



GOVERNMENT ARTS COLLEGE FOR WOMEN, SALEM-8

(Reaccredited with "A" Grade- III Cycle by NAAC)

Affiliated to Periyar University, Salem-11

Yercaud Main Road, Gorimedu, Salem – 636 008

PG & RESEARCH DEPARTMENT OF COMMERCE

STUDY MATERIAL

PAPER NAME : HUMAN RESOURCE MANAGEMENT

SEMESTER : III

CLASS : M.COM

PAPER CODE : 17PCM11

III - Semester

Unit I

HUMAN RESOURCE MANAGEMENT

Human Resource Management – Definition – Objectives and Functions – Role and Structure of Personnel function in Organisations – Personnel Principles and Policies.

Unit II

Human Resource Planning – Characteristics – Need of Planning – HRP Process – Job Analysis – Job Design – Job Description – Job Specification.

Unit III

Recruitment and Selection Process – Placement and Induction – Training and Development – Promotion – Demotions – Transfers – Separation – Performance Appraisal.

Unit IV

Discipline – Meaning – Causes of Indiscipline – Acts of Indiscipline – Procedure for Disciplinary Action – Grievance – Meaning – Characteristics of Grievances – Causes of Grievance – Methods of knowing Grievance – Grievance Redressal Procedure.

Unit V

Organisation Conflict – Conflict in Organisational Behaviours – Individual aspect of Conflict – Organisational Conflict – Leadership – Leadership Theories.

Note: Question paper shall cover 100% theory

REFERENCES:

1. *Human Resource Management* : Venkataraman C.S & Srivastava B.K, Tata McGraw Hill, 1991.
2. *Human Resource Management* :D.K. Bhattacharyya, Himalaya Publishing House, Mumbai.
3. *Human Resource Management* : Arun Monappa, Industrial Relations, Tata McGraw Hill, 1987.

HUMAN RESOURCE MANAGEMENT

UNIT –I

INTRODUCTION OF HRM

Human resource are the most valuable and unique asset of an organization. The successful management of an organization's human resource is an exciting, dynamic and challenging task, especially at a time when the world has become a global village and economies are in a state of flux. It examines the various HR process that are concerned with attracting, managing , motivating and developing employees for the benefit of the organization.

HRM-MEANING:

We define HRM, it seems pertinent to first define the term '**human resources**'. In common parlance, human resources means the people. However, different management experts have defined human resources differently.

Thus, HRM can be defined as a process of procuring, developing and maintaining competent human resources in the organisation so that the goals of an organisation are achieved in an effective and efficient manner.

DEFINITION :

According to **Flippo**, "human resource management is the planning , organizing , directing and controlling of the procurement, development, compensation, integration, maintenance, and separation of human resource to the end that individual, organizational and social objectives are accomplished."

FUNCTIONS OF HRM:

For the convenience of study, the function performed by the resource management can broadly be classified into two categories, viz.

(1) Managerial functions, and(2) Operative functions

(1) Managerial Functions:

Planning

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

Organising:

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

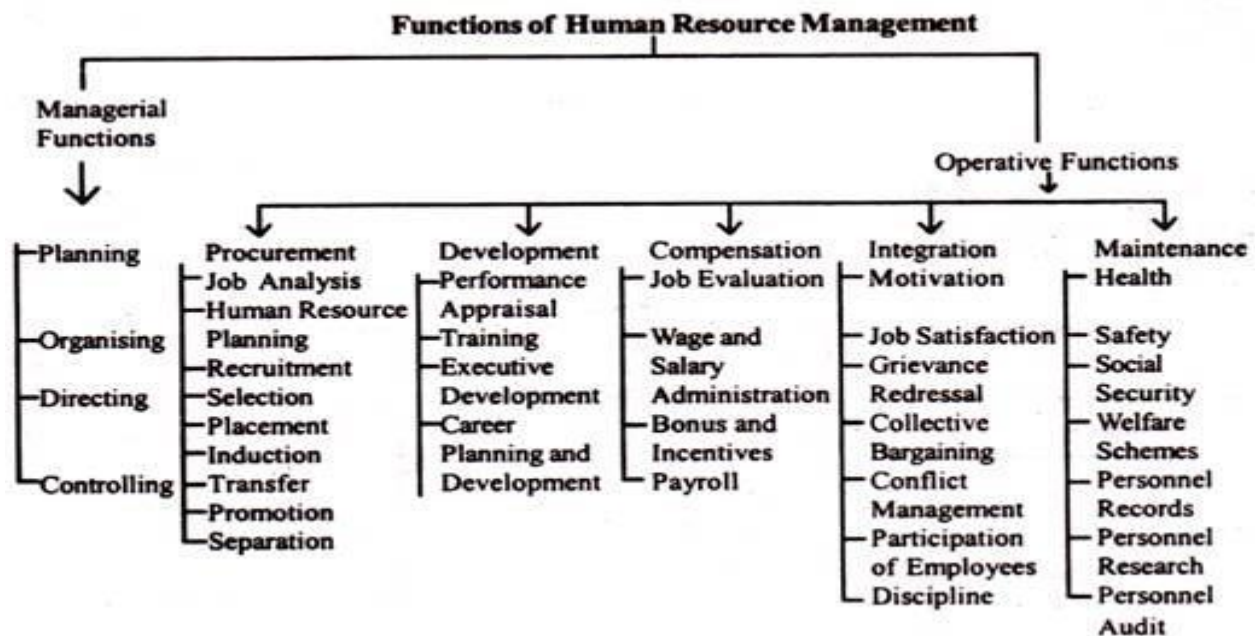


Fig. 1.2 : Functions of Human Resource Management

Staffing:

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

Directing/Leading:

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

Controlling:

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

(2) Operative Functions:

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

Procurement:

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

Development:

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

Compensation:

Compensation function involves determination of wages and salaries matching with contribution made by employees to organisational goals. In other words, this function ensures equitable and

fair remuneration for employees in the organisation. It consists of activities such as job evaluation, wage and salary administration, bonus, incentives, etc.

Maintenance:

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

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

MEANING OF PERSONNEL MANAGEMENT:

Personnel Management (staffing function of Management), also known as Human Resource Management. Personnel management is concerned with the proper use of human factors. Personnel management may be defined as that part of the management process, which is primarily concerned with the human constituents of an organisation.

ROLE OF PERSONNEL MANAGER

- Personnel manager provides assistance to top management- The top management are the people who decide and frame the primary policies of the concern.
- He advises the line manager as a staff specialist- Personnel manager acts like a staff advisor and assists the line managers in dealing with various personnel matters.
- As a counsellor,- As a counsellor, personnel manager attends problems and grievances of employees and guides them. He tries to solve them in best of his capacity.
- Personnel manager acts as a mediator- He is a linking pin between management and workers.
- He acts as a spokesman- Since he is in direct contact with the employees, he is required to act as representative of organization in committees appointed by government. He represents company in training programmes.

ROLE OF PERSONNEL FUNCTIONS IN AN ORGANISATION:

Personnel Manager: Role # 1. Advisory Role:

The personnel department has functional relationship with other departments/managers in the total organisation. As a specialist, the personnel manager advises the heads of different functional departments on various aspects of human resource management e.g., manpower planning, recruitment, selection, training, appraisal, compensation etc.

He represents management in many of the relationships that affect the organisation as a whole. He is also responsible for conveying the problems, grievances or simply opinions of workers to management. The personnel manager should provide suggestions and assistance very tactfully, in order to win the confidence and cooperation of all the line managers.

Personnel Manager: Role # 2. Counselling Role:

The personnel manager plays the role of a counsellor with the employees also. He discusses the various problems of the employees relating to work, career, their supervisors, colleagues, health, family, financial, social etc. and suggests them means to minimise and overcome those problems.

Personnel Manager: Role # 3. Role of a Change Agent:

Personnel manager works as a change agent regarding personnel areas. To be an effective consultant, he should be familiar with the needs and changing environment of the business. He should initiate and spearhead necessary improvement in human resource policies. As a consultant, he can provide necessary infrastructure and support for organisation development. He helps in introducing and implementing major institutional changes in the organisation.

Personnel Manager: Role # 4. The Conscience Role:

While playing the conscious role, the personnel manager informs the management about the humanitarian approach. He should advise the management about the moral and ethical obligations towards the employees.

Personnel Manager: Role # 5. Mediator's Role:

The personnel manager often acts as a mediator in the organisation. Whenever there is a friction between two employees, two groups of employees, superiors and subordinates and employees and management, the personnel manager has to act as a mediator, so as to maintain industrial harmony.

Personnel Manager: Role # 6. Liaison Role:

The personnel manager acts as a representative of the organisation so as to give an overall picture of the organisational operations to the employees particularly in case of industrial disputes or grievance redressal. Similarly, he acts as employees' representative in representing their problems to the management particularly in concerns where trade unions are not there.

Personnel Manager: Role # 7. Legal Role:

The personnel manager plays this fire fighting role of grievance handling, settlement of disputes, handling disciplinary cases, collective bargaining, joint consultation, interpretation and implementation of various labour laws, contacting lawyers regarding court cases, filing suits in labour courts, industrial tribunals, civil courts and the like.

Personnel Manager: Role # 8. Welfare Role:

Under Section 49 of the Factories Act, a welfare officer has to be appointed in specific factories. Personnel manager is expected to be the welfare officer of the company. As a welfare officer, he provides and maintains (on behalf of the company) canteens, hospitals, creches, educational institutions, clubs, libraries, conveyance facilities; cooperative credit societies, consumer stores etc.

