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# Human Resource Management

Manmohan Joshi



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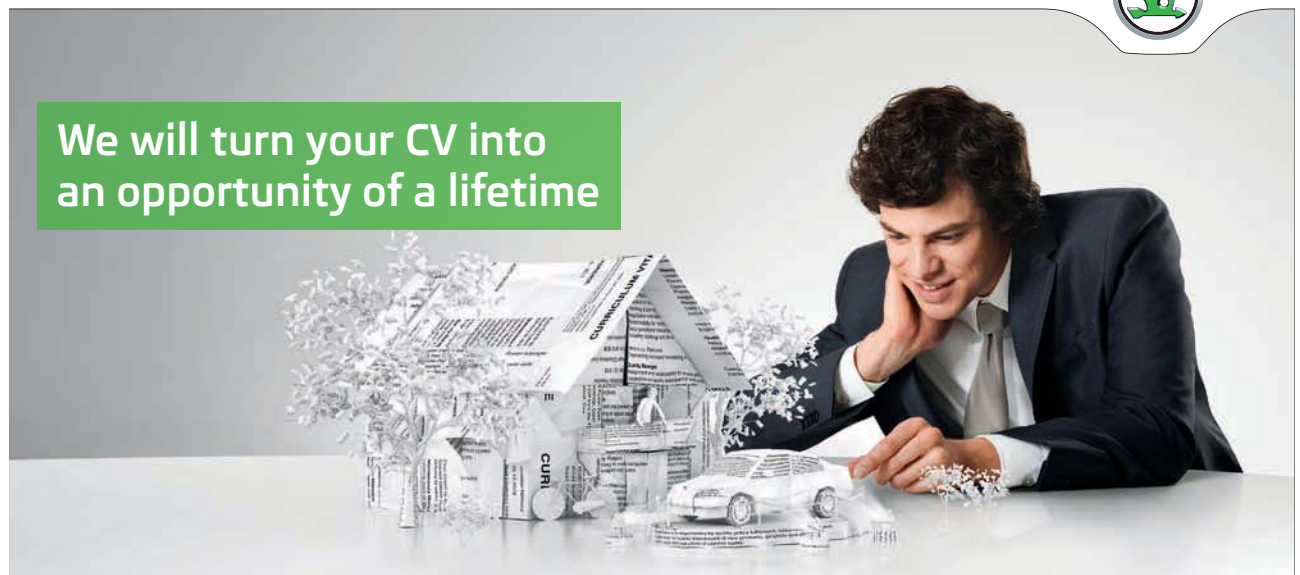
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# 1 Human Resource Management

## 1.1 Meaning of Human Resources

The 'human resource' of an organization is composed of all the efforts, skills or capabilities of all the people who work for that organization. Some organizations may call this 'human resource' as 'staff' or 'workforce' or 'personnel' or 'employees,' but the basic meaning remains the same. All those who work for an organization are workers. However, the organizations may call those who do manual work as 'workers' and describe others who do non-manual work as 'staff.' The executives of an organization are supposed to manage its human resource in the most effective manner so that personnel work well in the best interests of the organization, and in their own interests, too. For this purpose, it is essential that good personnel relations are established with the entire workforce.

## 1.2 Human resource functions

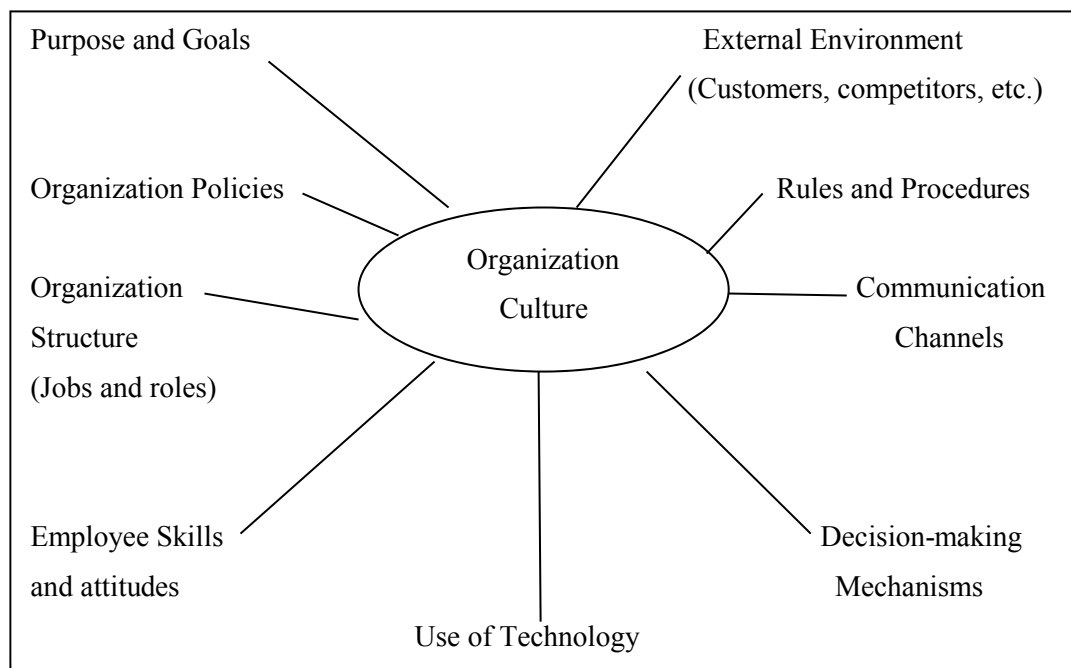
Human resource management refers to the activities of specialist staff that are responsible for the personnel objectives of the organization. The head of this department is responsible for establishing and implementing strategies for the human resource of the organization – its people. Staff members of this department are responsible for providing guidance and assistance to both management and employees. In a sense, it is their job to manage people. They do so by acquiring, retaining and developing the human resource of the organization. The policies of the Human Resource Department affect the entire workforce. Hence it is their responsibility to look after the interests of all – management as well as other employees.

## 1.3 Organization culture

HR specialists are in a position to influence the culture of an organization. Hence they simply cannot accept the existing situation. They need to be proactive so that they can anticipate changes and initiate timely and appropriate action. In different organizations there are different environments and different ways of doing things. There may be a lot of 'shared beliefs and values.' When this shared understanding becomes a part of collective thinking of the personnel of the organization, it leads to the establishment of an 'organization culture.' This happens because the personnel work in the common interests of the organization as a whole.

### 1.3.1 Internal and external influences

The interaction of the management with a variety of internal and external forces leads to the development of a particular organization culture. The figure given below gives an illustration of some important interrelationships which affect and are affected by an organization's culture.



**Internal and external factors influencing organization culture**

The purpose and goals of the organization are responsible for establishing a culture, which are seen by top management as their 'vision.' It is affected by the policies, structure, employee skills and attitudes, and leadership qualities. The external environment – comprising customers, competitors, government rules, suppliers, etc. – also play a significant role in shaping the organization culture. The decision-making ability of the management, establishment of effective communication channels, and the use of latest technology are all the factors that affect an organization's culture.

#### 1.4 Human resource activities in management

Even though it is the responsibility of HR personnel to look after the people in an organization, everybody in managerial/supervisory role – managers, supervisors, foremen, etc. – have to perform certain HR functions. They may have to be involved in performing the following additional functions in cooperation with the HR department:

- Employee selection,
- Induction of new employees,
- Training and development,
- Performance appraisal,
- Working practices,
- Job structure,
- Implementing disciplinary procedures,
- Motivating,

- Providing communication channels,
- Implementing safety policy,
- Planning for effects of change on employees, etc.

The HR department provides support in performing the above activities.

## 1.5 HR specialists

Modern organizations have grown in size and complexity. Changes in their environments occur at a speed never felt before. Hence it has become essential that there is a 'division of labour' in the managerial staff, resulting in 'specialist managers' for various departments of an organization. HR specialists can be divided into three categories – Senior HR staff, HR advisors, and HR administrators. However, their presence depends on the size and number of activities of an organization.

### 1.5.1 Senior HR staff

These are the HR directors and HR managers who are specialists in their work. Their main role is to:

- Formulate personnel policies for the organization,
- Get them accepted,
- Implement them,
- Advise managers of other departments about the activities related to HR functions,
- Reflect the views of the workforce to other departmental managers.

The success of the HR activities depends much on how effectively and efficiently these senior HR staff perform their functions.

### 1.5.2 HR advisors

These do not perform executive functions. Rather they act as 'internal consultants' or 'advisors' for the organization. They mainly provide consultancy and advice on the following areas:

- Manpower planning,
- Industrial relations,
- Management development,
- Assessment of relevant matters (e.g. impact of latest changes in the country's employment law).

### 1.5.3 HR administrators

These are the members of office staff who are responsible for all the day-to-day activities of the HR department. After the decisions have been made by the senior management, a variety of procedures and documents have to be generated. For example, even if there is a minor change in the organization's policy of sickness leave and pay, several documents have to be amended to reflect this change. If there is a change in the organization's safety policy, revised statements will have to be prepared and distributed to every employee.

Moreover, the HR department is involved with all the detailed arrangements of personnel activities concerning every other department of the organization. HR department has to create and maintain personnel records of all the employees. They have also to keep updating these records in a timely manner.

## 1.6 Strategic aspects of HRM

The strategic aspects of HR managers are the following:

- **Innovation:** They must think of new ideas in order to have more effective and efficient HR systems.
- **Long-term planning:** They must devise long-term HR plans for the organization so that the objectives and goals of the organization may be achieved in a systematic manner.
- **Advisory function:** They must assist managers of other departments with HR activities so that the operational aspects of HR policies are carried out effectively. However, this involvement of HR department depends on the structure and size of the whole organization.

## 1.7 The HR manager

The effectiveness of the HR manager is influenced by his/her personal attributes as well as his/her managerial abilities.

### 1.7.1 HR manager as a person

An HR manager is a 'person.' Some are men while others are women. Both can be very successful in their jobs. As a person, the HR manager behaves like any other human being, and is influenced by feelings and emotions, needs, motivations, and the need to be loyal. In order to perform HR functions effectively, the HR Manager has to rise above personal beliefs, prejudices and attitudes. He/she must make an effort to be impartial in various conflicting situations. Moreover, he/she must have the strength to be able to bring about an acceptable compromise between the conflicting viewpoints of the management and the employees. This needs strength of character, and an understanding of human behaviour. An HR manager, who is able to do so, is definitely successful in his/her chosen career.

### 1.7.2 HR manager as a manager

As a manager he/she is responsible for the various activities of the HR department – planning, organizing and coordinating the work of the HR department, training them, motivating them, supervising their activities, and providing them with ‘leadership.’

As an HR manager, he/she is responsible for a number of activities relating to the entire workforce of the organization. He/she has to manage a number of subordinates in the department. They have to be trained and motivated in order to perform in the best interests of the organization. Hence he/she should have an excellent knowledge of the functional aspect of work, and be skilled in maintaining good human relationships.

## 1.8 Industrial relations

Every worker in an organization needs to be dealt with in a fair and dignified manner. However, problems may arise because of the conflicting viewpoints of the workers and the management. Such differences are bound to come up in any organization. There are “opposing forces” of workers and management. In such situations the HR managers of the enterprises involved have extremely difficult roles to play because:

- Workers think the HR personnel are controlled by the management, and will think of the interests of the management only, and
- The directors of the company are suspicious of HR managers, and think that they are pushing for a solution beneficial only to the workers.

In such an environment of distrust from both the sides – management as well as employees – the HR manager has to ensure that he/she retains the confidence of both the management as well as the employees. This is a very skilled and diplomatic role that he/she has to play. He/she has to be seen by both the parties as not being partial to any. He/she has to see that the interests of the management are served, and at the same time, the legitimate aspirations of the employees are protected. It is his/her role to ensure that harmonious relationship is developed and retained between the management and the employees. He/she is actually a middleman between the two sides.

## 1.9 The role of HR department

An organization is divided into a number of departments depending on its size and activities. Some departments are concerned with the ‘primary functions’ such as production and sales. Other departments provide ‘services’ which assist in the efficient performance of primary activities of the organization. One of the most important departments of this type is the HR department. It provides a variety of services to:

- other departments,
- employees of the organization (and directly or indirectly to their families also),
- the organization as a whole.

In the strict sense of the term, HR department may be classified as ‘non-productive,’ but the quality and efficiency of this department plays a significant role in the smooth running of the whole organization, as it looks after one of the most important resources – the human resource.

### 1.9.1 The HR policy

Policy making is the most important aspect of the total planning activity of an organization. A policy states how the organization intends to achieve its overall objectives. In order to achieve the aims of the organization in the interest of the whole organization – including its workforce – it has to operate as per the policy framed by the top management. Such a policy should be framed in consultation with:

- the HR manager and his/her senior subordinates, and
- if necessary, with representatives of trade unions and staff associations.

An HR policy should be based on the principles which will govern the relationship of the organization with its workforce. The policy must:

- be stated in clear terms;
- be understood easily by all – management and employees;
- have standardized effect on all employees.



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The HR policy should concentrate on the following aspects:

- clear and detailed procedures regarding various specified activities such as recruitment, selection, promotion, and training of employees;
- activities concerning a good “work climate” and employee satisfaction.

The long-term view of an HR policy may focus on the following examples:

- There will be Equal Opportunity Policy (including sex, age, belief) for promotion.
- Training and development activities will be made available to all employees.
- Every employee will have the right to fair treatment concerning disciplinary matters.
- Negotiations with employees or their representatives will be done in good faith in the interest of the organization as well as the employees.

### 1.9.2 Operating plans

After laying down the general policy the HR department needs to create operating plans. These are normally prepared on a year-by-year basis. They are likely to relate to matters such as the following:

- Setting up basic manpower/human resource plan
- Recruitment
- Remuneration
- Training and development
- Health and safety
- Employee welfare
- Industrial relations
- Attending to grievances and disciplinary procedures, etc.

### 1.10 Effects of a good HR policy

When a company wants to have a good “work climate,” it has to allocate a substantial amount of finance for the activities of the HR department. But this expenditure is worthwhile because the formulation and pursuance of a good HR policy leads to greater understanding throughout the organization. The effects of the HR policy can be seen in any activity of the organization. This is so because it is the responsibility of every department to get things done through the “efforts of the people.” After adopting this policy, it must be acted upon by every foreman, supervisor and manager in every department and section.

### 1.11 Responsibilities of HR department

HR management is concerned with the people who work for an organization, and with their activities and relationships within that organization.

Its primary function is two-fold:

- to bring together all the employees of an organization, without whose joint efforts the organization could not prosper;
- to develop and encourage their united interest in the success of the organization.

This is not an easy task. An organization has a number of individuals who have a wide variety of differing characters, attitudes, needs and opinions. The larger the organization, the greater is the task of developing unity and harmony. In order to achieve this aim, the HR department undertakes the following wide-ranging activities. Depending on the size of the organization, these activities may be handled by separate sections.

#### 1.11.1 Employment section

This section is responsible for maintaining adequate supply of manpower. It keeps in contact with each employee during all the phases of their employment – recruitment, induction, training and development, transfers, promotions, retirement. It is also responsible for maintaining relevant records pertaining to all the employees.

#### 1.11.2 Promotion section

This section is usually a part of the employment section, and is responsible for evaluating the suitability of employees for promotion. It makes recommendations for promotion, which are then forwarded to higher level for necessary action.

