the union the ability to be more convincing in negotiations. Since collective bargaining is the major means by which the union can convince its members that it is effective and valuable, this is a critical activity. Union should collect information in at least three areas:

- The financial situation of its company and its ability to pay;
- The attitude of management towards various issues, as reflected in past negotiations of inferred

from negotiations in similar companies; and

- The attitudes and desires of the employees

The first two areas give the union an idea of what demands the management is likely to accept. The third area is important but is sometimes overlooked. The union should be aware of the preferences of the membership. For instance, is a pension preferred over increased vacation or holiday benefits? The preferences will vary with the characteristics of the workers. Younger workers are more likely to prefer more holidays, shorter work weeks, and limited overtime, whereas older workers are more interested in pension plans, benefits and overtime. The union can determine these preferences by using a questionnaire to survey its members.

Employee's grievances

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

1. Dissatisfaction is anything that disturbs an employee, whether or not the unrest is expressed in words.
2. Complaint is a spoken or written dissatisfaction brought to the attention of the supervisor or the shop steward.
3. Grievance is a complaint that has been formally presented to a management representative or to a union official.

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

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

Features of Grievance:

1. A grievance refers to any form of discontent or dissatisfaction with any aspect of the organization.
2. The dissatisfaction must arise out of employment and not due to personal or family problems.
3. The discontent can arise out of real or imaginary reasons. When employees feel that injustice has been done to them, they have a grievance. The reason for such a feeling may be valid or invalid, legitimate or irrational, justifiable or ridiculous.
4. The discontent may be voiced or unvoiced, but it must find expression in some form. However, discontent per se is not a grievance. Initially, the employee may complain orally or in writing. If this is not looked into promptly, the employee feels a sense of lack of justice. Now, the discontent grows and takes the shape of a grievance.
5. Broadly speaking, thus, a grievance is traceable to be perceived as non-fulfillment of one's expectations from the organization.

Causes of Grievances:

Grievances may occur due to a number of reasons:

1. Economic:

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

2. Work environment:

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

3. Supervision:

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

4. Organizational change:

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

5. Employee relations:

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

6. Miscellaneous:

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

Effects of Grievance:

Grievances, if not identified and redressed, may adversely affect workers, managers, and the organization.

The effects are the following:

1. On the production:

- a. Low quality of production
- b. Low productivity
- c. Increase in the wastage of material, spoilage/leakage of machinery
- d. Increase in the cost of production per unit

2. On the employees:

- a. Increase in the rate of absenteeism and turnover
- b. Reduction in the level of commitment, sincerity and punctuality
- c. Increase in the incidence of accidents
- d. Reduction in the level of employee morale.

3. On the managers:

- a. Strained superior-subordinate relations.
- b. Increase in the degree of supervision and control.
- c. Increase in indiscipline cases
- d. Increase in unrest and thereby machinery to maintain industrial peace

Need for a Formal Procedure to Handle Grievances:

A grievance handling system serves as an outlet for employee frustrations, discontents, and gripes like a pressure release valve on a steam boiler. Employees do not have to keep their frustrations bottled up until eventually discontent causes explosion.

The existence of an effective grievance procedure reduces the need of arbitrary action by supervisors because supervisors know that the employees are able to protect such behavior and make protests to be heard by higher management. The very fact that employees have a right to be heard and are actually heard helps to improve morale. In view of all these, every organization should have a clear-cut procedure for grievance handling.