Personnel Manager: Role # 9. Controller's Role:

The personnel manager assists the line managers in effective implementation of personnel policies and programmes. His advice and service is essential for monitoring and controlling the progress. As an arm of the top management, the personnel manager ensures that the personnel policies and procedures approved and adopted by the management are being consistently carried out in all the departments.

Personnel Manager: Role # 10. Human Relations Role:

Personnel manager is supposed to be an expert in human relations. He is expected to improve productivity by fulfilling the economic, social and psychological needs and aspirations of employees. Personnel manager also has to meet the challenge of a fast changing post industrial society.

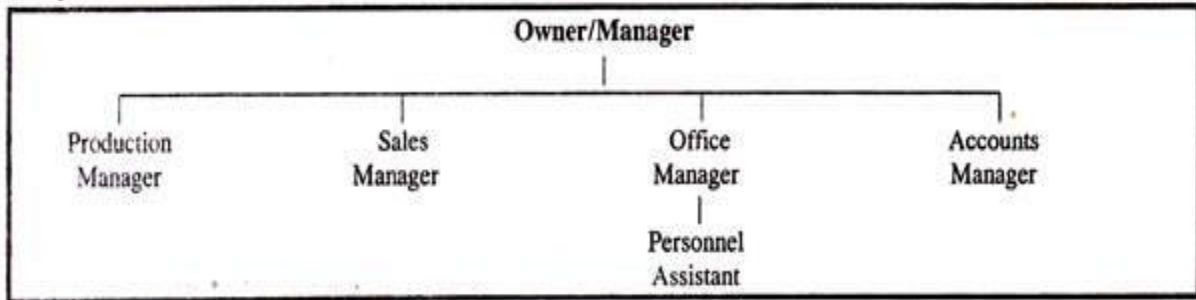
STRUCTURE OF PERSONNEL FUNCTION IN ORGANISATION

Organization Structure of Personnel Department in Small Enterprises:

By small enterprise is meant the enterprise which employs less than one thousand employees. In such enterprises personnel department may or may not exist. Services of outsiders who specialise in maintaining accounts and records relating to provident fund, pension and other statutory requirements are retained for a fee.

In fact, it was this arrangement, which was followed in the past, irrespective of the size of the Organisation. Earlier, personnel as an activity was seen as a necessary but unimportant part of the organisation. Fortunately, things have changed for the better and the status of the personnel department has improved enormously over the years.

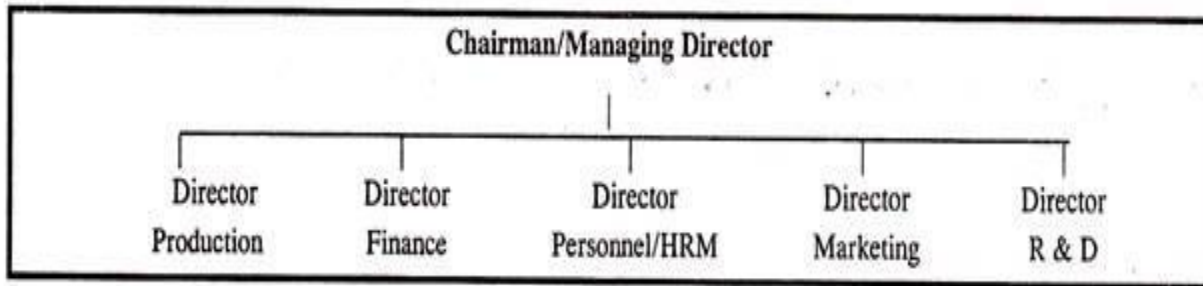
An idea of the organisation of personnel department in a small enterprise can be drawn from the following figure:



Personnel Department in a Small Enterprise.

Organisation Structure of Personnel Department in Large Scale Enterprise:

A large scale enterprise will have a manager/director heading the personnel department. His status will be equal to that of any executive. The following figure shows this structure.



Personnel Department in a Large Scale Unit.

This arrangement holds good when the company has a single unit. Where a company has multiple plants located in different parts of the country, there may be a centralised personnel department at the head office and each plant will have separate personnel departments.

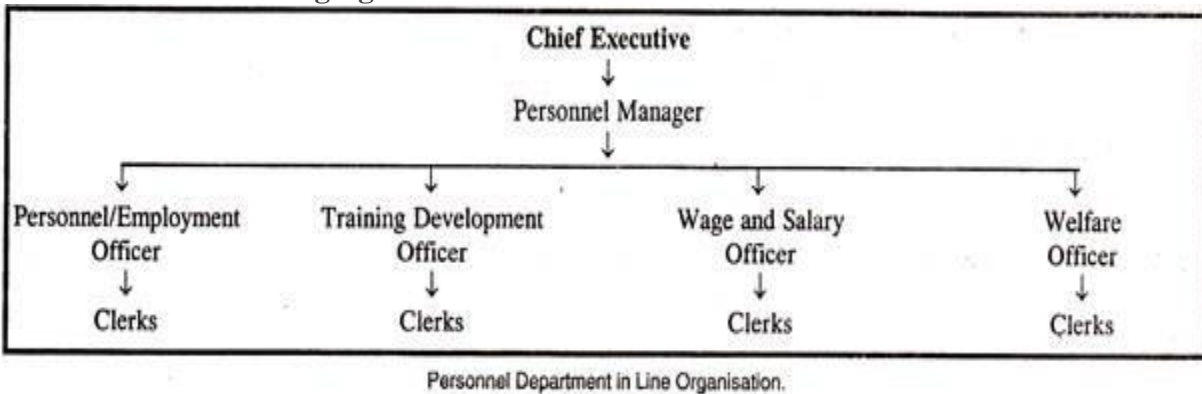
Routine activities relating to each plant are handled by the personnel department attached to the work whereas the broad policies, matters concerning executives etc. are handled by the central department.

Personnel Department in Line Organisation:

In line organisations there is uninterrupted line of authority and responsibility running through the management hierarchy. Line relationship generally exists between a superior and a subordinate. Managers identified as line are not subject to command by staff personnel. In case

of disagreement between line and staff, line manager has the right to make final operating decisions.

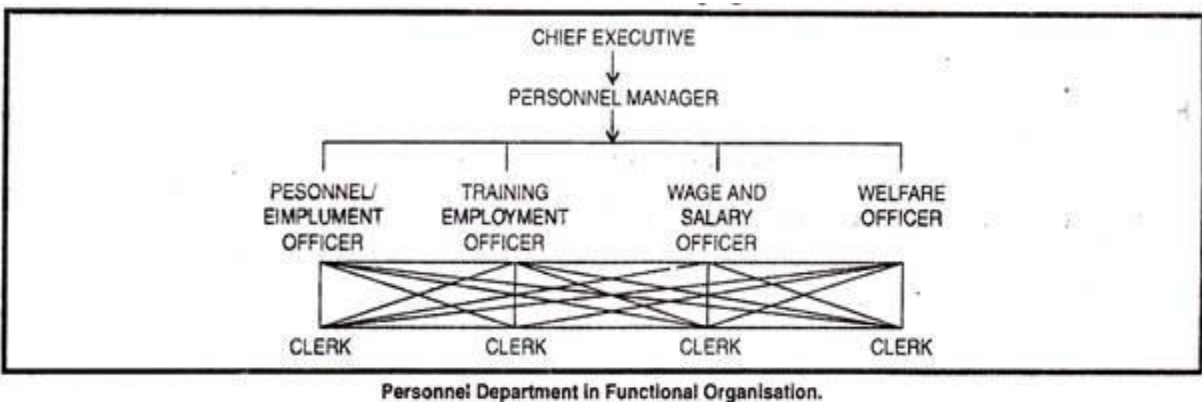
The internal organisation structure of personnel department in line type of organisation's as shown in the following figure:



Personnel Department in Functional Organisation:

According to McFarland, “A functional manager helps serve, investigate, plan, solve special problems, support line effort, provides ideas and has special expertise.”

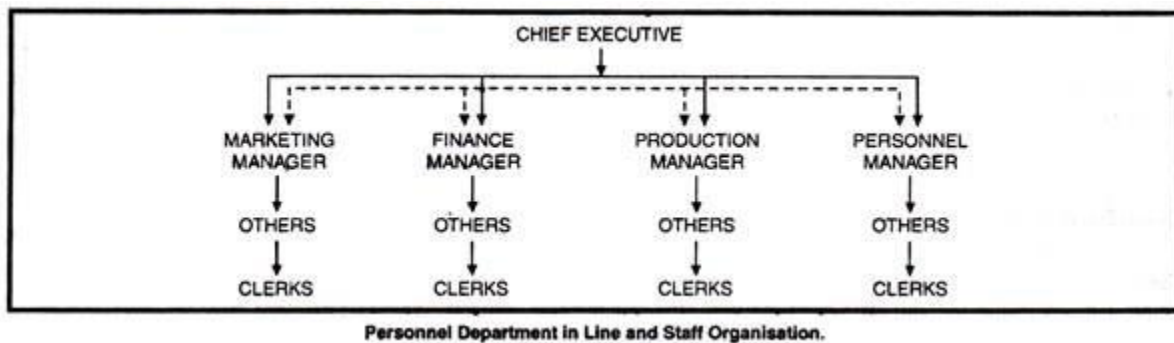
In functional structure, all activities in the company are grouped according to certain functions like production, marketing, finance, personnel etc. Each function is put under the charge of a functional specialist. Functional authority is advisory, which means that the functional specialist recommends action or alternative actions to line managers. **employee reports to several functional heads as shown on the following figure:**



Personnel Department in Line and Staff Organisation:

Large enterprises generally have organisation structures with both line and staff executives. Line and staff structure combines the advantages of both line organisation and functional organisation. Under this system, staff positions are attached to line executives.