#### 1.11.3 Training, education and development section

This section has the following responsibilities:

- It must arrange training of all newcomers within the organization in order to ensure that they perform their jobs effectively.
- It is responsible for ensuring that activities related to further training, education and development are continued on a regular basis. It must arrange internal workshops, external programmes, distance/online learning programmes, etc.

#### 1.11.4 Medical section

This section is responsible for ensuring healthcare for employees. It may be done through in-house medical practitioner or external medical centres. However, basic first-aid services should be made available within the organization so that immediate treatment can be provided in case of minor injury or accident. Periodic general medical examination may also be organized. If an organization provides good healthcare facilities to its employees, it will be able to ensure that not many “man hours” are lost.



### 1.11.5 Staff welfare

This section is usually divided in two parts:

- **Safety division:** The aim of this division is to locate areas of danger, and to eliminate them by adopting efficient safety measures and practices. Large organizations usually employ safety officers to look after this function.
- **Employee services division:** This division is concerned with a wide range of activities such as cafeteria, recreational facilities, holiday programmes, legal facilities, etc. The scope of this function depends on the size and finances of an organization.

### 1.11.6 Industrial relations section

This section is concerned with setting up and maintaining procedures for joint consultation with employees, methods for settling grievances at the shop-floor, etc.



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## 2 Manpower planning, recruitment and selection

### 2.1 Expansion of organization

In the business world today there are more small organizations than the large ones. In a small organization various managerial functions are performed by the same individual. A single manager may be looking after the activities of marketing, sales, general administration and human resources. A production manager may be involved in production, packaging and dispatch of goods. A finance manager may be responsible for finance as well as purchase. There are fewer problems in small organizations and are dealt with easily. But when an organization grows in size, the tasks become numerous and it is just not possible for a single manager to handle different activities, and handle them effectively. At this stage, the need arises for specialist managers in order to look after the various departments.

#### 2.1.1 Reasons why HR manager is essential

While the employees in a small organization get used to sudden changes or interacting with a single manager for various decisions pertaining to their jobs, it becomes very difficult to maintain contact with managers of various departments for day-to-day functioning. When an organization grows into a large one, the activities increase in size and complexity. Since human resource is a common factor across all departments, the activities of the HR department are multifarious and complex. Hence it is necessary at this stage to have a full-fledged HR department headed by a competent and effective HR manager.

### 2.2 HR or manpower planning

The activity of 'human resource planning' or 'manpower planning' is quite complex and can be summarized as follows:

*"It is a strategy for the acquisition, utilization, improvement and retention of an organization's human resources."*

In practice, the activity of manpower planning is concerned with forecasting and estimating the future demand for labour by an organization. This activity is concerned with making policies and plans to ensure that the correct number and type of employees are available and trained as per need. We can say that it is concerned with the following:

- Recruitment and training of adequate and suitable employees;
- Retention of employees;
- Effective utilization of the entire workforce;

- Improvement of employee performance;
- Dismissal of employees, if necessary.

There are four categories of employees that are important in manpower planning. Each requires different decisions to be made as detailed below:

Category	Decisions to be taken regarding:
Existing employees	<ul style="list-style-type: none"> <li>• Performance appraisal</li> <li>• Productivity</li> <li>• Deployment</li> <li>• Equal opportunities</li> <li>• Education and training</li> <li>• Remuneration</li> <li>• Promotion and career development</li> </ul>
New employees	<ul style="list-style-type: none"> <li>• Recruitment – sources and methods</li> <li>• Selection procedure</li> <li>• Terms of employment</li> <li>• Induction</li> <li>• On-the-job and additional training</li> </ul>
Potential employees	<ul style="list-style-type: none"> <li>• Recruitment – sources and methods</li> <li>• Public relations</li> <li>• Remuneration levels</li> <li>• Employee benefits</li> </ul>
Leavers	<ul style="list-style-type: none"> <li>• Dismissal for inadequate performance, etc.</li> <li>• Retirement</li> <li>• Redundancy procedure</li> <li>• Employee turnover</li> </ul>


HR or manpower planning is not a simple or short-term task. It is usually done for long-term such as for a period of five years. During this period several factors may affect the forecast made by the HR department. In view of this, HR executives should have the flexibility to modify their plans. The changes that might affect HR forecast may be some or all of the following:

- The economy of the country;
- Global economic trends;
- Political trends and government regulations;
- Trade union activities;
- Population trends;
- Immigration policy;
- Development of technology;
- Product range and consumer demand;
- Management structure and policies.

The first step in manpower planning requires a study of all levels of the existing workforce. This will show where and how manpower is being used, and where there are excesses or shortfalls. This process requires the carrying out of an 'organizational and manpower needs' analysis based on the operational requirements taken from the corporate plan. In the next stage, a "manpower model" is produced for the estimated future needs. This model is then compared with the actual business situation. This comparison is made to identify the changes required with regard to the following:

- Organizational development;
- Changes in job structure;
- Re-evaluation of jobs;
- Recruitment needs or excesses;
- Changes in work patterns;
- Training and development needs;
- Implementation;
- Monitoring.

Based on the data obtained after this analysis, the forecasts for future expansion or otherwise can be made. Though the forecasts cannot be made with absolute certainty, reasonable estimates for future requirements can be made. The following diagram shows the process of manpower planning.

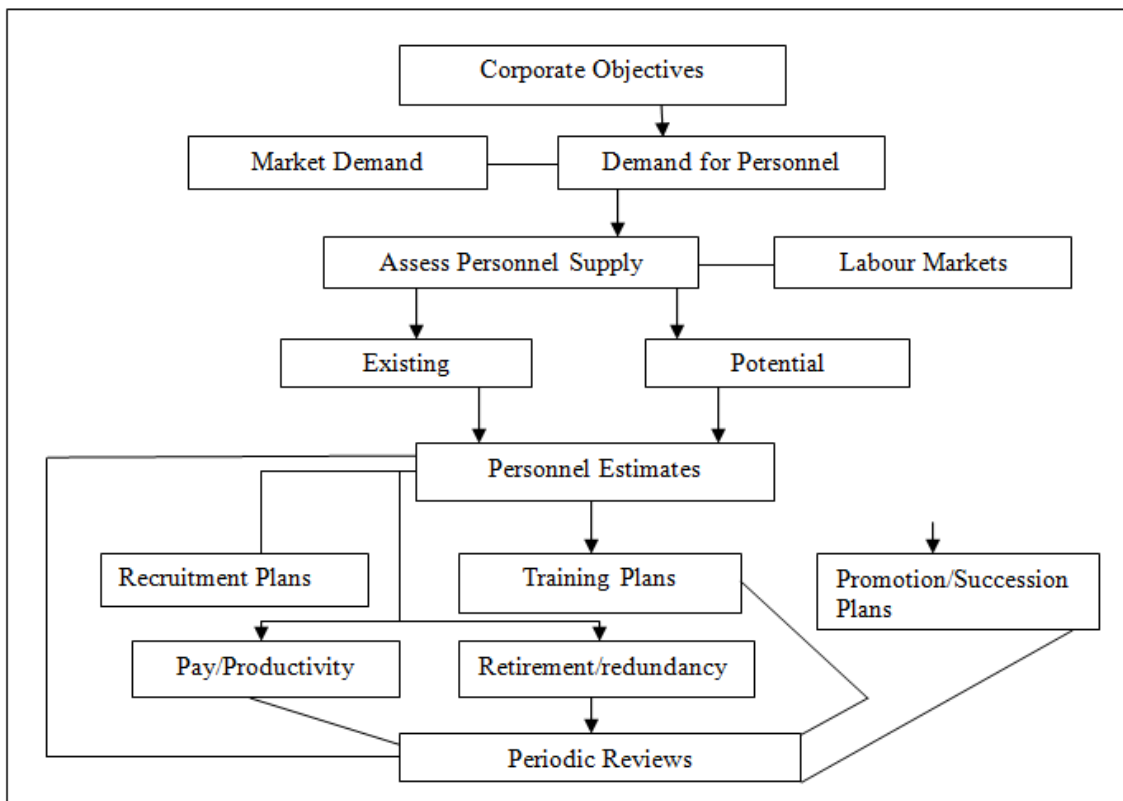


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HR/Manpower planning process

### 2.3 Self-regulatory manpower control

Manpower levels and costs can be regulated if employees themselves are made responsible for this activity. For this purpose, “rewards” may be offered to employees, and these rewards can be linked to departmental costs and performance levels. Under this system, rewards may be given to employees in proportion to improvement in cost and savings. This can work only when personnel concerned are allowed to participate in the cost management of a particular department. Some of the suggestions which can come from the employees could include the following:

- Personnel inform the management about operational or work problems.
- Jobs which are “over-budget” are voluntarily absorbed in the case of wastage or termination.
- Personnel make suggestions about reducing costs or increasing efficiency.
- Personnel suggest higher level training.
- Additional work is shared by existing personnel.

## 2.4 Problems caused by expansion of organization

When the process of expansion starts in an organization, the importance of HR manager is quite often neglected by the top management. Before the expansion, this executive might have been involved in several activities, but in the changed circumstances, it might not be possible for him/her to give full attention to HR functions. This may lead to the following problems:

- The executive, who was earlier looking after HR functions in addition to his/her other responsibilities, may not be able to justify his/her contribution in the expanded role.
- Expansion of the organization leads to changes in system, rules and regulations of various departments. HR department is affected most because new rules may have to be framed for a larger organization. These rules may cause dissatisfaction among the employees.

In order to overcome these problems the following steps are to be taken:

- A full time HR manager is to be appointed.
- The HR department is to be provided with sufficient number of staff to look after the routine work as well as the work related to long-term planning.
- New lines of communication are to be established with various departments and all employees.
- Consultancy groups comprising employees from various sections and departments may be set up so that employee participation may lead to greater harmony and acceptance of new rules and regulations which may be necessary to meet the changed requirements.
- Small workgroups may be established in order to ensure that employees feel a sense of belongingness. This will ensure that initial resistance may be overcome through persuasion and confidence-building measures.

## 2.5 Scientific management

Before management became a profession, many workers performed a variety of tasks. This system wasted a lot of time and quite often led to inefficiency in the performance of some of the assigned tasks. In order to bring improvement in this system and to increase efficiency, skilled management started re-organizing work in such a manner that each worker performed a single task. It was found that the workers became more proficient at performing the single task assigned to them, and the time taken by each worker to perform his task was greatly reduced.

### 2.5.1 Division of labour

As the process of each worker performing a single task continued, it was generally known as ‘specialization of labour’ or ‘division of labour.’ A complicated task was broken down into manageable individual tasks on which individual workers or groups of workers could specialize. It has been found that as a ‘job’ of work is made up of number of ‘tasks,’ the fewer tasks a worker does in his job, the more skilled and efficient he becomes in performing these tasks. The most well-known example of this specialization is in the automobile industry where each worker attends to an individual special task, and the various parts of motor vehicles are passed along an “assembly line” of workers so that each worker can perform his/her specific task on that part before it is passed on to the next worker who performs his/her specific task. Today specialization is practised in almost every organization. To carry out this specialization, and to update it periodically, a team of experts might be engaged to perform certain studies.

### 2.6 Organization and Method Studies (O & M Studies)

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O & M concerns itself mainly with administrative procedures and employs techniques such as operations research, work study, and systems analysis. It is basically the systematic examination of activities in order to improve the effective use of human and other material resources. Essentially it is a specialist function that has a primary objective of improving an organization's efficiency and control. In this way, it can be seen as an essential function that should be part of the makeup of any organization. For example, O & M Study might be undertaken to simplify office work and reduce costs. It may be to reduce paper work and eliminate unnecessary activity, or eliminating duplication of time or effort. For this it may find solution in recommending the system of internal e-mail and posting of information on the organization's network rather than sending out printed paper.

O & M Study can provide a basis for the approach to almost any project. The basic steps that have to be followed can be summarized as follows:

- Select the area/process that requires attention.
- Record the current situation.
- Analyze and examine the current situation.
- Develop, design and evaluate alternative solutions and recommend improvement opportunities.
- Implement the chosen solution. It can be done on a pilot basis to begin with.
- Maintain and monitor the implemented solution. This is to ensure that what was intended to be implemented has been implemented. It is also to ensure that benefits are achieved.

## 2.7 Recruitment

The term "recruitment" refers to the first stages in the process of filling of vacancies in an organization. These vacancies may arise on account of the following:

- **Creation of a new position:** It may be necessary because of increase in the work load of existing employees or the general expansion of the organization. First, HR department will have to analyze whether it is not possible for the existing workers to share additional work.
- **Resignation/termination of an existing employee:** First HR department will have to decide whether it is necessary to fill this vacancy. It may be possible to distribute the work of this employee among the existing ones. It may be an opportunity to re-design the work allotment to various existing employees.

## 2.8 Policy of recruitment

Recruitment process may be initiated in several ways.



### 2.8.1 Internal recruitment

A vacancy may be filled by a person who is already working in the organization in another position, section, or department. This may provide an opportunity for transfer or promotion to an existing employee who might be interested in this position. The advantages of such internal transfer or promotion are:

- Employees are aware that hard work may be rewarded through promotion. This leads to greater job satisfaction among the employees.
- The skills and potential of internal candidates are already known to the manager, and so it may be easy to transfer/promote such an employee without going through the whole process of recruitment.
- Employees who have already been promoted have a good knowledge about the work and the organization. Hence the induction and training period for such employees may be shorter than for new comers.

However, there might be certain disadvantages of internal recruitment such as:

- The organization will lose the opportunity of getting employees – particularly at managerial level – who might bring with them new ideas and innovations.
- Other employees – who are not considered – may develop feelings of jealousy and resentment and may not cooperate with this employee.

In order to overcome these disadvantages the management must ensure that:

- Details of vacancies are circulated to all;
- Selection is to be made in a fair and impartial way;
- Selection should be based on merit and performance.

### 2.8.2 External recruitment

This involves the filling of a vacancy from a source outside the organization. These sources may include the following:

- Local schools
- Colleges, technical colleges and universities
- Employment agencies
- Recruitment consultants
- Advertisements in newspapers
- Posting on recruitment websites

### 2.8.3 Introduction by existing employees

This is a mixture of internal and external sources. The existing employees may be asked to recommend their friends and relatives who could be suitable for a specific job. However, care should be taken that this process is followed in a fair manner so that no employee feels resentment.

## 2.9 Recruitment process

Before a decision about recruitment is made, it is necessary to ensure that the various aspects of a potential recruitment have been considered. For this purpose, various steps will have to be taken.

### 2.9.1 Job analysis

Job analysis is the process by means of which a description is developed of the present methods and procedures of doing a job, physical conditions in which the job is done, relation of the job to other jobs and other conditions of employment. Job analysis is intended to reveal what is actually done as opposed to what should be done. Therefore, if an employee is found doing some activity not required of that job, it should still form part of the job analysis.

The nature of job changes over a period of time. New developments take place. New personnel are employed. All this necessitates that jobs are reviewed and analyzed to suit the changed circumstances.



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Any job comprises a number of tasks. Some of these require special skill, knowledge, and training. Other tasks might be easier. In order to describe a job it is necessary first to analyze it. This is done to find out the following things about the job:

- What different tasks are to be performed – whether it is single task or a small number of multiple tasks.
- How the different tasks are to be performed. It means the procedures to perform these tasks in the best possible way.
- What qualifications (education, training, skills etc.) and personal qualities (good eyesight, good hearing, pleasant voice etc.) should be possessed by the candidate.
- For what and to whom the candidate will be responsible.