Personnel department provides advice and assistance on personnel matters to all departments without undermining unity of command. In the following figure, line authority is shown by a straight line and staff authority by a dotted line.

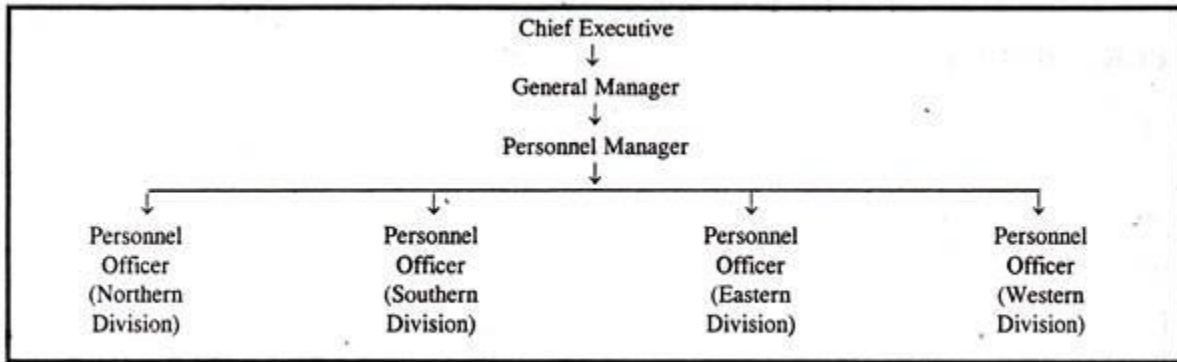


the relationship between chief executive and personnel manager is both line and staff. The relationship between all functional managers inter se is functional in nature.

Personnel Department in a Divisionalised Organisation Structure:

The role of a personnel manager attached to the divisional office/branch office of a decentralised organisation is particularly a difficult one. In a divisional organisation structure, personnel staffs are attached to divisional officers. The personnel officer at divisional level is responsible to the local divisional manager.

He is subordinate to the personnel manager at the head office. In case of rift between personnel officer and divisional manager, the problem can be solved at the head office. The main benefit of divisionalisation is that the performance of various divisions can be compared, but on the other hand, it results in duplication of staff and facilities.

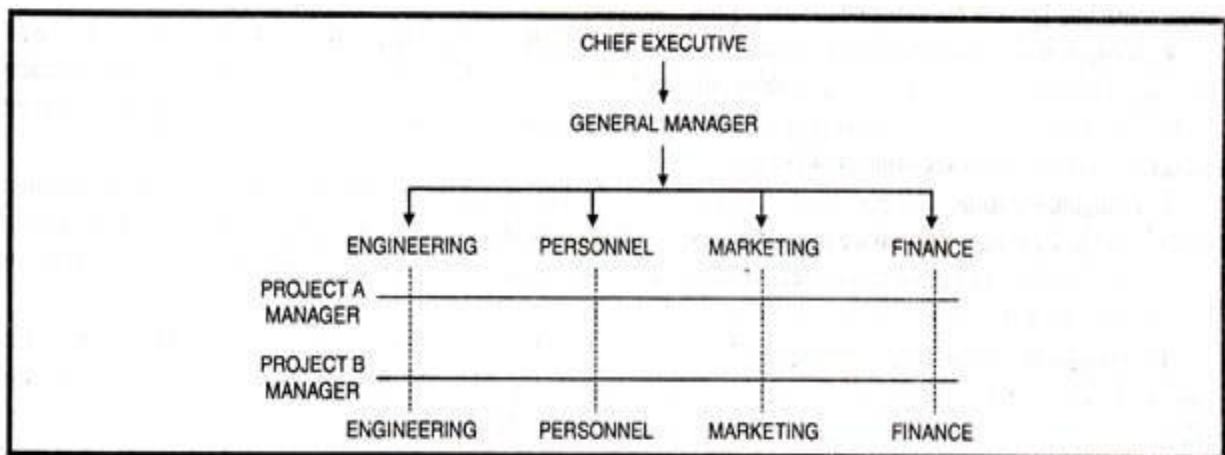


Personnel Department in Divisional Structure.

Personnel Department in a Matrix Organisation Structure:

In a matrix organisation structure, every employee has two superiors i.e. they are under dual authority. One chain of command is functional and the other chain of command is a project team. Hence, matrix structure is referred to as a multi command system, both vertical and horizontal dimension. The team of employees of personnel department have two superiors i.e. personnel manager (vertical dimension) and project manager (horizontal dimension).

Both dimensions of structure are permanent and balanced, with power held equally by both functional and a project manager. Matrix structure is suitable when organisational tasks are uncertain, complex and highly interdependent or when an organisation has to cope with more than one function or project.

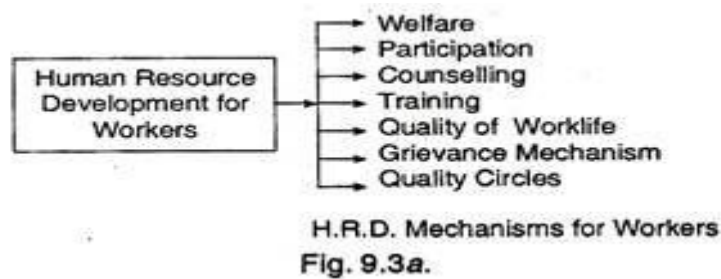


Personnel Department in a Matrix Organisation.

PRINCIPLES OF PERSONNEL MANAGEMENT

Principles of personnel management help the personnel managers to conduct and direct the policies in a proper way.

These principles are:



1. Principle of Right Placement:

There is a common saying that there should be square pegs for the square holes and round pegs for the round holes. Only those persons should be selected who are physically and mentally fit for the job so that they can become our 'asset' in the future.

2. Principle of Development:

All workers should be given the opportunity to develop so that their monetary position as well as their social status is enhanced. Workers tend to be more sincere and hard working when they are aware of the chances of promotion in the organisation.

3. Principle of Participation:

This principle states that we should consider the organisation a co-ordinated team. If workers participate in the formulation of policies, a large number of problems which arise due to misunderstanding can be avoided.

4. Principle of Mutual Interest:

The workers should feel that interest of management is common with the workers. This will provide motivation to the workers to put in hard work which will entitle them to earn higher wages and non-monetary benefits.

5. Principle of Good Working Conditions:

Workers should be given better tools, good working conditions, and adequate wages and there should be impartial appraisal of their work.

6. Principle of Flexibility:

A personnel policy must be such that it can be changed with the change in circumstances. Technological changes are taking place at a very fast speed in the industries and for that reason a constant review of such policies is necessary.

7. Principle of Scientific Selection:

This principle enables to have a right person for the right job.

8. Principle of High Morale:

Ideal wage policy should be offered to the workers so that their morale becomes high and they work with interest.

9. Principle of Dignity of Labour:

The labour should feel proud of their work.

10. Principle of Team Spirit:

Team spirit must be developed in the workers. They should work collectively with collective responsibility, and should have sense of cooperation, unity and mutual trust.

11. Principle of Effective Communication:

There must be effective communication between the management and workers otherwise complex problems like mistrust, hatred and ill- will arise which in turn affects the production of the organisation.

12. Principle of Joint Management:

This creates responsibility in the labour with increasing mutual faith and friendship. This improves the labour relations.

13. Principle of Fair Reward:

Labour should be given proper compensation for the work. This develops industrial piece.

PERSONNEL POLICIES

Personnel policies are guidelines that an organization or company creates to manage its workers. Personnel policies describe the type of job performance and workplace behavior an organization expects from its employees, and what type of compensation and opportunities for advancement it is offering in return. The rules, requirements, benefits and opportunities outlined in personnel policies are often viewed as a reflection of an organization's values and goals.

The Basics

Although personnel policies vary from company to company, most written policies are general rules that apply to all employees rather than specific job requirements for individual workers. Some of the most basic information includes the number of hours employees are expected to work each day, starting times, the amount of time allowed for breaks and lunch, and the

number of sick days, personal days and vacation days each worker is entitled to take with pay each year.

Compensation

Personnel policies also describe the pay employees can expect for their work, although often salary or pay levels or tiers are used rather than specific dollar amounts. Payroll schedules and whether employees are paid weekly or bi-weekly, opportunities to work overtime, pay raises, and what a manager may consider during an employee evaluation are also usually included. Companies also explain what type of health care benefits are offered for workers, and how much each individual is expected to contribute for that insurance. Reimbursement for mileage traveled in an employee's personal vehicle, on-the-job expenses such as special clothing, and education that enhances an individual's job performance are usually discussed as part of a company's compensation package.

Supervisors and Grievances

The chain of command or who supervises an employee on the job should also be part of a personnel policy. Many employers clearly state specific actions or behaviors that are unacceptable in a workplace and the types of discipline workers can expect from supervisors if those rules are broken. However, most personnel policies also include a grievance process that explains how employees can appeal a supervisor's disciplinary decision if they feels it is unfair.

Employment Law

Although employers can fill personnel policies with other requirements and benefits, in some cases, policy is determined by federal employment laws. For example, an employer can choose to pay its workers \$100 an hour. However, an employer must, in most cases, pay a worker at least the federal minimum wage or the state minimum wage if it is higher. According to the Family and Medical Leave Act, a company with 50 or more employees must allow any worker who has been on the job for 12 months to take a 12-week leave of absence for the birth or adoption of a child, for a serious illness or an emergency involving the military service of a family member. The Equal Opportunity Commission enforces federal laws that prohibit an employer from discriminating against a worker based on her race, sex, religion or national origin.

Goals

Personnel policies are, in part, the result of a post-World War II movement that looked at the emerging field of organizational psychology and tried to apply certain rules to workers to make industry more productive and efficient. During the 1960s and '70s, the field of human resources began paving a more humane and socially aware approach to personnel policies that emphasized a worker's sense of safety, well-being and opportunity as a means to achieve greater productivity. Beyond productivity, writers like Jette Louise Flensburg, organizations such as the Human Rights Campaign and scholars like Matt Huffman at the University of Santa Barbara believe personnel policies have the ability to create and foster equality among the employees.

UNIT II

HUMAN RESOURCE PLANNING (HRP)

MEANING OF HRP:

Human Resource Planning is a systematic process of forecasting both the prospective demand for and supply of manpower, and employment of skills with the objectives of the organization. It can also be termed as the method of reviewing the manpower necessities to ensure that right kind of skills is made available to the organization.

The main purpose of HRP is to set the goals and objectives of the company. In other words, it is to have the precise number of employees, with their skills matching the requirements of the organization, so that the organization can move towards its goals.

OBJECTIVES OF HUMAN RESOURCE PLANNING

- Guarantee ample supply of resources, whenever there is a need for it.
- Make sure that the current manpower in the company is being used properly.
- To foresee the potential requirements of manpower at various skill levels.
- Evaluate excess or scarcity of resources that are available at a given point of time.
- Predict the impact of technological changes on the resources as well as on the kind of jobs they do.
- Manage the resources that are already employed in the organization.

CHARACTERISTICS OF HUMAN RESOURCE PLANNING

1. Future Oriented

Human resource planning is prepared to assess the future requirement of manpower in the organization. It helps identify the size and composition of resources for future purpose.

2. Continuous Process

Human resource planning is a continuous process. The human resource planning prepared today may not be applicable for future due to ever changing external forces of the environment. Hence, to address such changing factors, the human resource planning needs to be revised and updated continuously.

3. Optimum Utilization Of Human Resources

:Human resource planning focuses on optimum utilization of resources in the organization. It checks how the employees are utilized in a productive manner. It also identifies employees' existing capabilities and future potentialities to perform the work.

4. Right Kinds And Numbers

Human resource planning determines the right number and kind of people at the right time and right place who are capable of performing the required jobs. It also assesses the future requirement of manpower for organizational objective.

5. Determination Of Demand And Supply

Human resource planning is a process of determining demand for and supply of human resources in the organization. Then a match between demand and supply estimates the optimum level of manpower.

6. Environmental Influence

Human resource planning is influenced by environmental changes, hence, it is to be updated as per the change occupied in the external environment.

7. Related To Corporate Plan

Human resource planning is an integral part of overall corporate plan of the organization. It can be formulated at strategic, tactical and operational levels.

8. A Part Of Human Resource Management System

As a part of total human resource management system, human resource planning is regarded as a component or element of HRM which is concerned with acquisition and assessment of manpower. It serves as a foundation for the management of human resource in an effective and efficient manner.

NEED FOR HUMAN RESOURCE PLANNING

The need of HRP may arise because of the following reasons:

1. In India, unemployment is a grave concern. Scarcity of manpower and that too with the required skill sets and competence, has given rise for need of Human Resource Planning.
2. It comes handy for smooth and continuous supply of workers when a huge number of employees is retiring, or leaving the company or maybe they are incapable of working due to psychological or physical ailments.
3. There is a need for Human Resource Planning when there is an increase in employee turnover, which is obvious. Some examples of this turnover are promotions, marriages, end of contract, etc.
4. Technological changes lead to a chain of changes in the organization, right from skill sets product methods and administration techniques. These changes lead to an overall change in the number of employees required and with entirely different skill set.
5. Human Resource Planning is required to meet the requirements of diversification and growth of a company.
6. There is a need for Human Resource Planning in downsizing the resources when there is a shortage of manpower. Similarly, in case of excess resources, it helps in redeploying them in other projects of the company.

HUMAN RESOURCE PLANNING PROCESS

The **Human Resource Planning** is a process of forecasting the organization's demand for and supply of manpower needs in the near future

Human Resource Planning Process



1. Determining the Objectives of Human Resource Planning:

The foremost step in every process is the determination of the objectives for which the process is to be carried on. The objective for which the manpower planning is to be done should be defined precisely, so as to ensure that a right number of people for the right kind of job are selected.

The objectives can vary across the several departments in the organization such as the personnel demand may differ in marketing, finance, production, HR department, based on their roles or functions.

2. Analyzing Current Manpower Inventory:

The next step is to analyze the current manpower supply in the organization through the stored information about the employees in terms of their experience, proficiency, skills, etc. required to perform a particular job.

Also, the future vacancies can be estimated, so as to plan for the manpower from both the internal (within the current employees) and the external (hiring candidates from outside) sources. Thus, it is to be ensured that reservoir of talent is maintained to meet any vacancy arising in the near future.

3. Forecasting Demand and Supply of Human Resources:

Once the inventory of talented manpower is maintained; the next step is to match the demand for the manpower arising in the future with the supply or available resources with the

organization. Here, the required skills of personnel for a particular job are matched with the job description and specification.

4. **Analyzing the Manpower Gaps:**

After forecasting the demand and supply, the manpower gaps can be easily evaluated. In case the demand is more than the supply of human resources, that means there is a deficit, and thus, new candidates are to be hired. Whereas, if the Demand is less than supply, there arises a surplus in the human resources, and hence, the employees have to be removed either in the form of termination, retirement, layoff, transfer, etc.

5. **Employment Plan/Action Plan:**

Once the manpower gaps are evaluated, the action plan is to be formulated accordingly. In a case of a deficit, the firm may go either for recruitment, training, interdepartmental transfer plans whereas in the case of a surplus, the voluntary retirement schemes, redeployment, transfer, layoff, could be followed.

6. **Training and Development:**

The training is not only for the new joiners but also for the existing employees who are required to update their skills from time to time. After the employment plan, the training programmes are conducted to equip the new employees as well as the old ones with the requisite skills to be performed on a particular job.

7. **Appraisal of Manpower Planning:**

Finally, the effectiveness of the manpower planning process is to be evaluated. Here the human resource plan is compared with its actual implementation to ensure the availability of a number of employees for several jobs. At this stage, the firm has to decide the success of the plan and control the deficiencies, if any.

Thus, human resource planning is a continuous process that begins with the objectives of Human Resource planning and ends with the appraisal or feedback and control of the planning process.

JOB ANALYSIS

JOB:

In simple words, a job may be understood as a division of total work into packages/positions. According to Dale Yoder ‘, “A job is a collection or aggregation of tasks, duties and responsi-

bilities which as a whole, is regarded as a regular assignment to individual employees and which is different from other assignments”.

JOB ANALYSIS –MEANING & DEFINITION

Job analysis refers to the process of collecting information about a job.

According to Jones and Decothis “Job analysis is the process of getting information about jobs: specially, what the worker does; how he gets it done; why he does it; skill, education and training required; relationship to other jobs, physical demands; environmental conditions”.

USES OF JOB ANALYSIS

Job analysis is useful for overall management of all personnel activities.

1. Human Resource Planning:

The estimates the quantity and quality of people will be required in future. How many and what type of people will be required depends on the jobs to be staffed. Job-related information available through job analysis is, therefore, necessary for human resource planning.

2. Recruitment and Selection:

Recruitment succeeds job analysis. Basically, the goal of the human resource planning is to match the right people with the right job. This is possible only after having adequate information about the jobs that need to be staffed. It is job analysis that provides job information. Thus, job analysis serves as basis for recruitment and selection of employees in the organisation.

3. Training and Development:

Job analysis by providing information about what a job entails i.e., knowledge and skills required to perform a job, enables the management to design the training and development programmes to acquire these job requirements. Employee development programmes like job enlargement, job enrichment, job rotation, etc.

4. Placement and Orientation:

As job analysis provides information about what skills and qualities are required to do a job, the management can gear orientation programmes towards helping the employees learn the required

skills and qualities. It, thus, helps management place an employee on the job best suited to him/her.

5. Job Evaluation:

The job evaluation refers to determination of relative worth of different jobs. It, thus, helps in developing appropriate wage and salary structures. Relative worth is determined mainly on the basis of information provided by job analysis.

6. Performance Appraisal:

Performance appraisal involves comparing the actual performance of an employee with the standard one, i.e., what is expected of him/her. Such appraisal or assessment serves as basis for awarding promotions, effecting transfers, or assessing training needs. Job analysis helps in establishing job standards which may be compared with the actual performance/contribution of each employee.

7. Personnel Information:

Increasing number of organisations maintain computerised information about their employees. This is popularly known as Human Resource Information System (HRIS). HRIS is useful as it helps improve administrative efficiency and provides decision support^ Information relating to human resources working in the organisation is provided by job analysis only.