The purpose of job analysis is not to describe an ideal but show the management how at the moment the constituent parts of its business are being carried out. Job analysis enables the HR department to compare different jobs. This will provide information about the status of various jobs as well as for job evaluation and in training. The information concerning the job can be obtained from a number of sources such as observation of workers, interviews, questionnaire responses, bulletins etc., knowledge of the materials of work and actual performance of work. It has been found that questionnaire is well suited for clerical workers and interviewing is suited for shop-floor workers. Working conditions and hazards are better described when viewed by the analyst.

### 2.9.2 Job descriptions

The results of job analysis are set down in job description. It defines a particular job. Writing job descriptions for production workers, clerical people and first line supervisors is a fairly established practice. The two types of job descriptions differ from each other in the following manner:

- The lower level job descriptions are generally written by the HR department, but the managerial job descriptions are written by the incumbent executive himself and/or his superior.
- The lower level job descriptions are written for wage and salary administration and so centre directly on tangible duties and day-to-day assignments i.e. the tasks to be performed. On the other hand, descriptions for higher level jobs are more closely related to organization planning and so naturally are descriptions of intangible relationships, overall responsibilities and lines of authority i.e. the results to be achieved by the person.

A job description describes a particular job. It states the purpose of a job and its relation with other jobs and people. A job description contains the following:

- Job title, section or department, and details of the workgroup.
- Objectives of the job, for example, for the post of supervisor of customer service section:  
“To ensure that the complaints and queries of customers are promptly attended to.”
- List of duties
- Responsibilities – for what and to whom the person will be responsible.
- Information about the relationship with people connected with the job – both inside and outside the organization.
- Information about the work environment – private office or open-plan office.
- Details about hours of work, paid holidays, sick leave etc.
- Details about salary, overtime, bonus, and such other benefits.

Job description gives detailed information about the job, and even enables a candidate to make a decision whether he/she wants to take up the job. It also prepares him/her to perform duties with full understanding and without any doubts.

### 2.9.3 Employee specifications

Employee specification gives details about the personal qualities desirable for a candidate to possess. It helps the organization to decide whether a particular candidate is suitable for the job. It seeks the following details:

- Physical qualities – age, general health etc.
- Mental qualities – alertness, patience etc.
- Skills – IT applications, technical knowledge etc. (as per the type of job)
- Qualifications – education, experience, training etc.
- Personality – reliable, honest, hardworking, pleasant etc.

Through employee specifications the HR department is able to decide whether the candidate is fit – physically, mentally, skill and qualification wise – for the job he/she has applied for. It will also show the candidate’s ability to work as a productive member of the team.

### 2.9.4 Attracting suitable applicants

After the relevant job analysis, job description and employee specification have been completed, the HR department is ready to take steps to attract suitable candidates to apply for the job. For this purpose, the advertisement has to be posted with all relevant details as given below:

- Full name of the organization, its physical address, and the nature of its activities;
- Job title and its objectives;
- Details of important tasks involved;
- Important personal qualities required;

- Information on salary and other benefits;
- Information on how to apply, and what documents are to be attached with the application.

### 2.9.5 Employment application forms

In most cases application forms are sent to applicants, or posted on the organization's website for the applicants to fill in and mail to the organization. This is done to ensure that all the relevant information which the organization is looking for is provided. This enables the HR department to short-list the candidates without wasting time or effort, or sometimes rejecting some applicants for want of complete information. The application forms are designed in such a way as to elicit information in a sequential way. This helps the HR department in the selection process.

It might be necessary to design separate sets of application forms for different types of jobs. However, a standard application form has the following design to obtain information about the applicant:

- **Section-A:** This includes standard information such as name, address, age, nationality, place of residence, contact details etc.
- **Section-B:** This includes information about physical condition such as height, weight, any existing illness etc. It helps in ascertaining whether the candidate is physically and mentally fit.
- **Section-C:** It includes information about educational and training background.

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- **Section-D:** It includes previous employment history in order to see what type of work experience the candidate had.
- **Section-E:** It includes information about hobbies, interests etc., which helps the HR department to ascertain how the applicant utilizes his/her leisure time. This type of information is particularly important for managerial positions.
- **Section-F:** It asks for references of previous employers or other professionals. Sometimes an applicant's credibility can be ascertained by contacting the referees.
- **Section-G:** Any other supplementary information, which is left out in the previous sections, may be provided by the applicant.
- **Section-H:** It includes declaration by the applicant that the information provided by him/her is accurate and verifiable. It also has space for the applicant's signature and date of application.

### 2.9.6 Attachments to application forms – CV or Resume

Quite often applicants are asked to attach certain documents to their completed application forms. The most commonly asked for documents are the following:

- Recommendations or reference letters from former employers or other persons known to the applicant, and also who can write about his/her work attitude, skills and abilities.
- Copies of certificates, degrees, or diplomas.
- Curriculum Vitae (CV) – a brief resume of the applicant's details.

## 2.10 Selection

Once the applications have been received, the information about the applicants is compared with the requirements for the position applications have been called for. The applicants who fulfill the criteria, are short-listed and invited to attend a personal interview.

### 2.10.1 Employment interviews

- **System of interviews:** An interview is a face-to-face meeting and discussion between an applicant and the employer's representative. Depending on the type of post, interview can be conducted by a single manager – usually HR manager – or HR manager and the manager of the department for which interviews are being conducted. For managerial positions there is a panel of interviewers including HR manager, Departmental manager, one of the top managers, and an internal/external interview specialist.
- **Aim of interviews:** The aims of an employment interview are the following:
  - To confirm the information already provided by the applicant;
  - To enable interviewers to compare in detail each applicant's personal characteristics with those provided in the application form;

- To enable interviewers to assess the applicant's behaviour, mannerisms, alertness etc.;
  - To enable the applicants to seek relevant information about the job and the organization as a whole;
  - To enable the interviewers to short-list the most suitable candidates from among those who attended the interview.
- **Conduct of employment interviews:** In order to ensure that the interview process is successful, it is necessary to have proper planning and preparation for the same. The following planning and preparation helps the interviewers:
- Each interviewer should go through the job description and employee specification before conducting the interview.
  - Each interviewer should make notes about the relevant details of the applicants, and should also make a note of the additional information he/she wants to gather. Different interviewers on the panel may have a different order of important information they would like to seek.
  - All the interviewers should decide the order of topics to be covered during the interview so that duplication of questions from different interviewers may be avoided. However, there should be scope for flexibility depending on the varying personalities and skills of candidates.
- **Conducting interviews for best results:**
- Interviewers must understand that some candidates may be shy or nervous at the beginning of the interview. They need to be made comfortable by starting the interview with general conversation such as the time taken to reach the venue of the interview, their mode of transport, their place of residence etc. As a matter of fact, this process should start from the time they report for the interview. They need to be greeted in a friendly way by the secretary or the receptionist, and if they have to wait for some time in the case of several candidates attending the interview, by offering them a glass of water or a cup of tea/coffee etc.
  - The room in which the interview is conducted should be comfortable and quiet i.e. away from computer printers, telephones ringing. This will ensure that there is no disturbance during the interview process.
  - The interviewers should greet them pleasantly by standing up and shaking hands, or by making some friendly and pleasant comments etc.
  - For best results candidates should be encouraged to talk and give information without frequent interruptions. The interviewers need to talk less. The focus should be on the candidate speaking.
  - If a candidate gives a wrong answer to a specific question, the interviewer should never point out the mistake. Rather supplementary questions may be asked, or the topic may be changed.
  - Some interviewers are in the habit of "showing off" in front of other panel members and start a lecture on a certain topic. This is absolutely unacceptable. It is the candidate who is being interviewed and not the interviewer.

- Before the interview is brought to a close, the interviewer should be certain that all relevant questions have been asked. At this stage, the candidate should be given an opportunity to seek information about the job and the organization, and clear and precise answers are to be given.
- Finally, the candidate should be told when he/she can expect to learn the result of the interview, and should leave the interview room in a pleasant and positive frame of mind.

### 2.10.2 Selection tests

For some posts certain tests might be used to supplement – but not to replace – the interview. Some tests are fairly straightforward, such as:

- **Work tests:** They are designed to check if a candidate is as skillful as he/she has claimed. For example, a secretary may be asked to type a letter, or a driver is requested to drive a motor vehicle, or a fork-lift operator is required to drive and maneuver a vehicle.
- **Aptitude tests:** They are designed to show skill of doing simple tasks.
- **Intelligence tests:** They are designed to test reasoning ability.
- **Personality tests:** They are designed to indicate the possession or lack of certain character traits.



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### 2.10.3 Appointment

After the selection has been made, the most suitable candidate (or candidates if there are more vacancies) should preferably be informed by telephone, and then a written confirmation is to be sent. This letter should contain all the relevant details such as post, date of joining, and the official to whom the candidate should report. The appointment letter should contain, or be accompanied by particulars of the 'terms and conditions of employment,' such as hours of work, starting salary, other benefits, and perhaps even a copy of the relevant job description.

The decision to appoint must be communicated as early as possible because a candidate might have accepted appointment elsewhere if there is a long time gap between the interview and the offer of appointment. Moreover, if the candidate, who is number one on the list, is not available, there is time to offer the post to the candidate next on the selected list.

### 2.10.4 Dealing with unsuccessful candidates

Candidates who have been unsuccessful at the interview should be informed accordingly as early as possible by tactfully worded letters, which would ease disappointment and avoid upsetting the recipients.

However, although a candidate was not found the most suitable for a particular job, it might be that the person concerned could be suitable for a similar or another post in future. It is, therefore, useful to retain on the file applications (along with relevant interview notes etc.) of those candidates, so that if possibly suitable vacancies arise in the future, the relevant candidates can be contacted.

### 2.10.5 The trial or probationary period

It is quite common for people to be offered a post on condition that they will work an initial 'trial period' or 'probationary period.' This period might be one month, three months or even longer, depending on the seniority of the post or on the amount of training necessary so that the work can be performed to the required standard.

The probationary period allows the employer to assess whether the candidate selected is actually suitable in real-life work situation. At the same time, this period allows the new employee time in which to decide whether he/she will be happy working for the organization.

At the end of the probationary period the new employee might be called for a talk with the departmental or HR manager during which reports on progress made can be discussed. If both the parties are satisfied, the employee is 'confirmed' in the post, otherwise he/she needs to be informed and the employment can be terminated.

# 3 Induction, Training and Employee Development

## 3.1 Induction

### 3.1.1 Meaning and purpose

The process of induction is meant to induct a new employee into the new social setting of his work. The new employee is introduced to his/her job situation and informed about the rules, working conditions, privileges and activities and other particulars pertaining to the organization.

It is important to give the new employee a good impression on the first day of work. However, the induction programme should not end there. It is also important to have a systematic induction programme, spread over several days, to cover all the ground in the shortest effective time.

Most of the information is likely to be contained in a handbook which is distributed to all employees, and in the case of rank and file workers, the induction programme may consist of brief explanation by a member of the HR department or the supervisor under whom the employee will work.



The image shows the BI Norwegian Business School logo, which is a central blue square with 'BI' in white. Surrounding it are numerous colorful, 3D-style rectangular blocks of various colors (red, orange, yellow, green, blue, purple) radiating outwards. Each block has a label for a business program: 'Business', 'Strategic Marketing Management', 'International Business', 'Leadership & Organisational Psychology', 'Shipping Management', and 'Financial Economics'. Below the logo is the text 'BI NORWEGIAN BUSINESS SCHOOL' and the EFMD EQUIS ACCREDITED logo.

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In the case of supervisory and management employees, induction training may be more elaborate. Some organizations show movies explaining their activities. Others arrange for lectures and presentations on the organization and its practices. In some organizations the new recruits spend anywhere from a day to several months in each department to gain first-hand experience in various types of work.

### 3.1.2 Effective induction programme

In some organizations, the induction programme is divided into phases. In the first phase, the induction is generally done by a member of the HR department who informs the new employee particulars relating to the organization. In the second phase, induction is done by the supervisor of the department in which the new employee is going to work. He/she informs the new comer about his/her job, duties, responsibilities, importance of his/her job in relation to other jobs etc. Further, he/she is introduced to the rest of the work team.

The induction programme should be drawn up in consultation with all those involved. Depending on the size and complexity of the business, this may include:

- Senior management
- Supervisors or line managers
- HR officials
- Health and Safety managers
- Employee or trade union representatives

### 3.1.3 What induction programme involves

Induction usually involves the new employees meeting and listening to different people talk about various aspects of the business. Other methods include written information, audio-visual aids and group discussion.

The following items are generally covered in the induction programme:

- Introduction to the business/department and its personnel/management structure
- Layout of buildings (factory/offices)
- Terms and conditions of employment
- Relevant personnel policies, such as training, promotion, health and safety
- Business rules and procedures
- Arrangement for employee involvement and communication
- Welfare and employee benefits and facilities

### 3.1.4 Follow-up

An informal “follow-up” talk between the section/department manager and the new employee during the first few weeks could be advantageous as it would remove any doubts and misunderstandings the employee may have. It will also ensure that the manager concerned is able to spot any errors or deficiencies in the new employee’s work and correct them immediately. He/she may also give practical help and advice. This is likely to result in establishing a good working relationship between the manager and the new employee – thus ensuring efficiency and productivity of the new employee for the benefit of the organization.

## 3.2 Training and development

After the candidates have been selected for various jobs, and induction programme has been completed, there is need for the management to provide for their training and development. This is because the efficiency of an organization depends greatly on the training and development of personnel. Particularly these days, when the process and techniques of management have become quite complicated, there is a great need in management for arranging training and development of its personnel.

Generally, the terms ‘training’ and ‘development’ are used as though they are synonymous. There are differences in the contexts and techniques of employee training and development. Training is the act of increasing the knowledge and skills of an employee for doing a particular job. It imparts specific skills for specific purposes. It is mainly job-oriented. Training is given to both old and new employees throughout their stay in the organization. In contrast, development includes the process by which managers and executives acquire not only skills and competency in their present jobs but also capacities for future managerial positions.

## 3.3 Need and benefits of training

- Training programme helps in increasing the quantity and quality of output.
- It helps each individual member to utilize and develop his/her full potential.
- Employees feel that they are being taken care of by the management, and this leads to an increase in their morale.
- By training, the worker is enabled to make the most economical and best use of the materials and equipment. This results in reduced cost of production.
- Trained employees need less supervision. Because of this, the supervisor can increase his span of management. This results in reduced cost of supervision.
- As training helps in building the second line of competent officers, there will be competent replacement for more responsible positions.
- The availability of trained personnel ensures long term stability and flexibility in the organization.
- As managers are exposed to the latest concepts, information and techniques, they become better qualified. By this, they increase their market value and earning power.

### 3.4 Types of training programmes

All training programmes designed by the organizations can be of any one of the types stated below:

#### 3.4.1 Job training

The purpose of job training is to increase the knowledge of workers about the jobs with which they are concerned so that their efficiency and skill of performance are improved. In job training, workers learn correct methods of handling machines and equipment, avoiding accidents, removing bottlenecks etc.

#### 3.4.2 Refresher training

At the time of initial appointment, employees are formally trained for their jobs, but with the passage of time, they may forget some of the methods which were taught to them or some of the methods or all of them may have become out-dated because of technological development. Hence refresher training is arranged for existing employees in order to enable them to refresh and improve their knowledge.