8. Health and Safety:

Job analysis helps in identifying and uncovering hazardous conditions and unhealthy environmental factors such as heat, noise, fumes, dust, etc. and, thus, facilitates management to take corrective measures to minimise and avoid the possibility of accidents causing human injury

PROCESS OF JOB ANALYSIS

Job analysis is as useful is not so easy to make. In fact, it involves a process.

1. Organisational Job Analysis:

Job analysis begins with obtaining pertinent information about a job'. This, according to Terry is required to know the makeup of a job, its relation to other jobs, and its contribution to performance of the organisation. Such information can be had by dividing background

information in various forms such as organisation charts i.e., how the particular job is related to other jobs; class specifications i.e., the general requirement of the job family

2. Selecting Representative Jobs for Analysis:

Analysing all jobs of an organisation is both costly and time consuming. Therefore, only a representative sample of jobs is selected for the purpose of detailed analysis.

3. Collection of Data for Job Analysis:

In this step, job data features of the job and required qualifications of the employee are collected. Data can be collected either through questionnaire, observation or interviews. However, due care should be taken to select and use the method of data collection that is the most reliable in the given situation of the job.

4. Preparing Job Description:

The job information collected in the above ways is now used to prepare a job description. Job description is a written statement that describes the tasks, duties and responsibilities that need to be discharged for effective job performance.

5. Preparing Job Specification:

The last step involved in job analysis is to prepare job specification on the basis of collected information. This is a written statement that specifies the personal qualities, traits, skills, qualification, aptitude etc. required to effectively perform a job.

TWO MAJOR ASPECTS OF JOB ANALYSIS:

1. Job Description
2. Job Specification

Table 5.1: Job Contents

<i>Job Description</i>	<i>Job specification</i>
<p>A statement containing items such as</p> <ul style="list-style-type: none">● Job title● Location● Job summary● Duties● Machines, tools, and equipment● Materials and forms used● Supervision given or received● Working conditions● Hazards	<p>A statement of human qualifications necessary to do the job. Usually contains such items as</p> <ul style="list-style-type: none">● Education● Experience● Training● Judgement● Initiative● Physical effort● Physical skills● Responsibilities● Communication skills● Emotional characteristics● Unusual sensory demands such as sight, smell, hearing.

JOB DESCRIPTION

Job description is prepared on the basis of data collected through job analysis. Job description is a functional description of the contents what the job entails. It is a narration of the contents of a job. It is a description of the activities and duties to be performed in a job, the relationship of the job with other jobs, the equipment and tools involved, the nature of supervision, working conditions and hazards of the job and so on.

PURPOSES OF JOB DESCRIPTION

Job description is done for fulfilling the following purposes:

1. Grading and classification of jobs
2. Placement and Orientation of new employees
3. Promotions and transfers
4. Outlining for career path

5. Developing work standards
6. Counselling of employees
7. Delimitation of authori

JOB SPECIFICATION

While job description focuses on the job, job specification focuses on the person i.e, the job holder. Job specification is a statement of the minimum levels of qualifications, skills, physical and other abilities, experience, judgment and attributes required for performing job effectively. Job specification specifies the physical, psychological, personal, social and behavioural characteristics of the job holders.

USAGES OF JOB SPECIFICATION INCLUDE:

1. Personnel planning
2. Performance appraisal
3. Hiring
4. Training and development
5. Job evaluation and compensation
6. Health and safety
7. Employee discipline
8. Work scheduling
9. Career planning

BASIS FOR COMPARISON	JOB DESCRIPTION	JOB SPECIFICATION
Meaning	Job Description is a concise written statement, explaining about what are the major requirements of a particular job.	The statement which explains the minimum eligibility requirements, for performing a particular job is known as Job Specification.
Lists out	Job title, duties, tasks and responsibilities involved in a job.	Employee's qualification, skills and abilities.
What is it?	It expresses what a prospective	It expresses what an applicant must

	employee must do when he will get the placement	possess for getting selected.
Prepared from	Job Analysis	Job Description
Describes	Jobs	Job Holders
Comprises of	Designation, place of work, scope, salary range, working hours, responsibilities, reporting authority etc.	Educational qualifications, experience, skills, knowledge, age, abilities, work orientation factors, etc.

JOB DESIGN

Job design (also referred to as **work design** or **task design**) is a core function of [human resource management](#) and it is related to the specification of contents, methods and relationship of jobs in order to satisfy technological and organizational requirements as well as the social and personal requirements of the job holder or the employee.

BENEFITS OF JOB DESIGN

The following are the benefits of a good job design:

1. **Employee Input:** A good job design enables a good job feedback. Employees have the option to vary tasks as per their personal and social needs, habits and circumstances in the workplace.
2. **Employee Training:** Training is an integral part of job design. Contrary to the philosophy of “leave them alone’ job design lays due emphasis on training people so that are well aware of what their job demands and how it is to be done.
3. **Work / Rest Schedules:** Job design offers good work and rest schedule by clearly defining the number of hours an individual has to spend in his/her job.
4. **Adjustments:** A good job designs allows for adjustments for physically demanding jobs by minimising the energy spent doing the job and by aligning the manpower requirements for the same.

TECHINEQUES OF JOB DESIGN

1. Job rotation

Job rotation is a job design process by which employee roles are rotated in order to promote flexibility and tenure in the working environment. Through job rotation, employees laterally mobilize and serve their tasks in different organizational levels; when an individual experiences different posts and responsibilities in an organization, the ability to evaluate his or her capabilities in the organization increases.

2. Job enlargement

It is the process of allowing individual workers to determine their own pace (within limits), to serve as their own inspectors by giving them responsibility for quality control, to repair their own mistakes, to be responsible for their own machine set-up and repair, and to attain choice of method.

3. Job enrichment

Job enrichment increases the employees' autonomy over the planning and execution of their own work, leading to self-assigned responsibility. Because of this, job enrichment has the same motivational advantages of job enlargement, however it has the added benefit of granting workers autonomy .

4. Scientific management

Under *scientific management* people would be directed by reason and the problems of industrial unrest would be appropriately (i.e., scientifically) addressed. This philosophy is oriented toward the maximum gains possible to employees. Managers would guarantee that their subordinates would have access to the maximum of economic gains by means of rationalized processes.

5. Human Relations School

The *Human Relations School* takes the view that businesses are social systems in which psychological and emotional factors have a significant influence on productivity. The common elements in human relations theory are the beliefs that

- Performance can be improved by good human relations
- Managers should consult employees in matters that affect staff

- Leaders should be democratic rather than authoritarian
- Employees are motivated by social and psychological rewards and are not just "economic animals"
- The work group plays an important part in influencing performance

6. Socio-technical systems

Socio-technical systems aims on jointly optimizing the operation of the social and technical system; the good or service would then be efficiently produced and psychological needs of the workers fulfilled. Embedded in Socio-technical Systems are motivational assumptions, such as intrinsic and extrinsic rewards

7. Work reform

Work reform states about the workplace relation and the changes made which are more suitable to management and employee to encourage increased workforce participation.

8. Motivational work design

The psychological literature on employee motivation contains considerable evidence that job design can influence satisfaction, motivation and job performance. It influences them primarily because it affects the relationship between the employee's expectancy that increased performance will lead to rewards and the preference of different rewards for the individual.

9. Two Factor Theory

Frederick Herzberg's [Two Factor Theory](#) (Motivator-Hygiene Theory) proposes that the factors that correlate to motivation in the work environment are separate to those factors that correlate to dissatisfaction.

1. Hygiene Factors (e.g. salary, clean working environment); these do not contribute to motivation, but their absence can lead to dissatisfaction.
2. Motivational Factors (e.g. opportunity for meaningful work, sense of importance); these contribute to one's intrinsic motivation to work in an environment.

UNIT -III

RECRUITMENT

Recruitment is a procedure of classifying, screening, short listing and hiring possible means for filling up the available positions in an organization. It is a core task of Human Resource Management.

Recruitment is the procedure of selecting the right person for the right position and at the right time. Recruitment also mentions to the procedure of attracting, selecting, and appointing potential candidates to meet the administration's resource necessities.

The appointment of the candidates can be done on the inside, i.e. within the organization, or from external sources. And the process should be done within a time limit and it should be cost effective.

IMPORTANCE OF RECRUITMENT

Recruitment is one of the most important happenings of the HR team.

- The organization gets more contented and more creative employees
- Attrition rate decreases.
- It builds a good workplace environment with good employee relationships.
- It effects in overall growth of the organization.
- It governs the current and future job necessity.
- It raises the pool of job at the minimal cost.
- It assistances in the growing the success rate of selecting the right candidates.
- It helps in decreasing the likelihood of short term employments.
- It comes across the organization's social and legal responsibilities with regards to the work force.
- It helps in detecting the job candidates and selecting the suitable resources.
- It helps in growing organizational effects for a short and long term.
- It helps in assessing the efficiency of the numerous recruitment techniques.
- It attracts and inspires the applicants to apply for the jobs in an organization.
- It defines the present, future necessities of the organization and plan according.
- It links the possible employees with the employers.
- It helps in increasing the achievement ratio of the selection process of prospective candidates.
- It helps in making a talent pool of potential candidates, which allows in selecting the right candidates for the right job as per the administrative requirements.

TYPES OF RECRUITMENT

Recruitment types clarify the means by which an organization reaches potential job seekers.



Internal Sources of Recruitment

Internal bases of employment refer to appointment employees within the group internally. In other words, candidates looking for the diverse positions are those who are presently employed with the similar organization.

Internal sources of recruitment are the best and the coolest way of choosing resources as presentation of their work is previously known to the organization. Let us now debate more on the numerous internal sources of recruitment.

Promotions

Promotion refers to advancement the team of the employees by estimating their presentation in the organization. It is the procedure of shifting an employee from a lower position to a higher position with more tasks, remuneration, facilities, and status. Many organizations fill the higher vacant positions with the process of promotions, internally.

Transfers

Transfer refers to the procedure of switching from one job to another without any alteration in the rank and duties. It can also be the shifting of employees from one department to another department or one location to another location, depending upon the requirement of the position.

Let's take an instance to know how it works. Take on there is a financial corporation called ABC Ltd. Having two branches, Branch-A and Branch-B, and an employee from Branch-A accepting from his job accountabilities. Therefore, this position has to be occupied for the continuance of the project with Branch-A.

In this situation, as a substitute of searching or sourcing new candidates, which is time consuming and costly, there is an opportunity of shifting an employee from Branch-B to Branch-A, contingent upon the project necessities and the proficiencies of that respective employee. This internal shifting of an employee from one branch to alternative branch is called as Transfer.

Recruiting Former Employees

Recruiting former employees is a procedure of interior sources of recruitment, where in the ex employees are called back contingent upon the prerequisite of the position. This procedure is cost effective and saves time. The other main advantage of recruiting former staffs is that they are very well experienced with the roles and tasks of the job and the organization needs to spend less on their training and development.

Internal Advertisements (Job Posting)

Internal Advertisements is a procedure of posting/advertising jobs inside the organization. This job placement is an exposed invitation to all the employees inside the organization, where they can put on for the vacant positions. It delivers equal chances to all the employees working in the organization. Therefore, the recruitment will be done from within the organization and it saves a lot of cost.

Employee Referrals

Employee referrals is an real way of obtaining the right applicants at a low cost. It is the procedure of hiring new resources through the references of employees, who are currently working with the organization. In this procedure, the current staffs can refer their friends and relatives for filling up the available positions.

PROS AND CONS OF INTERNAL SOURCES OF RECRUITMENT

- It is humble, easy, quick, and cost effective.
- Not necessary of induction and training, as the candidates already know their job and responsibilities.
- It inspires the employees to work hard, and rises the work relationship within the organization.
- It helps in developing employee loyalty towards the organization.

DISADVANTAGES

- It stops new hiring of possible resources.
- It has incomplete scope because all the vacant positions cannot be filled.
- There could be problems in between the employees, who are promoted and who are not.

- If an internal resource is promoted or transferred, then that position will remain vacant.
- Employees, who are not promoted, may end up being unhappy and demotivated.

EXTERNAL SOURCES OF RECRUITMENT

External bases of recruitment refer to hiring staffs outside the organization outwardly. In other words, the candidates seeking job chances in this case are those who are external to the organization.

Direct Recruitment

Direct recruitment mentions to the external source of employment where the recruitment of experienced candidates is done by assigning a notice of opportunity on the notice board in the organization. This technique of sourcing is also called as factory gate recruitment, as the blue-collar and technical workers are hired over this process.

Employment Exchanges

As per the law, for definite job vacancies, it is compulsory that the organization offers details to the employment exchange. Employment exchange is a government object, where the particulars of the job seekers are stored and given to the bosses for filling the vacant positions. This external recruitment is cooperative in hiring for inexpert, semi-skilled, and skilled workers.

Employment Agencies

Employment agencies are a decent external source of employment. Employment agencies are run by numerous sectors like private, public, or government. It offers inexpert, semi-skilled and skilled wealth as per the necessities of the organization. These agencies hold a database of capable applicants and organizations can use their services at a cost.

Advertisements

Advertisements are the maximum popular and very much favored source of external source of recruitment. The job opportunity is stated through numerous print and electronic media with a precise job description and stipulations of the requirements. Using ads is the best way to source candidates in a short span and it offers an well-organized way of screening the candidates' specific requirements.

Let's take an instance. Accept that there is a Sales Company called XYZ Ltd which has got a new project of retailing a product in a short span of time, as the opposition is very high. In this situation, selecting the specific staffing plays a vital role. Here the ideal type of staffing which should be chosen is Advertisement.

Professional Associations

Professional associations can help a business group in signing professional, technical, and managerial personnel, on the other hand, they focus in sourcing mid-level and top-level resources. There are various professional relations that act as a bridge between the administrations and the job-seekers.

Campus Recruitment

Campus recruitment is an exterior basis of recruitment, where the educational organizations such as colleges and universities offers chances for hiring students. In this procedure, the organizations visit technical, management, and professional institutions for recruiting students directly for the new positions.

Word of Mouth Advertising

Word of mouth is an imperceptible way of obtaining the candidates for filling up the empty positions. There are numerous reputed administrations with good image in the market. Such administrations only requisite a word-of-mouth advertising concerning a job opening to attract a large number of candidates.

PROS AND CONS OF EXTERNAL SOURCES OF RECRUITMENT

The profits are as follows –

- It inspires new chances for job seekers.
- Organization stamping increases over external sources.
- There will be no biasing or partiality between the employees.
- The scope for choosing the right candidate is more, since of the large number applicants appearing.

DIFFICULTIES

- This procedure put away more time, as the selection process is very lengthy.
- The cost experienced is very high when likened to recruiting through internal sources.
- External candidates demand more remuneration and benefits.

RECRUITMENT PROCESS

Recruitment is a procedure of ruling and enticing the potential capitals for filling up the empty positions in an organization. It bases the candidates with the skills and boldness, which are obligatory for attaining the objectives of an organization.

The recruitment process is a procedure of classifying the job vacancy, studying the job necessities, reviewing applications, screening, short listing and selecting the right candidate.



Recruitment Planning

Recruitment planning is the initial step of the hiring process, where the vacant places are examined and labeled. It includes job disclaimers and its nature, experience, qualifications and skills required for the job, etc.

a) Identifying Vacancy

The first and leading procedure of recruitment plan is classifying the vacancy. This procedure begins with getting the demand for employments from different department of the organization to the HR Department, which contains –

- Number of posts to be filled
- Number of positions
- Duties and responsibilities to be performed
- Qualification and experience required

When a job is recognized, it's the duty of the obtaining manager to determine whether the position is required or not, permanent or temporary, full-time or part-time, etc. These limits

should be assessed before commencing recruitment. Proper classifying, planning and evaluating hints to hiring of the right resource for the team and the organization.

b) Job Analysis

Job analysis is a procedure of classifying, analyzing, and influential the duties, accountabilities, skills, abilities, and work environment of a specific job. These factors help in recognizing what a job strains and what an employee must own in performing a job effectively.

The resulting steps are important in analyzing a job –

- Recording and collecting job information
- Accuracy in checking the job information
- Generating job description based on the information
- Determining the skills, knowledge and skills, which are required for the job

The immediate products of job analysis are job descriptions and job specifications.

c) Job Description

Job description is a significant document, which is descriptive in nature and covers the final declaration of the job analysis. This depiction is very significant for a efficacious recruitment process. Job description is generated for fulfilling the following processes –

- Classification and ranking of jobs
- Placing and orientation of new resources
- Promotions and transfers
- Describing the career path
- Future development of work standards

A job description provides information on the resulting elements –

- Job Title / Job Identification / Organization Position
- Job Location
- Summary of Job
- Job Duties
- Machines, Materials and Equipment
- Process of Supervision
- Working Conditions
- Health Hazards

d) Job Specification:

Job specification efforts on the conditions of the candidate, whom the HR team is going to hire. The first step in job requirement is making the list of all jobs in the organization and its locations. The second step is to generate the information of each job.

This information about each job in an organization is as follows –

- Physical specifications
- Mental specifications
- Physical features
- Emotional specifications
- Behavioral specifications

A job specification document provides information on the following elements –

- Qualification
- Experiences
- Training and development
- Skills requirements
- Work responsibilities
- Emotional characteristics
- Planning of career

e) Job Evaluation

Job evaluation is a relative procedure of analyzing, assessing, and deciding the relative value/worth of a job in relation to the other jobs in an organization.

The key objective of job evaluation is to analyze and determine which job commands how much pay. There are several approaches such as job grading, job classifications, job ranking, etc., which are complicated in job evaluation.

II) Recruitment Strategy

Recruitment strategy is the second step of the hiring procedure, where a plan is ready for hiring the resources. After implementing the preparation of job explanations and job specifications, the next step is to choose which strategy to adopt for recruiting the potential candidates for the organization.

While preparing a recruitment strategy, the HR team considers the following points –

- Make or buy employees
- Types of recruitment
- Geographical area
- Recruitment sources

The growth of an employment plan is a long procedure, but taking a right strategy is compulsory to attract the right candidates. The steps complicated in developing a recruitment strategy include

–

- Setting up a board team
- Analyzing HR strategy
- Collection of available data
- Analyzing the collected data
- Setting the recruitment strategy

iii) SEARCHING THE RIGHT CANDIDATES

Searching is the procedure of recruitment where the resources are obtained contingent upon the obligation of the job. After the staffing strategy is done, the examining of candidates will be initialized.

a) Internal Sources

Internal sources of recruitment refer to hiring employees within the organization through –

- Promotions
- Transfers
- Former Employees
- Internal Advertisements (Job Posting)
- Employee Referrals
- Previous Applicants

b) External Sources

External sources of recruitment refer to hiring employees outside the organization through –

- Direct Recruitment
- Employment Exchanges
- Employment Agencies
- Advertisements
- Professional Associations
- Campus Recruitment
- Word of Mouth

IV) SCREENING / SHORTLISTING

Screening starts after the conclusion of the procedure of obtaining the candidates. Screening is the procedure of sifting the applications of the candidates for further selection process.