#### 3.4.3 Promotional training

Many organizations have adopted a policy of filling some of the vacancies at higher levels by promoting existing employees. When existing employees are promoted in an organization, they are required to shoulder new responsibilities. For this, they require training so that they may not experience any difficulty to shoulder the responsibilities of the new position to which they have been promoted.

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### 3.5 Training and development methods

There are a large number of training and development programmes meant for different types of employees at different levels. Broadly speaking, the various training and development methods can be classified into the following two categories:

#### 3.5.1 On-the-job methods

- Specific job training
- Apprenticeship training
- Coaching and understudy programme
- Job rotation
- Special projects and task forces

#### 3.5.2 Off-the-job methods

- Special courses and lectures
- Conferences
- Case studies
- Simulation – role playing
- Sensitivity training

### 3.6 Characteristics of a good training programme

Many organizations, even though they have a large training staff and spend a large amount on training programmes, don't get good results. In order to ensure that the training programmes are effective and the organizations get good results from them, the following principles may be observed:

- **Determination of training needs:** The management should first decide the training needs of employees and then select a method of training that is most effective.
- **Relevance to job requirements:** Training programmes must be related to the requirements of the job for which they are intended.
- **Allowance for individual differences:** There are differences in ability, learning capacity and interest of trainees so the management should consider these factors while designing the training programmes.
- **Training programme should be result oriented:** Management should avoid “training for the sake of training,” and show greater interest in the benefits of training programmes.
- **Suitable incentives:** There should be incentives to the trainees to make them take training programmes seriously.
- **Management support:** Top managers should take interest in and support the training programmes. Subordinates cannot be expected to take the training programmes seriously if their superiors themselves are not serious about them.

### 3.7 Designing the training programme

Designing the training programme with clearly defined objectives is a vital step in the entire gamut of training activities. Training is a means to achieve an end. It is not an end in itself. Unless the objectives are clearly defined and programmes designed in such a way that it leads to achievement of the objectives set out, it will only be a wasted effort. The linkage between the design and the objectives must be carefully thought out by the HR coordinator before announcing a programme. The following points are to be ensured for the success of a training programme:

- **The trainer:** The choice of faculty is critical to the success of any training programme. The HR coordinator must ensure that the selected trainer has the necessary general, technical and specialized knowledge of the subject, that his experience and skills are reflected in handling the training sessions, adapting his training style, generating interest in the subject being dealt with and that he/she possesses the personality characteristics and attitudes such as openness to new ideas, observation power, a questioning mind and willingness to experiment.
- **The trainees:** It should be ensured that the trainees have the necessary background, experience, intellectual and physical capabilities, diagnostic and application skills and personality characteristics required. Care should be taken so as to avoid too much disparity in the group.
- **The curriculum:** The curriculum should be designed for the optimal utilization of resources available towards the achievement of the programme objective.
- **The training material:** Care should be taken to ensure that the relevance and suitability of training material and the media of presentation to the subject under consideration. Write-ups or standard handouts for a particular topic should be suitably indexed to avoid duplication of effort.
- **The methods and techniques:** The training methods and techniques should contribute to maintaining interest and high degree of participation, and are capable of including a transfer of knowledge and skills.
- **The timing and sequencing:** It should be ensured that the timing and sequencing of sessions are suitable with regard to the training objectives.
- **Location:** In selecting a venue for the training, the adequacy of the room ventilation, relative freedom from noise and disturbances and overall comfort should be sought. It should be ensured that the location is worth the cost and that the surroundings are suitable to create a good training environment.
- **The physical facilities and training equipment:** The availability of certain basic facilities e.g. overhead/LCD projector, smart board should be ensured.

As a large number of activities have to be coordinated, it is advisable that the programme coordinator keeps a check-list for an effective follow-up. A suggested list is given below:

Item	Due date	Remarks	Special points to note
1. Date of the Programme			
2. Course Approval			
3. Last date for receipt of nominations			
4. Programmes: Preparation: Printing: Distribution:			
5. Enrolment: Circular: Receipt: Reminder:			
6. Speakers: Selection: Confirmation: Reminder:			
7. Handouts draft preparation: Printing:			
8. Accommodation – Booking (including drinks, food)			
9. Training equipment			
10. Miscellaneous preparation: – pens – name cards – board markers, flip charts			
Post-training work: 1. Faculty – payment – Thank you note 2. Evaluation Processing			

**Check-list – Internal Training Programme**

### 3.8 Evaluation of training

It is a systematic evaluation and assessment of information for deciding how best to utilize available resources in order to achieve organizational objectives.

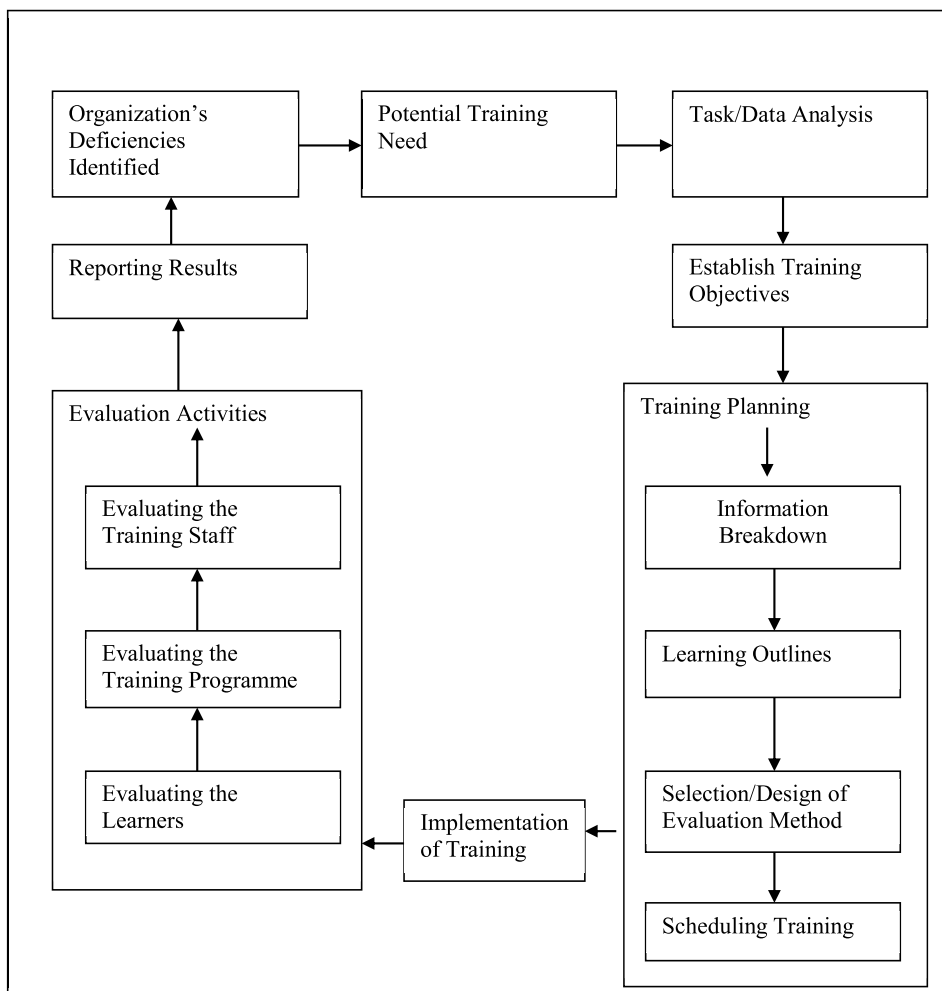


3.8.1 Why evaluation?

Training is done with specific objectives. Hence evaluation of training is a must. It is necessary in order to determine:

- if the developmental objectives were achieved;
- if the method of instruction was effective;
- if the best and the most economical training activities were organized and implemented.

The importance of training evaluation is shown in the following diagram which shows the sequence of training activities.



The sequence of training activities

Evaluation helps to tell us about the quality of the training on the one hand and the effect that it has created on the learners, on the other hand. Systematic evaluation can point out the weaknesses in the programme, so that they could be corrected in the future programmes. It can also indicate the extent to which learners have learned what has been taught in the training sessions, the extent to which they have transferred their learning to the work situation and the results yielded thereafter.

### 3.8.2 Criteria for evaluation of training

Any evaluation begins with the criteria which depend on the objectives. Some of the criteria could be:

- Reaction of trainees – whether the participants liked or disliked the programme.
- Learning – whether the concepts, ideas and principles of the training were intellectually assimilated by the participants.
- Behavioural changes – whether the training caused people to alter their behaviour on the job.
- Impact on organizational effectiveness – whether the modified behaviour caused positive results, such as an increased output, improved quality and lower costs.

### 3.8.3 Techniques of evaluation

Evaluation at any stage should be made keeping in mind the objectives set before the programme. Tests should be administered to assess the effectiveness of the training programme. Testing workers is better than subjective judgment in decisions regarding the value of training. Tests are of the value to:

- **Instructor** – because they supply one of the most important sources of information as to how the instructor (as well as the trainee) is meeting the objectives of the unit of instruction.
- **Trainee** – since what progress the trainee is making assists in the diagnosis of the areas of the difficulty, helps distinguish between the relevant and the irrelevant, and can provide incentives towards greater effort.
- **HR manager** – who uses tests to evaluate the capability of the instructor, teaching methods and materials and whether the training activities help in the attainment of the goals and objectives of the business.
- **Top management** – because of the value test results have in preparing reports on the effectiveness of the entire training and development operation.

# 4 Health, Safety, Security and Welfare

HR department must do everything possible to provide a safe and healthy 'working environment,' in which employees do not fear that their health will suffer as the result of work they perform, or that they will be exposed to unnecessary risks of injury during their time of work.

## 4.1 HR department's responsibilities

Although line managers are primarily responsible for maintaining a safe and healthy working environment, HR department staff provides expertise to assist them to deal adequately with these important matters. In addition, HR manager is usually responsible for coordinating and monitoring specific health and safety programmes.

Most countries enact laws governing health, safety and basic welfare of employees in the workplace, and it is essential for the HR manager to ensure that management and employees – as well as HR department staff – are fully aware of their moral and legal obligations and responsibilities. These responsibilities include a number of preventive measures which can be taken under the coordination of HR department.

### 4.1.1 Preventing accidents

Employees at all levels need to be made to understand that the real key to accident prevention lies in creating an acceptance throughout the organization, from top to bottom, that the 'safe' way of doing things is the 'right' – indeed, the 'only' – way to do them. The first task of the HR manager is to change those attitudes which act against the taking of accident prevention measures. For example, in some factories there are workers who make derogatory remarks towards other colleagues who (in compliance with laid down safety regulations) wear protective clothing, such as 'hard hats' or gloves. In order not to face such insulting remarks, some of the younger workers may decide not to wear such protective clothing, thus endangering themselves.

### 4.1.2 Creating safety consciousness

There are a number of techniques which can be used by the HR manager to try to persuade all levels of employees – including management – that concern for safety makes sense. Some of these techniques could be the following:

- **Posters and notices:** These visual reminders placed around office and factory premises might draw people's attention to the need to take care, and to wear protective clothing.

- **Films or videos:** Films and videos can be frequently shown to the employees. They can be very effective in giving the message to take precautions.
- **Fear techniques:** People can be shown the actual consequences of accidents which have happened. These might include photographs of the scene immediately following an accident in their own or another workplace, a talk by someone who has actually suffered serious injury, or a look at the collection of damaged tools and clothing, and pictures of people who have suffered injury.
- **Discipline:** Laying down strict rules in relation to safe working practice and behaviour, and punishing those who do not conform, is probably the best way to teach people a lesson. If HR manager considers that disciplinary action is necessary, he/she must take it.
- **Discussions:** Discussions can be used along with other techniques, particularly videos. The emphasis should be on persuading individuals to air their own views and to examine them critically.
- **Role play techniques:** The idea is to encourage an employee to think himself/herself into the role of another. For example, an employee who is required to wear a safety harness might be encouraged to take the part of a supervisor in a training situation, and try to persuade another employee to wear one. In trying to convince his/her colleague, he/she might well convince himself/herself.



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The aim of the HR department must be to create a “will” to be safe. Only when this “will” to make safety a way of life is present among all employees, can attacks on specific causation factors really succeed. It is necessary for HR manager and the staff of the department to analyze closely the causes of the accidents which have happened in the specific workplace, through a study of accident records and discussions with those persons directly or indirectly involved. Appropriate corrective action can then be considered and implemented.

#### 4.1.3 Making people safe

Individual workers must know how to act and operate safely.

- **New comers:** All job training must revolve around the safe way of doing a job, not just the quickest or the easiest way.
- **Experienced workers:** They need to be kept up to date with safe working practices. This can be done through regular coaching, formal training, briefing groups and other forms of communication.
- **Supervisors:** Supervisors must be trained to advise on safe working practice and to ensure that the advice they pass on is followed.
- **All employees:** Everyone in the workplace needs to be made aware of the consequences of failing to comply with laid down safety procedures. These consequences include not only the danger of injury to themselves or to other people, but also the legal repercussions for themselves and the organization if they are in breach of a relevant government regulation.

#### 4.1.4 Making the job safe

When examining the layout of an office, showroom or factory or other premises, there is a need to look out for the “danger points.” Examples include: areas of congestion, crossover points from one assembly line to another, the junction of a side aisle within the main aisle, the position of waste disposal points, etc.

#### 4.1.5 Making the work environment safe

Regular maintenance checks should be done to ensure that the buildings, fixtures and equipment have not developed faults which might render them dangerous.

#### 4.1.6 Machinery and equipment handling

Adequate training in the correct use of machinery and equipment is essential. It is not sufficient to teach a person how to operate a particular piece of equipment. He/she must be taught to do so in the most efficient and careful manner and the need to take safety precautions at all times must be clearly understood.

#### 4.1.7 Safety committees

In some organizations, HR managers form safety committees composed of employees who volunteer for such work. They meet periodically to discuss the success of safety measures taken, or to suggest other measures which could be more effective. The involvement of employees can lead to discussions of great value.

### 4.2 Fire prevention and fire fighting

Employees should be taught how to operate the organization's own firefighting appliances i.e. fire extinguishers. Outbreaks of fire which are dealt with swiftly can prevent major disasters which might occur if it became necessary to wait for the civic fire brigade to arrive. In addition, the following precautions can also be taken:

- Flammable materials such as petroleum products, paints, explosives should be kept in stores specially designed and built for the purpose and located well away from other areas of the complex.
- Smoking should be prohibited in areas which are in close proximity to flammable materials. "No Smoking" notices should be placed prominently in and around such areas.
- Fire alarms should be installed so that in the event of an outbreak of fire, warning is quickly given to all concerned.
- Firefighting equipment appropriate to the materials housed or used in the department should be provided and be readily accessible when needed. All equipment should be regularly serviced and maintained.
- All personnel must know where firefighting equipment is positioned and must be taught how to use it. Clear "fire instructions" should be prominently placed. Example:

### IN THE EVENT OF FIRE

1. Break glass and push button to sound alarm.
2. Attempt to extinguish the fire with equipment provided.
3. DO NOT take any personal risks.
4. Leave by the NEAREST exit or fire door.
5. Close the door behind you.
6. DO NOT re-enter the affected area.

- Regular practices, or “fire drills,” should be held so that personnel learn what to do – and what not to do – in the event of fire.
- Fire doors and emergency exits must be kept clear and unobstructed.
- Smoke or heat detectors which activate an alarm system should be installed.
- Sprinkler system – which is designed to saturate the area with water – can be installed.