Screening is an essential part of staffing procedure that helps in removing unreserved or inappropriate candidates, which were conventional through sourcing. The screening process of recruitment consists of three steps –

Reviewing of Resumes and Cover Letters

Reviewing is the initial step of screening candidates. In this procedure, the resumes of the candidates are studied and tested for the candidates' education, work knowledge, and complete background matching the requirement of the job. HR executive should keep the resulting points in mind:

- Reason for change of job
- Longevity with each organization
- Long gaps in employment
- Job-hopping
- Lack of career progression

Conducting Telephonic or Video Interview

Conducting telephonic or video interviews is the next step of screening candidates. In this procedure, after the resumes are partitioned, the candidates are communicated through phone or video by the hiring manager. This screening process has two outcomes –

- It helps in verifying the candidates, whether they are active and available.
- It also helps in giving a quick insight about the candidate's attitude, ability to answer interview questions, and communication skills.

Identifying the top candidates

Identifying the highest candidates is the final step of screening the resumes/candidates. In this procedure, the cream/top layer of resumes are qualified, which makes it easy for the hiring manager to take a decision. This process has the following three outcomes –

- Shortlisting 5 to 10 resumes for review by the hiring managers
- Providing insights and recommendations to the hiring manager
- Helps the hiring managers to take a decision in hiring the right candidate

V) EVALUATION AND CONTROL

Evaluation and control are the last phase in the procedure of recruitment. In this procedure, the efficiency and the cogency of the procedure and methods are measured. Recruitment is an expensive process; therefore it is important that the enactment of the recruitment process is carefully evaluated. These include the resulting –

- Incomes to the Recruiters
- Advertisements cost and other costs experienced in recruitment methods, i.e., agency fees.
- Administrative expenses and Recruitment overheads
- Overtime and Outstanding costs, while the vacancies remain unfilled
- Cost incurred in recruiting suitable candidates for the final selection process

SELECTION

Selection is a process of measurement, decision making and evaluation. The goal of a selection system is to bring in to the organization individuals who will perform well on the job. A good selection system must also be fair to the minorities and other protected categories.

To have an accurate and fair selection system, an organization must use reliable and valid measures of job applicant characteristics. In addition, a good selection system must include a means of combining information about applicant characteristics in a rational way and producing correct hire and no-hire decisions.

Selection Process

The selection procedure comprises of following systematic steps:



1. **Preliminary Interview:** The preliminary interview is also called as a screening interview wherein those candidates are eliminated from the further selection process who do not meet the minimum eligibility criteria as required by the organization.

Here, the individuals are checked for their academic qualifications, skill sets, family backgrounds and their interest in working with the firm. The preliminary interview is less formal and is basically done to weed out the unsuitable candidates very much before proceeding with a full-fledged selection process.

2. **Receiving Applications:** Once the individual qualifies the preliminary interview he is required to fill in the application form in the prescribed format. This application contains the candidate

data such as age, qualification, experience, etc. This information helps the interviewer to get the fair idea about the candidate and formulate questions to get more information about him.

3. **Screening Applications:** Once the applications are received, these are screened by the screening committee, who then prepare a list of those applicants whom they find suitable for the interviews. The short listing criteria could be the age, sex, qualification, experience of an individual. Once the list is prepared, the qualified candidates are called for the interview either through a registered mail or e-mails.
4. **Employment Tests:** In order to check the mental ability and skill set of an individual, several tests are conducted. Such as intelligence tests, aptitude tests, interest tests, psychological tests, personality tests, etc. These tests are conducted to judge the suitability of the candidate for the job.
5. **Employment Interview:** The one on one session with the candidate is conducted to gain more insights about him. Here, the interviewer asks questions from the applicant to discover more about him and to give him the accurate picture of the kind of a job he is required to perform.

Also, the briefing of certain organizational policies is done, which is crucial in the performance of the job. Through an interview, it is easier for the employer to understand the candidate's expectations from the job and also his communication skills along with the confidence level can be checked at this stage.

6. **Checking References:** The firms usually ask for the references from the candidate to cross check the authenticity of the information provided by him. These references could be from the education institute from where the candidate has completed his studies or from his previous employment where he was formerly engaged. These references are checked to know the conduct and behavior of an individual and also his potential of learning new jobs.
7. **Medical Examination:** Here the physical and mental fitness of the candidate are checked to ensure that he is capable of performing the job. In some organizations, the medical examination is done at the very beginning of the selection process while in some cases it is done after the final selection.

Thus, this stage is not rigid and can take place anywhere in the process. The medical examination is an important step in the selection process as it helps in ascertaining the applicant's physical ability to fulfill the job requirements.

8. **Final Selection:** Finally, the candidate who qualifies all the rounds of a selection process is given the appointment letter to join the firm.

Thus, the selection is complex and a lengthy process as it involves several stages than an individual has to qualify before getting finally selected for the job.

PLACEMENT AND INDUCTION

PLACEMENT:

Placement is a process of assigning a specific job to each of the selected candidates. It involves assigning a specific rank and responsibility to an individual. It implies matching the requirements of a job with the qualifications of the candidate.

SIGNIFICANCE OF PLACEMENT:

It improves employee morale.

- * It helps in reducing employee turnover.
- * It helps in reducing absenteeism.
- * It helps in reducing accident rates.
- * It avoids misfit between the candidate and the job.
- * It helps the candidate to work as per the predetermined objectives of the organization.

INDUCTION:

Once an employee is selected and placed on an appropriate job, the process of familiarizing him with the job and the organization is known as induction. Induction is the process of receiving and welcoming an employee when he first joins the company and giving him basic information he needs to settle down quickly and happily and starts work.

DEFINITION: "The process of receiving and welcoming an employee when he first joins a company and giving him the basic information he needs to settle down quickly and happily and start work." -**Michael Armstrong**

OBJECTIVES OF INDUCTION

- * to help the new comer to overcome his shyness and overcome his shyness nervousness in meeting new people in a new environment.
- * To give new comer necessary information such as location of a café, rest period etc.
- * to build new employee confidence in the organization.

- * It helps in reducing labor turnover and absenteeism.
- * It reduces confusion and develops healthy relations in the organization.
- * To ensure that the new comer do not form false impression and negative attitude towards the organization.
- * To develop among the new comer a sense of belonging and loyalty to the organization.

ADVANTAGES OF INDUCTION

- Induction helps to build up a two-way channel of communication between management and workers.
- Proper induction facilitates informal relations and team work among the employees.
- Induction helps to develop good relations.
- A formal induction programme proves that the company is taking interest in getting him off good staff
- Reduces employee dissatisfaction and grievances.
- Develops a sense of belongingness and commitment.
- Newcomer adjusts himself to the work quickly, and it sever the time of the supervisor.
- First impression matter a good deal and result in less turnover.

The following steps may be identified as the stages of induction process :

A New Employee Orientation Schedule

New Employee : Mr. Niraj Mittal, M.B.A.

(Human Resource Mgmt)

Bangalore University, 1999.

Job Title : Human Resource – Executive

Department : Human Resource Development

Reporting Date : 1st June 1999. 8.00 AM

: Report to Ms. Roopa.

HRD. Chief

8.00 AM to 9.00 AM : Ms. Roopa will: Distribute brochures describing the organization's history, Products and Philosophy,

Review the organization'overall structure, authority structure within the HRD Department. Review HRD policies and practices.

9.30to 10.30AM : Mr. Rao will discuss company benefits, new employee is to fill out health, tax and other relevant forms.

10.30 to11.30 AM : Tour to main building and auxiliary facilities with Ms. Roopa.

11.30 to 12.30 PM : Lunch with HR manager and and with Ms. Roopa.

12.30 to 3.00 PM : Mr. Swaraj will Provide a detailed tour of the production. Marketing Department. Detailed discussion Chief Executive-HRM about daily job routine and department policies and rules

3.00 to 5.00 PM : New employee on his own to familiarize himself with his job.

TRAINING

MEANING: Training is that process by which the efficiency of the employees increases and develops. Training is a specialized knowledge which is required to perform a specific job. In simple words, to provide ability to the employee to perform a specific job is called training. Thus, the art. Knowledge and skill to accomplish a specific job in a specific way is called training.

DEFINITION: According to **Edwin B. Flippo**, "Training is the act of increasing the knowledge and skill of an employee for doing a particular job."

NEED FOR TRAINING:

Every organization should provide training to all the employees irrespective of their qualifications and skills.

1. Environmental changes:

Mechanization, computerization, and automation have resulted in many changes that require trained staff possessing enough skills. The organization should train the employees to enrich them with the latest technology and knowledge.

2. Organizational complexity:

With modern inventions, technological upgradation, and diversification most of the organizations have become very complex. This has aggravated the problems of coordination. So, in order to cope up with the complexities, training has become mandatory.