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## 4.3 Medical facilities

The HR department's responsibility for the health, safety and welfare of the workforce is all-embracing.

### 4.3.1 Pre-engagement exams

Before employees are engaged, a 'medical examination' might be carried out by a doctor at the organization's expense, to ensure that each person is in good health.

### 4.3.2 Medical checks

In order to ensure that employees are having good health, regular medical check-ups – preferably on an annual basis – should be done. These can be carried out at an outside clinic at the organization's expense, or at the in-house medical centre.

### 4.3.3 Medical centres

A medical centre is a feature of most large organizations – particularly in the factories – and under the control of an experienced nurse all minor injuries will be efficiently cleaned and bandaged. The nursing staff will also provide medicines for minor ailments such as headache, stomachache, or might advise "patients" who have more serious symptoms to visit their own or organization's doctors. All such visits to the medical centre should be recorded. Usually these records are of valuable assistance to the HR department in assessing an employee's application for promotion or a request for a change to a lighter job.

### 4.3.4 Advantages to employer and employees

One of the main causes of 'lost man-hours' involves accidents and injuries sustained in the workplace. A good medical scheme, which includes the availability of first aid facilities, ensures that in the event of accident or the onset of illness while at work, employees can receive treatment, and if necessary, can be transferred to a hospital quickly. This greatly reduces the chance of minor injuries becoming more serious due to lack of attention or infection, and thus requiring treatment over a long period, which would result in lost production from that employee. Moreover, employees and their dependents will be more content and will feel more secure if they know that their health is being protected, and that any injury sustained as a result of their work will be speedily treated.



#### 4.4 Safety and security officers

The HR manager of a large organization is usually the head of the safety and security department. A chief security officer and his assistant are appointed, and they have a lot of authority about all matters related to safety and security. The safety officer has full authority to go anywhere on the premises of the organization. If a machine is spotted operating without an appropriate guard, or if an employee is seen working without the prescribed protective clothing for the process being carried out, the chief security officer is empowered to stop production immediately, complain to the departmental manager or supervisor, and make out a report which will go to the HR manager.

The security officer will have his staff in uniform. Their duties include manning the main gate and ensuring that only persons with legitimate business are admitted to the complex. They might also check the occupants of motor vehicles for “strangers” trying to drive inside the grounds for unlawful purposes. Another of their tasks is a routine check of every department. A security guard might be required to walk through every department at frequent intervals. He might spot some hazard in an unlit passage and move it if possible, or he might see a potential fire risk. In such cases he would be required to report the matter to the safety officer so that urgent action can be taken to avoid accidents.

#### 4.5 Prevention of theft and pilfering

Another serious type of duty performed by security guards is the prevention of loss by theft and pilfering of the products or materials made or used or sold by the organization. The chief security officer, in consultation with managers of departments which most attract pilferers e.g. stores and factory, should take action to reduce pilfering. One obvious step which can be taken to reduce the chances of pilfering is to limit as far as possible the number of people allowed into departments in which are found items which are “targets” for pilferers.

#### 4.6 Employee welfare

In modern HR management, there should be a genuine desire to make reasonable facilities available to employees with their interests firmly in mind. Employee benefits are closely related to welfare, and might include subsidized group life assurance, help with house purchase, payment during sickness, lunch vouchers etc. Such advantages are often generous in respect of managerial levels for which life assurance schemes, company vehicles, overseas visits, conferences, expense accounts and other status symbols form part of the higher executive “package.”

#### 4.6.1 Canteen facilities

The HR manager should try to ensure that all welfare facilities for the employees of the organization are up to a certain standard. For example, if an organization provides a workers' canteen, it should be clean with ample seating accommodation. Meals can be subsidized. The cost of subsidizing meals is insignificant compared to the benefits obtained.

#### 4.6.2 Vehicle parking

The provision of ample private motor vehicle or cycle parking space is also a great asset. The HR manager of a large organization should, where space permits, organize vehicle parking facilities in such a manner that workers and office staff can leave their vehicles as near to their sections as is practicable.

#### 4.6.3 Sports facilities

Sometimes an organization may have its own sports ground or clubhouse for the employees to use. These may also be run by employees' sports committees, with facilities and financial assistance by the organization under the control of the HR department.



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#### 4.6.4 Workers' committees

Workers' committees may be set up to air grievances or to make suggestions that might lead to improvements in one way or another. These might be 'chaired' by the HR manager and be composed of nominees put forward by employees. Quite often these meetings are of great value to the HR manager. They can act as "safety valve" which enables employees to "let off steam" and to make complaints about different matters. If a clubhouse has been set up, it might also be used for other functions. On occasion such gatherings could include management and staff honouring a retiring worker, or even introducing a new department head. Such get-togethers give the HR manager and his departmental staff the opportunity to meet many employees.

# 5 Motivation, Employee Counseling, Resignations and Retirement

## 5.1 Motivation

This involves providing leadership for subordinates, and also requires the ability to inspire them to put in their best efforts in achieving the organization's objectives, by creating good morale or working spirit among all employees. The objectives of an organization can be achieved only through the efforts of people. And people need to be motivated in an understanding way to put in their best. However, what motivates one person might not motivate another, and therefore for the best results any manager should be understanding and, as far as feasible, get to know something about each of his/her subordinates. Any manager must endeavour to get the best from each individual member of his/her team or work group, and that might require motivating different members in different ways, while still motivating the team or group as a whole. It requires the building of a good "work environment" based on the spirit of trust and cooperation between management and other personnel. The HR manager – along with other managers – has an important role to play in developing and maintaining a good work environment.

## 5.2 Style of management

In order to motivate employees it is necessary to develop and maintain a 'style of management' which is appropriate to a good work environment.

### 5.2.1 Task needs and relationship needs

Certain managerial and leadership styles are more appropriate and motivational than other styles. For example, a particular style might be needed to manage a large workplace of manual operators. But a very different style might be needed for a small team of multi-skilled office staff, such as in the HR department.

The needs of management fall within two main groups – task needs and relationship needs. Task needs are related to the exercise of individual technical skills. Relationship needs are concerned with "getting things done through the efforts of other people." These relationships need to be given priority in order to generate a "motivational environment."

## 5.3 Changes in management attitudes

### 5.3.1 Scientific management

In the early to mid-20<sup>th</sup> century, there was a theory of scientific management advocated by F.W. Taylor. It was based on the following principles:

- All activities should be prescribed and controlled.
- Employees should be told only what they need to know.
- Work measured job times should be set.
- Work should be simplified for semi-skilled and unskilled workers.
- Labour should be reduced through automation.
- There should be short-term rewards based on direct work output.
- There should be no encouragement for feedback from subordinates.

### 5.3.2 Contemporary attitudes

Contemporary attitudes were developed in the mid-1970s and are continuing till date. Most important of these attitudes is the “Human Relations Movement” attributed to Elton Mayo. These attributes are based on the following principles:

- Employees should be encouraged to organize their own work.
- There should be increased communication.
- Employees should be accountable for their own targets.
- There should be flexibility.
- Emphasis should be on team work.
- Rewards should be long-term and based on whole job performance.
- There should be participative management.
- Feedback from employees should be encouraged.

## 5.4 Contributors and theorists

Some theorists have significantly contributed to the development of modern-day management attitudes.

### 5.4.1 Mayo: The Human Relations Movement

By following the principles of scientific management, managers realized that this system did not achieve optimum efficiency. They found that people did not conform to predicted patterns of behaviour. That led to an increase in interest in the 'people' aspect of organizations. Several theorists tried to understand the workplace psychology. Among them, Professor Elton Mayo conducted experiments to ascertain and record human behaviour within organizations. The study conducted by him and his colleagues at Western Electric Hawthorne plant in the USA – also known as Hawthorne Experiment – revealed that the most significant factors in optimizing productivity were related to:

- Workers being organized in small social groups;
- Workers feeling important through participation;
- Workers having some freedom from strict supervision.

Though this study was production-based research, the findings and conclusions of this study can be related to other departments. For example, the HR manager can:

- Organize the layout of the workplace to allow social interaction among staff;
- Allow staff some sort of participation in departmental decision making;
- Allow staff to organize their own priorities and activities within the framework of overall direction.



#### 5.4.2 Maslow: The Hierarchy of Human Needs

Abraham Maslow proposed that there is a 'hierarchy' or scales of human needs which must be satisfied. Some of these needs are more powerful than others. Maslow argues that until these most powerful needs are satisfied, other needs have little effect on an individual's behaviour. In other words, we satisfy the most powerful needs first and then progress to the less powerful ones. As one need is satisfied, and is therefore less important to us, other needs come up and become motivators of our behaviour.

Maslow represents hierarchy of needs in the shape of a pyramid. The most powerful needs are shown at the bottom, with powerful ones decreasing as people progress upwards.



- **Physiological needs:** These include all the basic needs such as food, clothing, shelter, rest.
- **Safety and security needs:** People want a safe and organized environment. They want physical safety and psychological security.
- **Social needs:** Generally, people prefer to live and work in groups which are often larger than their families. They want to be accepted and be part of something.
- **Esteem needs:** People want respect from others, and to achieve status in the workgroup.
- **Self-actualization needs:** At this stage, people want to reach their maximum potential, and like doing their own best thing.

An important aspect of Maslow's theory is that it provides for constant growth of the individual. There is no point at which everything has been achieved. Having satisfied the lower needs, one is always striving to do things to the best of one's ability, and best is always defined as being slightly better than before.

### 5.4.3 Hertzberg: Motivation Hygiene Theory

Frederick Hertzberg argued that certain factors lead to job satisfaction while others lead to dissatisfaction. He identified these as “motivator” and “hygiene” factors respectively.

- **Motivators:** According to Hertzberg, typical job motivators are:
  - The degree of career achievement;
  - The intellectual challenge of work;
  - Recognition by others as being successful;
  - The actual value of the work;
  - The actual level of job responsibility;
  - The opportunity for promotion.
  
- **Hygiene factors:** Hertzberg identified hygiene factors as:
  - The restriction of management policies and procedures;
  - Technical/administrative aspects of supervision;
  - Salary structures;
  - Job conditions;
  - Relationship with management;
  - Work environment.

Hertzberg’s motivation-hygiene theory is generally well-received by practising managers because of its relatively simple distinction between factors inducing positive job satisfaction or those causing reduced job satisfaction.

### 5.4.4 McGregor: Theory X and Theory Y

Douglas McGregor advocated that there are two extremes of management attitude towards employees in the workplace, and these have a strong influence on the level of employee motivation.

- **Theory X:** Characteristic assumptions of managers behaving in this “mode” are:
  - The average person is basically lazy and dislikes work.
  - People at work need to be forced, controlled, directed and threatened.
  - the average person avoids responsibility and prefers to be directed.

McGregor states that this style of management is no longer suitable in the modern organizational setting.



- **Theory Y:** Characteristic assumptions of managers in this “mode” are:
  - Work is as natural as recreation and rest.
  - People will exercise “self-direction and control” to achieve objectives to which they are committed.
  - Commitment to objectives is related to the satisfaction of achievement.
  - If the conditions are right, the average person at work will seek and accept responsibility.

In a way, Theory Y is related to what we nowadays call ‘participative management.’ Theory Y principles are now generally recognized as being more likely to achieve optimal employee performance.

## 5.5 Motivation strategies

To a large extent, a high level of employee motivation is derived from effective management practices. To develop motivated employees, HR manager should ensure that HR personnel as well as other departmental managers must do the following:

- **Empowering employees:** Empowerment occurs when individuals in an organization are given autonomy, authority, trust, and encouragement to accomplish a task. Empowerment is designed to unshackle the worker and to make a job the worker’s responsibility.



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- **Providing an effective reward system:** To motivate behaviour, the organization needs to provide an effective reward system. Rewards demonstrate to employees that their behaviour is appropriate and should be repeated. If employees don't feel that their work is valued, their motivation will decline. Common examples are pay bonuses, promotions, time off, special assignments, office fixtures, awards, verbal praise etc.
- **Redesigning jobs:** Many people go to work and go through the same, unenthusiastic actions to perform their jobs. These individuals often refer to this condition as burnout. But smart managers can do something to improve this condition before an employee gets bored and loses motivation. Redesign attempts may include the following:
  - **Job enlargement:** It increases the variety of tasks a job includes. It may reduce some of the monotony, and as an employee's boredom decreases, his/her work performance generally increases.
  - **Job rotation:** This practice assigns different jobs or tasks to different people on a temporary basis. The idea is to add variety and to expose people to the dependence that one job has on other jobs. Job rotation can encourage higher levels of contributions and renew interest and enthusiasm. The organization benefits from a cross-trained workforce.
  - **Job enrichment:** This application includes not only an increased variety of tasks, but also provides an employee with more responsibility and authority. If the skills required to do the job are skills that match the jobholder's abilities, job enrichment may improve morale and performance.
- **Creating flexibility:** Today's employees value personal time. Because of family needs, a traditional 9 to 5 working may not work for many people. Therefore, for some categories of employees, 'flexi time' – which permits employees to set and control their own work hours – is one way that organizations are accommodating their employees' needs, e.g. marketing personnel. Here are some other options organizations are trying as well:
  - **A compressed work week** is a form of flexi time that allows a full time job to be completed in less than the standard 40-hour, 5-day work week. Its most common form is 4/40 schedule, which gives employees three days off each week. This schedule benefits the individual through more leisure time and lower commuting costs. The organization should benefit through lower absenteeism and improved performance.

- **Job sharing** occurs when one full time job is split between two or more persons. Job sharing often involves each person working one-half day, but it can also be done on weekly or monthly sharing arrangements. When jobs can be split or shared, organizations can benefit by employing talented people who would otherwise be unable to work full time. The qualified employee, who is also a parent of a small child, may not want to be in the office for a full day but may be willing to work half day. Although adjustment problems sometimes occur, the arrangement can be good for all concerned.
- **Telecommuting**, sometimes called 'flexi place,' is a work arrangement that allows at least a portion of scheduled work hours to be completed outside of the office, with work-at-home as one of the options. Home workers often demonstrate increased productivity, report fewer distractions, enjoy the freedom to be their own boss, and appreciate the benefit of having more time for themselves. Examples of such jobs are: computer software development and tele-marketing.

## 5.6 Managerial styles in HR management

An "open" management style is likely to be successful in the HR department. Team working would enhance performance levels. The HR manager needs to involve the staff in the departmental decision-making process.

The concept of 'responsibility sharing' would involve consultation, involvement, and participation. In a team-oriented HR department, responsibility can be shared in the following areas:

- Interpreting organizational policies;
- Developing organizational procedures;
- Winning the consent of subordinates;
- Organizing meetings;
- Maintaining communication networks;
- Understanding and motivating others.

## 5.7 Disciplinary action

Managers and supervisors of various departments always try to motivate, guide, advise, and control their subordinates. In spite of this, occasions will arise when there is no alternative but to take disciplinary action. Before committing to any proposed disciplinary action, a manager/supervisor might consult the HR manager and brief him/her fully on the situation that has arisen and seek guidance. After having the full backing of the HR manager he/she must act firmly and confidently.

Depending on the severity of the offence, disciplinary action takes different forms. The following procedure may be adopted:

- If it is a first offence, the person should be spoken to and advised. For example, if a subordinate arrives at work late without a satisfactory explanation, a counseling session might be beneficial.
- If the same person continues behaving in the same way, for, say, a week, a formal written warning is needed.
- If he/she still continues committing this offence, a final written warning needs to be given by the HR department, specifying the penalty if the employee does not improve his/her behaviour within a stated time limit.
- If the employee still does not improve, he/she has to be penalized. The penalty may be transfer to another section or location, suspension without pay, or dismissal from job.

## 5.8 Employee counseling

Situations which can lead to disciplinary action may be avoided by taking certain steps. This involves having a talk with the employee concerned, trying to find a solution to the problem which is creating such a situation. This process of settling problems without resorting to disciplinary action is referred to as employee counseling.



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### 5.8.1 Nature of problems

Some problems are related to work while others are of personal nature. Generally a manager or supervisor is concerned with the employee's work-related problems, but sometimes he may have to deal with an employee's personal problem also because that may have been the cause of starting a work-related problem.

### 5.8.2 Solving the problems

- Solution to a problem can be found only through a joint discussion between the manager and his subordinate. This needs to be a two-way process. Sometimes a manager or supervisor arranges a counseling session, but sometimes it is initiated by the employee when he/she needs to share some problem.
- It is important that the manager or supervisor keeps the information related to an employee's counseling session confidential from other employees.
- Every problem that needs to be addressed through counseling is individual in nature. Hence for each problem the manager or supervisor has to adopt a flexible approach and not try to fix every problem with the same solution.

### 5.8.3 Process of successful counseling

A counseling session is likely to be successful if the following points are considered:

- The subject for discussion should be introduced in a discrete manner and not done openly.
- The reasons for the discussion should be explained to the employee in a sympathetic manner so that he/she has confidence to discuss the matter further.
- Questions should be asked in a gentle manner so that the subordinate is able to appreciate how the manager or supervisor is trying to help him/her.
- Quite often all the questions related to the problem may not be addressed in one session. A few more sessions may be necessary in order to get all the facts right. Hence a lot of patience is to be exercised.

After the problem has been ascertained, an effort has to be made by both the parties to find a solution acceptable to both. When this happens, it is possible to have a high level of employee motivation. This is also very effective in controlling employee behaviour.

## 5.9 Equal Opportunity Policy

Equality in the workplace means that there is fair treatment for each individual. Everyone is supposed to have equal access to job opportunities, promotion and other benefits. It also means that there should be a system of equal pay for similar work in the organization.

There should be no discrimination on the basis of gender, race, religion or physical disability. Today a large number of organizations have a policy referring to discrimination on the above-mentioned grounds. A good equal opportunity policy includes age, marital status, gender, HIV and AIDS. The policy should state clearly a commitment to equality in the areas of recruitment, promotion, training, performance appraisal and pay, transfers, terms and conditions, disciplinary procedures and dismissal, rules against harassment etc.

Policies alone are not enough. There must be a commitment to put them into practice by specific measures, and this should be the responsibility of HR management. The policy should be publicized to all staff and job applicants.

An important part of implementing equal opportunity policy is monitoring its effectiveness. In the case of gender, race or disability, there are usually arrangements to collect statistics to ensure that these people are represented in the workforce.

## 5.10 Resignations

Resignation occurs when an employee decides to terminate his/her employment with an organization. Whatever a manager may do to retain experienced staff, resignations will occur. When this happens, it is useful if the HR manager conducts an 'exit interview' with the employee concerned, to try to ascertain the real reason why he/she is leaving.

### 5.10.1 Unavoidable resignations

In many cases resignation is unavoidable on account of certain circumstances, for example, illness, accident, marriage, pregnancy, death in the family, or intention of self or spouse to move to another city, etc.

In such circumstances the HR manager has no option but to accept the resignation. However, the loss of a good employee is cause for concern to the HR department.

On the other hand, there might be a situation when an employee has committed a serious offence. In such a case, the employee may be given the option of resigning 'voluntarily' in order to avoid possible serious consequences.

### 5.10.2 Avoidable resignations

Sometimes resignations may occur on account of lack of motivation, terms and conditions of employment, difficult relationships with co-workers or manager/supervisor, denial of promotion or salary increase etc.

In such situations it is the HR manager's responsibility to find out the real reason for resignation through an 'exit interview.' He/she might not be able to do anything for a particular employee, but he/she can definitely analyse the situation and make a report to the higher management and give his/her recommendations for future.

Some resignations are given in the "heat of the moment." In such a situation, the HR manager can arrange a counseling session with the employee concerned, and prevail upon him/her to continue in the job.

## 5.11 Retirement

An employee 'retires' from the job when he/she has reached a certain age, and not because of any other reason.

### 5.11.1 Retirement ages

Ages at which people retire vary from country to country and from one organization to another. There might also be age differences for retirement between men and women in certain jobs e.g. air hostesses.

### 5.11.2 Retirement benefits

At the time of retirement, employees are generally eligible for certain retirement benefits. These differ as per the laws of the country, and rules of different organizations. They are usually of the following type:

- **Provident Fund:** Throughout the period of his/her employment, the employee contributes a certain percentage of his/her salary, which is deposited in the bank or relevant government fund, with matching amount from the employer. At the time of retirement the employee has access to this fund.
- **Gratuity:** In some countries and organizations, when an employee retires, he/she is given gratuity. It is calculated on the basis of the number of years of employment multiplied by the last monthly basic pay drawn. The total amount is given to the retiring employee.
- **Pension:** In most countries, as well as some organizations, the retiring employee is eligible for monthly pension for life. Sometimes it is linked to group life insurance, and the employee's pension is credited every month to his bank account by the insurance company concerned.

### 5.11.3 Planning and counseling for retirement

It can be a great shock for an employee who has worked for an organization for many years to suddenly realize that his/her services are no longer required because he/she has reached a certain age.

It is desirable for HR department to arrange for counseling related to retirement well before an employee is to retire. This way the employee can be gradually prepared to accept psychologically the fact of the forthcoming retirement, and plan accordingly.

# 6 Performance Appraisal

Performance appraisal means the systematic evaluation of the performance of an employee by his/her superiors. It is a tool for discovering, analyzing and classifying the differences among workers in relation to job standards. It refers to the formal system of appraisal, in which the individual is compared with others and ranked or rated. Generally, appraisal is made by the supervisor or manager once or twice in a year.

## 6.1 Purpose of Performance Appraisal

Performance appraisal is an important tool of HR management, and is used for a variety of purposes.

- It is used to appraise the quality of performance of different employees. It includes knowledge of the work, ability to do the work efficiently, spirit of coordination, dependability, punctuality, enthusiasm, self-confidence, leadership qualities etc.
- Through this method, the appraisal procedure is standardized so that the management may rate all the employees on the same qualities by the same method of measurement.
- It may be used for training of employees.
- It is also useful in deciding the type and nature of training programmes for employees. It helps in the placement of employees properly and also in finding out the 'misfit' who may be transferred to the right place.



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- It forms an unbiased and systematic basis for any increase in the wages of employees.
- It helps in identifying employees who may be considered for promotion.

## 6.2 Importance of Performance Appraisal

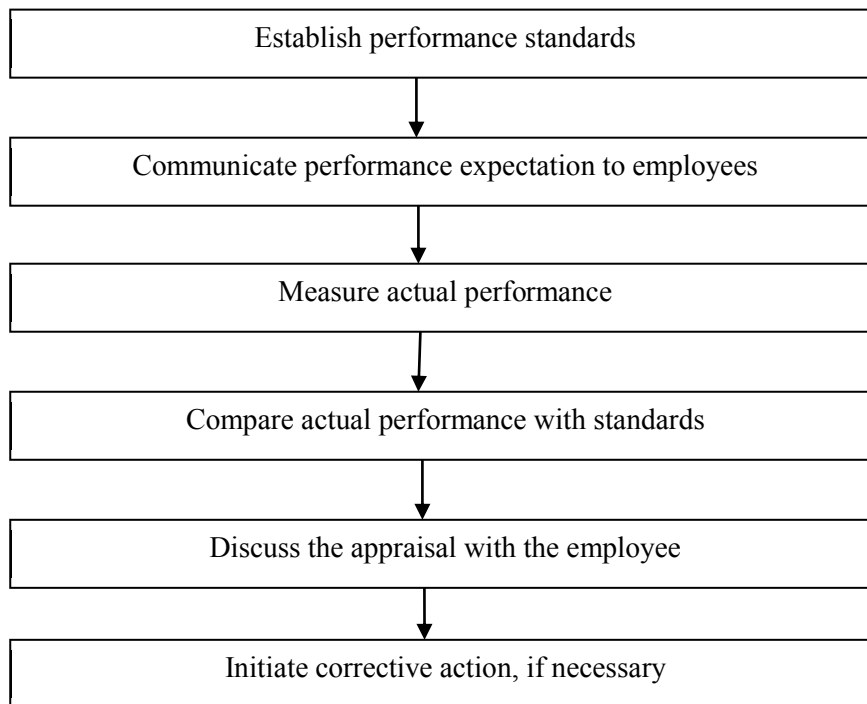
Performance appraisal has been considered as the most significant tool for an organization. It provides information which is highly useful in making decisions regarding various aspects such as promotions and merit rating. It is helpful in preventing grievances because it is a definite aid to management in promoting fairness to employees. It provides accurate information which plays a vital role in the organization as a whole. If valid performance data are available, i.e. timely, accurate, objective, standardized and relevant, management can maintain consistent promotion and compensation policies throughout the total system.

## 6.3 Steps in Appraisal

The process of performance appraisal follows a set pattern, viz., an employee's performance is periodically appraised by his superiors. The following usually form the main steps of an appraisal programme:

- **Step-1: Establish performance standards:** At the time of designing a job and formulating a job description, performance standards are usually developed for a position. These standards should be clear, and objective enough to be understood and measured. Weights and points are to be given to each factor of these standards and should be indicated on the appraisal form. These are used for appraising the performance of the employees.
- **Step-2: Communicate performance expectation to employees:** It is difficult for employees to guess what is expected of them. Hence the standards of performance should be communicated to the employees. To make communication effective, 'feedback' is necessary from the subordinates to the manager. Satisfactory feedback ensures that the information communicated by the manager has been received and understood in the way it was intended.
- **Step-3: Measure actual performance:** To determine what actual performance is, it is necessary to acquire information about it. We should be concerned with how we measure and what we measure. Four sources of information are frequently used to measure actual performance: personal observation, statistical reports, oral reports and written reports.
- **Step-4: Compare actual performance with standards:** The employee's appraisal is done and he/she is judged in terms of potential for growth and advancement. Attempts are made to note the deviations between 'standard performance' and 'actual performance.'
- **Step-5: Discuss the appraisal with the employee:** The results of the appraisal are discussed periodically with the employees where strong points, weak points, and difficulties are indicated and discussed so that performance is improved. The information that the subordinate receives about his/her assessment has a great impact on his subsequent performance. Conveying good news is easy for both manager and subordinate but it is considerably difficult when performance has been below expectation.

- **Step-6: Initiate corrective action, if necessary:** Corrective action can be of two types. One is immediate and deals mainly with symptoms. The other is basic and looks deep into the causes. Immediate corrective action is often described as “putting out fires,” whereas basic corrective action gets to the source of deviation and seeks to adjust the difference permanently. Counseling may be done or special assignments may be set, people may be deputed for formal training courses, and decision-making responsibility and authority may be delegated to the subordinates. Attempts may also be made to recommend for salary increases or promotion, if it is required in the light of appraisals.

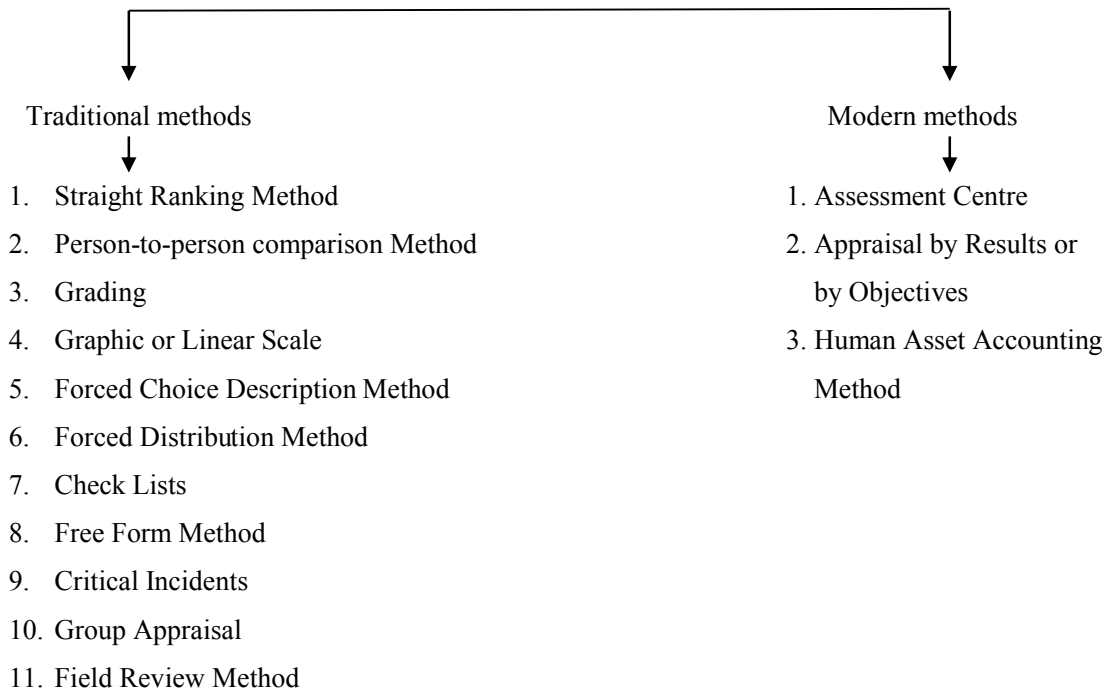


**Process of Performance Appraisal**

## 6.4 Methods, techniques and tools

Several methods and techniques are available for measuring the performance of an employee. The methods and scales differ for various reasons. First, they differ in the sources of traits or qualities to be appraised. The qualities may differ because of difference in job requirements, statistical requirements and the opinion of the management. Second, they differ because of the different kinds of workers, viz., factory workers, executives or salespeople. Third, the variations may be caused by the degree of precision attempted in evaluation. Finally, they may differ because of the methods used to obtain weight for various traits.

The traditional methods of performance appraisal lay emphasis on the rating of the individual's personality traits, such as initiative, dependability, drive, responsibility, creativity, integrity, leadership potential, intelligence, judgment, organizing ability etc. On the other hand, modern methods lay more emphasis on the evaluation of work results – job achievements – than on personality traits. Result-oriented appraisals tend to be more objective and worthwhile, especially for counseling and development purposes.



#### Methods of Performance Appraisal

##### 6.4.1 Traditional Methods

- Straight Ranking method:** It is the oldest and simplest method of performance appraisal by which an employee and his performance are considered as an entity by the evaluator. The relative position of each employee is tested in terms of his/her numerical rank. It may also be done by ranking a person on his/her job performance against that of another member of a competitive group by placing him/her as number one or two or three in the total group i.e. persons are tested in order of merit and placed in simple grouping. But this method has its limitations. Firstly, it is very difficult to compare a single individual with human beings having varying behaviour traits. Secondly, this method only tells us how a person stands in relation to the others in the group, but does not indicate how much better or worse he/she is than another. Thirdly, the task of ranking is difficult when a large number of persons are rated. Fourthly, the ranking system does not eliminate snap judgments, nor does it provide us with a systematic procedure for determining the relative ranks of subordinates.

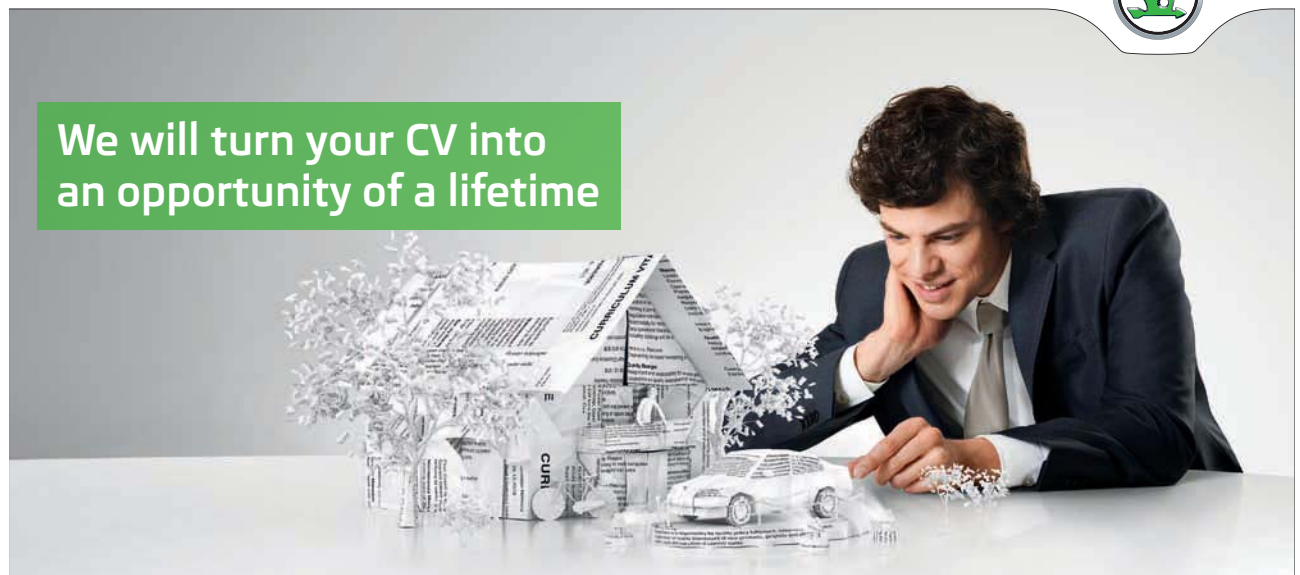
- **Person-to-person Comparison Method:** By this method certain factors are selected for the purpose of analysis (such as leadership, dependability and initiative) and scale is designed by the rater for each factor. A scale of a person is also created for each selected factor. Then each person to be rated is compared with the person in the scale, and certain scores for each factor are awarded to him/her. This method is not of much use because the designing of scales is a complicated task.
- **Grading Method:** Under this system, the rater considers features and marks them accordingly to a scale. Certain categories of worth are first established and carefully defined. The selected features may be analytical ability, cooperativeness, dependability, self-expression, job knowledge, judgment, leadership and organizing ability etc. The rating scale may be: A – Outstanding; B – Very Good; C – Good or Average; D – Fair; E – Poor. The actual performance of an employee is then compared with these grade definitions and he/she is allotted the grade which best describes his/her performance. Such type of grading is usually done in the selection of candidates by the Public Service Commissions.

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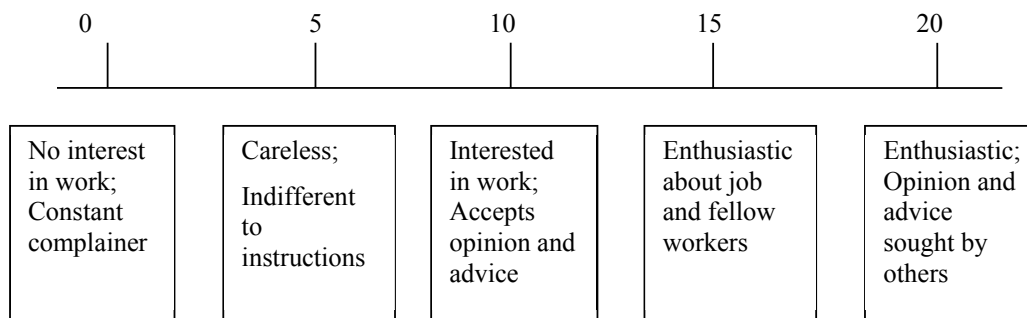
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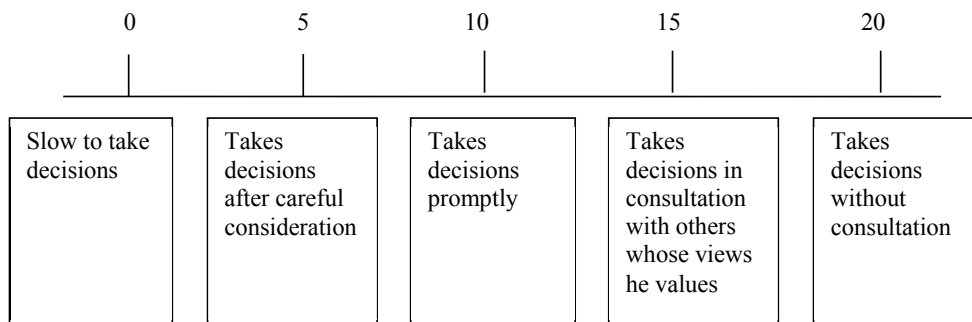
- Graphic or Linear Rating Scale:** This is the most commonly used method of performance appraisal. A printed form is used for each person to be rated. The factors to be rated are: employee characteristics and employee contribution. In employee characteristics are included qualities such as initiative, leadership, cooperativeness, dependability, industriousness, attitude, enthusiasm, loyalty, creative ability, decisiveness, analytical ability, emotional ability and coordination. In employee contribution are included the quantity and quality of work, the responsibility assumed, specific goals achieved, regularity of attendance, leadership offered, attitude towards superiors and associates, versatility etc. These traits are then evaluated on a continuous scale wherein the rater places a mark somewhere along a continuum.

**Example:**

**Attitude:**



**Decisiveness:**



However, this method suffers from serious disadvantage for it is arbitrary and the rating is generally subjective. Another limitation is that it assumes that each characteristic is equally important for all jobs.

- **Forced Choice Description Method:** Under this method, the rating elements are several sets of pair phrases or adjectives (usually sets of 4 phrases, two of which are positive, two negative) relating to job proficiency or personal qualifications. The evaluator is asked to indicate which of the four phrases is the most and least descriptive of the employee.

The following statements are illustrative of the type of statements that are used:

- Organizes work well.
- Lacks the ability to make people feel at ease.
- Makes little effort.
- Has a cool, even temperament.
- Is dishonest and disloyal.
- Is over-bearing and disinterested in work.
- Is a hard worker and cooperative.

Two of the above phrases are favourable terms while two are unfavourable. The others are further examples. The favourable terms earn a credit, while unfavourable terms get no credit. The employee also gets plus credit if one of the negative phrases is checked as being the least characteristic.

However, the results of evaluation do not prove useful for counseling and training purposes because the evaluator is ignorant of how he/she is evaluating the individual.

- **Forced Distribution Method:** This method requires the rater to appraise an employee according to a pre-determined distribution scale. It is assumed that it is possible and desirable to rate only two factors, viz., job performance and chances for promotion. For this purpose, a 5-point performance scale is used without any descriptive statement. Employees are placed between the two extremes of 'good' and 'bad' job performances.

**For example:**

Top 10%	– Outstanding
Next 20%	– Above Average
Next 40%	– Average/Good
Next 20%	– Fair
Next 10%	– Below Average/Poor

In addition to job performance, employees are rated for chances of promotion. A 3-point scale is often used for this purpose:

- a) Very likely promotional material.
- b) May or may not be promotional material.
- c) Very unlikely to be promotional material.

Though this method is very simple to understand and very easy to apply in an organization, its use in wage administration leads to low morale and low productivity.

- **Check List:** Under this method, the evaluator does not evaluate employee performance. He/she supplies reports about it and the final rating is done by the HR department. A series of questions are presented concerning an employee’s behaviour. The rater then checks to indicate if the answer to a question about an employee is positive or negative. The value of each question may be weighted equally or certain questions may be weighted more heavily than others. An example of check list is given below:

(1) Is the employee really interested in his/her job?	Yes/No
(2) Is he/she regular in job?	Yes/No
(3) Is he/she respected by his/her subordinates?	Yes/No
(4) Does he/she show uniform behaviour to all?	Yes/No
(5) Does he/she keep his temper?	Yes/No
(6) Is he/she always willing to help other employees?	Yes/No

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- |                                               |        |
|-----------------------------------------------|--------|
| (7) Does he/she follow instructions properly? | Yes/No |
| (8) Is the equipment maintained in order?     | Yes/No |
| (9) Does he/she ever make mistakes?           | Yes/No |

This method suffers from bias on the part of the evaluator because rating can be influenced by his own concern for good or bad. Secondly, a separate checklist must be developed for different classes of jobs. This process can be expensive and time consuming. Thirdly, it is difficult to assemble, analyze and weigh a number of statements about an employee's characteristics and contributions.

- **Free Essay Method:** Under this method, the supervisor makes a free form, open-ended appraisal of an employee in his/her own words and puts down his/her impressions about the employee. He/she usually takes notes of factors such as:
  - a) Job knowledge and potential;
  - b) Employee characteristics and attitude;
  - c) Production, quality and cost control;
  - d) Relation with other colleagues;
  - e) Understanding and application of company policies and procedures;
  - f) Development needs for future.

These applications will give specific information about the employee, and can reveal even more about the supervisor. But this method is extremely time-consuming particularly in larger organizations.

- **Critical Incident Method:** This method attempts to measure employee performance in terms of certain 'events' that occur in the performance of the employee's job. These events are known as 'critical incidents.' The basis of this method is the principle that "there are certain significant acts in each employee's behaviour and performance which make all the difference between success and failure on the job."

The supervisor keeps a written record of the events (either good or bad) that can easily be recalled and used in the course of a periodical appraisal. For example, a Materials Manager may look for the following critical incidents in a purchasing agent's performance:

- 1) He treated the salesman in a discourteous fashion.
- 2) He helped a buyer to prepare an unusually difficult purchase order.
- 3) He persuaded a local vendor to stock a particularly important material needed by the company.
- 4) He rejected a bid that was excessively over-priced.
- 5) He failed to return an important phone call.



While this method provides an objective basis for conducting discussion of an individual's performance, it has limitations. Firstly, negative incidents are generally more noticeable than positive ones. Secondly, the recording of incidents is a chore to the supervisor and may be put off and easily forgotten. Thirdly, managers may unload a series of complaints about incidents during an annual performance review session, while they may not be aware of the 'good' incidents.

- **Group Appraisal Method:** Employees are rated by an Appraisal Group consisting of their supervisor and 3 or 4 other supervisors who have some knowledge of their performance. The supervisor explains to the group the nature of his subordinates' duties. The group then discusses the standards of performance for that job, the actual performance of the job-holder and the causes of their particular level of performance, and offers suggestions for future improvements, if any. The advantage of this method is that it is thorough, very simple and is devoid of any bias, for it involves multiple judges. But it is very time consuming.
- **Field Review Method:** A staff member from the HR department interviews line supervisors to evaluate their respective subordinates. The questions are asked verbally and answered. The supervisor is required to give his opinion about the progress of his subordinates, the level of performance of each subordinate, his weaknesses, strong points, chances for promotion and the possible plans of action in case requiring further consideration. The appraiser takes detailed notes of the answers, which are then approved by the supervisor, and files the information in the employee's personnel folder. The overall ratings are obtained by largely using a three-way categorization, viz., Outstanding, Satisfactory, and Unsatisfactory. This is useful for large organizations.

#### 6.4.2 Modern Methods of Appraisal

Most traditional methods emphasize either on the task or the employee's personality, while making an appraisal. In order to bring about a balance between these two, modern methods have been developed. Of such methods the prominent one is Appraisal by Results or Management by Objective (MBO). This method has been evolved by Peter Drucker. It seeks to minimize external controls and maximize internal motivation through joint goal setting between the manager and the subordinate, and increasing the subordinate's own control of his work. It strongly reinforces the importance of allowing the subordinate to participate in the decisions that affect him directly.

- **Objectives of MBO:** The objective is to change the behaviour and attitudes towards getting the job done. In other words, it is result-oriented. It is performance that counts. It is a management system and philosophy that stresses goals rather than methods. It provides responsibility and accountability and recognizes that employees have need for achievement and self-fulfillment. It meets these needs by providing opportunities for participation in the goal setting process.

- **Benefits of MBO programme:** It has the following benefits:
  - It increases employee motivation.
  - Since MBO aims at providing clear targets and their order or priority, it reduces role conflict and ambiguity.
  - It provides more objective appraisal criteria.
  - It identifies problems better and early. Frequent performance review sessions make this possible.
  - It identifies performance deficiencies and enables the management and employees to set individualized self-improvement goals and thus proves effective in training and development of people.
  - It helps the individual manager to develop personal leadership, especially the skills of listening, planning, counseling, motivating and evaluating.
  
- **Drawbacks of MBO:** It has the following drawbacks:
  - It takes a great deal of time, energy and form-completing on the part of the managers.
  - Executives find it hard to think about the result of work rather than the work itself. They tend to overemphasize goals that are easy to quantify, sometimes forgetting that workers behave almost like children at play. When the game is no longer challenging, interest is soon lost.
  - In many areas such as subordinate development, appraising performance can be problematic.
  - There is sometimes a “tug of war” in which the subordinates try to set the lowest targets possible and the manager/supervisor the higher.
  - However, MBO can be an effective technique for performance appraisal and for motivating subordinates by developing effective communication at all levels.

# 7 Remuneration

The term 'remuneration' refers to wages, salaries, overtime payments, bonuses, commissions and any other 'financial rewards' paid to employees in return for the work they perform for their employers. It is also referred to as 'pay.'

## 7.1 Remuneration policy

Top management usually decides remuneration policy in consultation with HR manager, and if necessary, with trade union and staff association. A remuneration policy might also be affected by the following factors:

- Strength of the trade union or staff association;
- Economic climate of the country;
- Availability of labour in a particular area;
- Government policies, etc.

### 7.1.1 Implications for HR manager

The remuneration policy laid down by the top management of an organization has the following implications for the HR manager:



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- If the policy is acceptable to the majority of the workforce, his/her work is easy. He/she can devote his time in concentrating on the other aspects of the HR department.
- If the policy is not acceptable to the workforce, he/she will have to engage in continuous negotiations with representatives of trade union/staff association in order to reach an amicable settlement. This will increase the workload of the HR personnel, and divert their attention from other important areas of their job.
- HR personnel have to be on constant alert for any sign that existing satisfaction with the current remuneration policy might be interfered with, and so must be ready to report and to make recommendations accordingly to the top management.

## 7.2 Systems of remuneration

Different employees of the same organization might be remunerated by different systems, according to the type of work they perform. The following are the most common systems of remuneration:

### 7.2.1 Time rates

Under this system, payment of an agreed amount is made for agreed period of 'working time.' Time rates are mainly used when output cannot be directly related to the wage or labour cost, or when the emphasis is on the quality of work to be performed rather than on quantity alone. If the same employee works for additional hours, he/she is likely to be paid extra for the time worked in excess of the agreed number of hours at an 'overtime rate.' This overtime rate may vary from organization to organization or from one department to another.

Other employees might be paid monthly. They include managerial and supervisory staff, clerical and secretarial staff, professional and specialist staff etc.

### 7.2.2 Piece work rates

Under this system, payment is made according to the 'output,' that is, the 'quantity' of an 'acceptable quality' of an item produced.

### 7.2.3 Bonus

Bonus is a reward for output or achievement above previously agreed levels. Some schemes are based on an individual's output, while others are based on the output of the group. This is usually paid at the end of the work year.

### 7.2.4 Incentives

They are usually given to employees for a variety of factors such as good timekeeping, increased productivity, reducing operational costs or wastage, or involving in innovative activities.

### 7.2.5 Commissions or target bonuses

The system of paying commissions generally applies to sales people, and is based on the values of sales achieved above a certain pre-determined 'target.' Some are paid on an individual salesperson's achievement, while others are based on the performance of a group, and shared out proportionately.

### 7.2.6 Allowances

Depending on the nature of their work, some employees might be paid allowances, for example:

- Cost of transport;
- Cost of expenses incurred on entertaining existing or potential customers or clients;
- Cost of buying and maintaining clothing and accessories;
- Travel allowances.

## 7.3 Standard employee benefits

In addition to salary, bonus and allowances, employees are normally provided with certain benefits. They could be of different types:

### 7.3.1 Annual paid holiday

This is the most common benefit applicable to employees who are eligible for a certain number of holidays (or vacation) on an annual basis. During this period their normal salaries are paid to them. In some countries, the duration of this period is laid down by government rules, while in other places different organizations decide this. This paid holiday period is usually not less than 30 days for every year worked. Most organizations pay salaries in lieu of the vacation period if the management and the employee mutually agree to this.

### 7.3.2 Sickness pay

This is also a common benefit. An employee who falls ill or sustains injury, whether in the workplace or outside, gets a recovery period "off" work during which he/she will continue to receive pay. The minimum period is laid down by law. However, some organizations may allow longer periods.

Generally female employees are allowed a period of 'maternity' leave (before and after the birth of a child) as per government rules of the country. In some countries, fathers of newly born babies might also be allowed a period of time "off."

### 7.3.3 Additional (or fringe) benefits

Some categories of employees might receive certain additional benefits which are commonly referred to as 'fringe benefits' or 'perks,' for example:

- Company-owned motor vehicle for personal use;
- Rent-free residential accommodation;
- Shares of the organization;
- Cost of meals (or on subsidized rates) in the organization's canteen;
- Interest-free salary advance;
- Loans;
- Pension or superannuation funds;
- Medical or health insurance;
- Group life assurance;
- Flexible working hours;
- Working from home or other locations.



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# 8 Personnel Records and Statistics

Personnel records refer to items of information which have been recorded about the employees of an organization. The data relating to past and present (and often future) employees are built up by the HR department over a period of time.

## 8.1 Need for Personnel Records

The HR department of an organization is responsible for maintaining and updating the records of each and every employee of the organization. An employee's full and up to date records need to be immediately available when required.

The personnel records of an employee constitute a 'personal history' since the date of his/her employment in the organization, right up to the time at which the record is being perused. It also contains details of previous employers, previous experience, education, and training background etc.

## 8.2 Information in Personnel Records

An employee's "current" personnel records will contain most or all of the following particulars:

- **Personnel number or code:** This is allotted to the employee at the time of appointment and usually remains unchanged during the entire period of the employee's stay with the organization. This number must be 'unique' so that its use will positively and accurately identify the employee concerned, and enable his/her records to be located immediately.
- **Full name:** An employee's full name (first name, middle name, and surname) should be recorded. The employee's gender and marital status are also usually recorded.
- **Full address:** This contains employee's residential address, address for communication (in case it is a Post Box Number), telephone/mobile number, email address etc. Provision must be made for future changes in any of these details.
- **Date of birth:** Recording date of birth helps in calculating an employee's age at any given point in time.
- **Date of appointment:** This contains date of appointment, dates of trial or probationary period, and date of confirmation.
- **Education and training:** This must contain the employee's educational background, training taken in the organization or workshops attended, etc.
- **Job or position:** The job or position of the employee at the time of appointment must be recorded. Provision should be made for future changes e.g. change in nature of job, promotion, transfer etc.

- **Pay scale:** The pay scale (grade and rating) at the time of appointment is to be recorded. Every change in pay scale is recorded up to the current time. Current overtime rate or other special rate (where applicable) is to be mentioned. There needs to be provision for recording changes in future.
- **Current entitlements:** These include details of any special benefits and allowances to which the employee is entitled, number of holidays availed and due, etc.
- **Contribution or deduction numbers:** In many countries employers are required by law to make deductions from the salaries of employees for income tax, national or social security, contributions to pension or provident fund etc, and forward the payments so deducted to the relevant government departments. Employees are allotted, by the government departments, numbers or codes for each type of statutory deduction. These must be recorded here.
- **Medical history:** Complete medical records of the employee are kept in his/her personnel folder. These include pre-engagement medical examination, records of all other illnesses, sickness leave availed, etc.

### 8.3 Formats of Personnel Records

The format of personnel records maintained varies from organization to organization, and also between different categories of employees working in the same organization. The records maintained by the HR department might fall into three main types.

#### 8.3.1 Summaries

These contain the most frequently needed current data about the employees. It is essential that these summaries are always maintained up to date and accurately. They enable HR department staff, and other authorized personnel, to obtain quickly the current basic information about employees. This recorded information is usually referred to as 'personnel sheet' or 'personnel card.' There are different methods by which such cards can be stored or filed, for safety and future reference.


- **The 'loose card' method:** In this method cards are kept in metal, wooden or plastic trays or drawers, which might fit into cabinets. This is the simplest and the least expensive method but there is a danger that if a card has been taken out and not replaced at the correct place, it might be misplaced.
- **The 'loose-leaf' card method:** Cards are kept in files or binders. In some cases entries can be made in cards without removing them from the files or binders.
- **The 'visible card' method:** In this method cards are placed flat in metal trays which slide in and out of cabinets especially designed to hold them. The cards are so arranged and fitted into a tray that although they lie on top of each other, a space at the bottom of the card is always visible. This helps in the speedy location of the required card.



- **Computers:** More and more organizations, ranging from fairly small ones to very large ones, today use computers to store data about personnel, and to provide quickly the current data summaries about employees. Entries and changes can be made in the record quickly and then saved in the system. Another advantage is that through networking the records can be accessed by any number of HR staff, finance department or top management, from their own locations.

### 8.3.2 Documents

Even if the HR department is fully computerized, it might be necessary to retain files of documents relating to past, present and future employees. In many cases the documents will support and provide more data than the summaries. The range of documents which might have to be filed and retained for future reference might be very wide, and might include the employee's original letter of application and/or completed application, copies of experience certificates, copies of educational certificates, CV, notes made by interviewers, results of selection tests, signed documents relating to appointment, medical reports, reports made by supervisors and/or managers, training officers and other executives, and many more.



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- **Records of former employees:** When an employee leaves the employ of the organization, his/her records will be entered with the date from which he/she is no longer officially or legally employed. The reason why the employee left e.g. resigned, retired, dismissed, will usually be stated, accompanied by a detailed report in the case of dismissal. In the case of resignation, the reason for it, if known, might be stated. The records of former employees need to be retained – perhaps for a number of years – for possible future reference. This is necessary for various reasons. Some former employees might continue to be due benefits, such as a pension, for some considerable time after departure. The HR department might also be required by prospective employers to provide references or reports about former employees. There might also be instances in which ex-employees wish to return to the employ of the organization, though not necessarily with the same branch. In such cases, past records of such people could be very valuable in deciding whether to re-employ them.
- **Records of non-employees:** Separate sections of the personnel department's filing system might be devoted to records of the following:
  - Applications for jobs received but applicants not called for interview;
  - Details of applicants who were interviewed but who were not offered jobs, although they might have been considered to be suitable for other posts in the future.
  - Details of applicants interviewed and offered posts, but who have not yet started work.

### 8.3.3 Statistical Data

A lot of data needed by the HR department might be taken from the various records maintained. Many different statistics and analyses can be produced to meet the needs of the HR department and the management of the organization.

- **The rate of labour turnover:** This simply means the number of people who leave the employ of the organization during a given period of time. The calculation is done using the following formula:

$$\frac{\text{Number of people who left in period}}{\text{Average number employed in period}} \times 100$$

The statistics prepared will usually apply to a specific period e.g. one month, three months, six months or a full year, and will indicate a satisfactory work climate, or otherwise. If labour turnover is high or if it suddenly increases sharply, then something is wrong, and steps must be taken by HR department staff to find out what and why. Then they must recommend appropriate action.

- **The stability index:** It can be valuable to the HR department when it is used in conjunction with the labour turnover figures. The index can be calculated using this formula:

$$\frac{\text{Number of employees with more than one year's service now}}{\text{Total number employed one year ago}} \times 100$$

Calculating the stability index enables the HR department to determine whether the organization has a “nucleus” of experienced workers. In this case, “experienced” means in the operations of the organization, as well as in their respective jobs. Having identified the “problem” areas, investigation can be done to ascertain why they are so. Once it is known what has gone wrong, steps can be taken by the HR manager to rectify the situation.

- **Accident, injury and illness statistics:** Another important set of statistics which the HR department can produce from its records relates to man-hours lost through accidents, or injuries/ill health sustained as the result of work. Problem areas might be identified and corrective action taken accordingly.
- **Holiday periods:** Statistics can be produced to show the period(s) of the year most popular with employees wishing to avail their paid holiday entitlements. The statistics might help some departments e.g. production and sales, to plan their activities well in advance to take account of probable “staff shortages” due to holidays being taken. At the same time, the HR manager can, if necessary and possible, arrange for “temporary” staff to be available and trained to “stand in” for at least some regular employees due to the holidays.
- **Other useful statistics:** Other statistics and analyses might be produced for a variety of other purposes e.g. reports relating to the success or otherwise of induction procedures, training programmes, bonus schemes etc, reports about unexplained drops in productivity during a certain period, or absenteeism etc, reports compiled in conjunction with the finance department, relating to overtime worked.

## 8.4 Reports

The HR department is always involved in the preparation of reports for a number of reasons.

- Some reports will be of a purely routine nature, such as statistics concerning labour turnover, which are needed regularly by management.
- Other reports might concern special matters, which might be outside the normal day-to-day operations of the department. An example might include the “labour supplies” in various areas in which management might be considering relocating the organization, or opening new branches or factories, and so on.

## 8.5 Learning Organizations

Workplaces, in which everyone expects as a matter of course to be routinely acquiring new knowledge and skills which do not better perform their existing responsibilities, but in anticipation of the expected changes to come, have been described as being “learning organizations.” Creating a learning organization can be one of the most satisfying results of leadership by any HR manager, and one which can have long-term benefits both for the organization and its workforce.

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# 9 Industrial Relations

The role of HR department in developing and maintaining harmonious working relations between employers and employees is very important. In many countries large proportions of the working population nowadays belong to trade unions. In some countries considerable legislation exists to control many of the “terms and conditions of employment,” while in other countries the relevant governments might exercise various degrees of control over the activities of the trade unions or unions permitted to function within those countries. Each HR manager and Industrial Relations Officer must ensure that information on current local conditions and trends in his/her country are obtained by reading local and national newspapers, management publications, government publications etc.

## 9.1 Trade Unions

These are the organized groups of workers within an organization. Sometimes, these trade unions comprise workers of different organizations involved in similar activities. Traditionally the main aims of trade unions have been to negotiate with employers on behalf of their members in an attempt to secure better wages and working conditions for their members, in some cases excessive union demands and actions have seriously damaged businesses or entire industries and their financial resources. Today the activities of trade union movement on behalf of its members cover some or all of such areas as:

- Improving rates of remuneration;
- Improving working conditions, welfare and safety;
- Protecting members against unfair practices;
- Trying to ensure security of employment;
- Raising the status of workers;
- Involvement in all matters concerning the workforce of an organization.

## 9.2 Collective bargaining

This is the name given to a system by which a union negotiates with management on behalf of its members. Such negotiations can be done on an individual basis, i.e. between an organization and the union representing the members employed by that organization. However, it is becoming common in some countries to find a number of organizations in the similar industry negotiating with a union or unions jointly.

## 9.3 Industrial action

When negotiations between the trade union and the employer fail, various forms of industrial action can result. It may take the form of overtime bans, go slows, work to rule, strike etc. This action continues until such time as one party gives way or until an independent arbitration body is called in to mediate and is able to find a formula acceptable to both parties.

## 9.4 Joint consultation

In many countries joint consultation between representatives of employers and representatives of employees is becoming increasingly common. That is due to the appreciation by management of the right and need of employees to be consulted about and even to participate in decisions which affect their employment, livelihood and job security. Joint consultations can range from the discussing of minor problems which have arisen on the shop-floor to the attendance of employees' representatives at meetings of directors.

For success, management must accept the rights of the employees to be consulted and recognize the value of their contributions. At the same time, the employees and their representatives must recognize the expertise which management possesses and the importance of planning beyond the immediate future. Both sides must be prepared to consider the other's point of view.

## 9.5 Staff Associations

Members of staff associations are usually non-manual workers, or 'white collar workers' (as opposed to being 'blue collar' manual workers). They might be clerks, secretarial staff, computer operators, sales personnel, hospital nursing staff, doctors, engineers etc.

The representatives of a staff association will take up with the HR manager the causes of individuals, or groups of their members, and strive to obtain better pay scale and improved working conditions, and support members' claims of unfair dismissal, and claims for compensation for injuries sustained in their employment etc.

## 9.6 The Role of HR Manager

The HR manager and his/her staff play a vital role in all negotiations between employees and management. The HR manager needs to be able to think clearly and logically and, as the result of training and 'practical experience,' he/she must acquire the ability to approach each situation and problem positively and objectively.

It is important that an HR manager neither makes "snap decisions" based on inadequate thought or consideration, nor is hesitant in reaching a decision. The process of decision making involves the following steps:

- Defining as accurately as possible the problem which needs to be solved;
- Collecting all relevant information about the problem;
- Breaking down the problem into parts;
- Comparing the probability of success of possible different solutions;
- Selecting the most suitable solution;
- Making the decision, and implementing it.

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# 11 About the Author

Man Mohan Joshi, M.A., M.Ed., Cert.EA, Dip.HRD, Dip. Mgmt.(UK), has over 40 years' teaching, training and administrative experience. He has worked as Principal of large and reputed schools in India, Kuwait and Sultanate of Oman.

For his work on Innovative Practices in Value Education he was awarded by the National Council of Educational Research and Training, India.

He is also the recipient of the Best Teacher Award from the Govt. of Tamilnadu as well as the Central Board of Secondary Education, India.

He has presented papers at various national and international conferences under the auspices of UNESCO. He has also conducted various workshops for teachers, students, parents and administrators. The topics covered a wide area viz., Leadership and Team Building, Value Education, Administration Skills, Choosing a Career, Effective Decision Making in School Administration, Effective Communication Skills, Interpersonal Relationships, Continuous Comprehensive Evaluation, Skills in Dealing with Managers, Secretarial Skills. He has also authored several books on different subjects.

Currently he is working as Consultant in Arabian Institute for Financial and Administrative Studies, Sultanate of Oman, and also conducts workshops for teachers, educational administrators, managers, supervisors and marketing personnel.

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