3. Human relations:

Every management has to maintain very good human relations, and this has made training as one of the basic conditions to deal with human problems.

4. To match employee specifications with the job requirements and organizational needs:

An employee's specification may not exactly suit to the requirements of the job and the organization, irrespective of past experience and skills. There is always a gap between an employee's present specifications and the organization's requirements. For filling this gap training is required.

5. Change in the job assignment:

Training is also necessary when the existing employee is promoted to the higher level or transferred to another department. Training is also required to equip the old employees with new techniques and technologies.

IMPORTANCE OF TRAINING:

- Training of employees and managers are absolutely essential in this changing environment.
- It is an important activity of HRD which helps in improving the competency of employees. Training gives a lot of benefits to the employees such as improvement in efficiency and effectiveness, development of self confidence and assists everyone in self management.
- The stability and progress of the organization always depends on the training imparted to the employees.
- Training becomes mandatory under each and every step of expansion and diversification. Only training can improve the quality and reduce the wastages to the minimum.
- Training and development is also very essential to adapt according to changing environment.

TYPES OF TRAINING:

1. Induction training:

Also known as orientation training given for the new recruits in order to make them familiarize with the internal environment of an organization. It helps the employees to understand the procedures, code of conduct, policies existing in that organization.

2. Job instruction training:

This training provides an overview about the job and experienced trainers demonstrates the entire job. Addition training is offered to employees after evaluating their performance if necessary.

3. Vestibule training:

It is the training on actual work to be done by an employee but conducted away from the work place.

4. Refresher training:

This type of training is offered in order to incorporate the latest development in a particular field. This training is imparted to upgrade the skills of employees. This training can also be used for promoting an employee.

5. Apprenticeship training:

Apprentice is a worker who spends a prescribed period of time under a supervisor.



TRAINING AND DEVELOPMENT OF EMPLOYEES

1. Optimum Utilization of Human Resources:

Training and Development helps in optimizing the utilization of human resource that further helps the employee to achieve the organizational goals as well as their individual goals.

2. Development of Human Resources:

Training and Development helps to provide an opportunity and broad structure for the development of human resources technical and behavioral skills in an organization. It also helps the employees in attaining personal growth.

3. Development of Skills of Employees:

Training and Development helps in increasing the job knowledge and skills of employees at each level. It helps to expand the horizons of human intellect and an overall personality of the employees.

4. Productivity:

Training and Development helps in increasing the productivity of the employees that helps the organization further to achieve its long-term goal.

5. Team Spirit:

Training and Development helps in inculcating the sense of team work, team spirit, and inter-team collaborations. It helps in inculcating the zeal to learn within the employees.

6. Organization Culture:

Training and Development helps to develop and improve the organizational health culture and effectiveness. It helps in creating the learning culture within the organization.

7. Organization Climate:

Training and Development helps to build the positive perception and feeling about the organization. The employees get these feelings from leaders, subordinates, and peers.

8. Quality:

Training and Development helps in improving upon the quality of work and work-life.

9. Healthy Work-Environment:

Training and Development helps in creating the healthy working environment. It helps to build good employee, relationship so that individual goals aligns with organizational goal.

10. Health and Safety:

Training and Development helps in improving the health and safety of the organization thus preventing obsolescence.

11. Morale:

Training and Development helps in improving the morale of the workforce.

12. Image:

Training and Development helps in creating a better corporate image.

13. Profitability:

Training and Development leads to improved profitability and more positive attitudes towards profit orientation.

15. Developing Leadership Skills:

Training and Development helps in developing leadership skills, motivation, loyalty, better attitudes, and other aspects that successful workers and managers usually display

PROMOTIONS, DEMOTIONS & TRANSFERS

PROMOTIONS:

Promotion refers to upward movement in present job leading to greater responsibilities, higher status and better salary. Promotion may be temporary or permanent depending upon the organizational requirement.

DEFINITION: “Promotion is the transfer of an employee to a job which pays more money or one that carries some preferred status.” - **Clothier and Spiegel**

PURPOSE OF PROMOTION:

Promotion stimulates self-development and creates interest in the job.

- Recognize employee’s performance and commitment and motivate him towards better performance;

- develop competitive spirit among employees for acquiring knowledge and skills for higher level jobs;
- retain skilled and talented employees;
- reduce discontent and unrest;
- To fill up job's vacant position that is created due to retirement, resignation or demise of an employee. In this case next senior employee will be promoted to the vacant job.
- utilize more effectively the knowledge and skills of employees; and
- Attract suitable and competent employees.
- It improves morale and job satisfaction
- Ultimately it improves organizational health.

IMPORTANCE AND BENEFITS OF PROMOTIONS

✓ **Recognizes & Improves employee performance, ambition, and hard work:**

One of the most important benefits of employee promotion is that it helps you to recognize and acknowledge the performance and hard work of your employees and thus makes them feel valued. When an employee's efforts are valued, he/she tends to work harder and tries to improve his/her performance further which in turn works for the business.

Boosts motivation & increases loyalty of employees: An employee who gets promoted tends to feel more inspired and motivated to continue doing the good work, and this is yet [another reason](#) why promotions are so important. This increase in motivation leads to better productivity and performance that in turn works in the favor of your organization. Moreover, a promotion also improves and increases loyalty among the employees since they tend to feel a sense of belonging in the workplace and start thinking in its favor.

✓ **Encourages retention:** When the right talent is identified by the management and timely promotion is practiced, the deserving and skilled employees may not be forced to leave the workplace. This improves the retention of the skilled and talented employees and thus benefits the workplace even further. By retaining top level workers and employees, your organization prevents the need for hiring new talent and then grooming them all over again, thus saving time and money.

- ✓ **Develops competitive spirit at the workplace:** When the better team person gets promoted, the other team members may be charged and motivated to perform better than them, and this helps to develop a healthy competitive spirit at the workplace. This kind of a spirit is good for an organization since it promises good performances all around and hence an overall improved productivity.
- ✓ **Grooms leaders for the future:** When the management decides to promote employees for their hard work, they are basically recognizing talent and finding future leaders. This identification of future leaders enables them to groom employees for the future and makes them explore their skills and talent further. Grooming leaders for the future is beneficial for the organization and helps to improve the overall productivity.
- ✓ **Reduces employee resistance and discontent:** If employees go on working hard without any appreciation, praise or appraisal, a sense of discontent and resistance may crop up, and this may not be good for the organization. This can even make their performance go down, hence proving negative for the company. But internal promotion can help to reduce employee resistance and discontent.

DEMERITS:

- The assumption that the employees learn more relatively with length of service is not valid.
- It demotivates the young and more competent employees and results in employee turnover particularly among the dynamic force.
- It kills the zeal and interest to develop as everybody will be promoted with or without improvement.
- Organizational effectiveness may be diminished through the declaration of the human resources effectiveness as the human resources consist of mostly undynamic and old blood.
- Judging seniority though it seems to be easy in the theoretical sense, it is highly difficult in practice.

TYPES OF PROMOTIONS:

a) Up or Out Promotion: In this case, an employee either earns a promotion or seeks employment elsewhere. Out promotion usually leads to termination of employee and joining some other organization in a better position.

b) Dry Promotion: In this type, promotion is given in lieu of increase in salary. For example, when an university professor is made Head of the Department, there is no increase in salary.

c) Paper promotion: Paper promotion happens on seniority of employee in government sector having different departments. Paper promotion is an employee promotion given to the employee belonging to the parent department, but indeed working in another department on transfer, on request of employee or due to exigency of work. Paper promoted employee draws salary pertaining to job in another Department, but not according to promotion's job in the parent Department.

EXAMPLE: INDIA: Insurance Regulatory and Development Authority (IRDA) employees approached Andhra Pradesh High Court on the irregularities in their promotions. Aggrieved employees allege that their promotions are not being done in accordance with prescribed regulations, which prescribes merit, suitability and seniority of employee should be considered while promotions. In response to this, the honorable High Court of Andhra Pradesh issued interim stay on the promotion of employees. (**The economic Times, 22-dec-12**)

Seniority-cum-Merit as basis: As both seniority and merit as basis suffer from certain limitations, therefore, a sound promotion policy should be based on a combination of both seniority and merit. A proper balance between the two can be maintained by different ways: minimum length of service may be prescribed, relative weight age may be assigned to seniority and merit and employees with a minimum performance record and qualifications are treated eligible for promotion, seniority is used to choose from the eligible candidates.

BASES FOR PROMOTION

Seniority as a basis:

It implies relative length of service in the same organization. The advantages of this are: relatively easy to measure, simple to understand and operate, reduces labour turnover and provides sense of satisfaction to senior employees. It has also certain disadvantages: beyond a

certain age a person may not learn, performance and potential of an employee is not recognized, it kills ambition and zeal to improve performance.

Merit as a basis:

Merit implies the knowledge, skills and performance record of an employee. The advantages are: motivates competent employees to work hard, helps to maintain efficiency by recognizing talent and performance. It also suffers from certain disadvantages like: difficulty in judging merit, merit indicates past achievement, may not denote future potential and old employees feel insecure.

DEMOTION

Demotion refers to the lowering down of the status, salary and responsibilities of an employee. Demotion is used as a disciplinary measure in an organization. The habitual patterns of behavior such as violation of the rules and conduct, poor attendance record, insubordination where the individuals are demoted.

DEFINITION: Beach (1975) defines demotion as “the assignment of an individual to a job of lower rank and pay usually involving lower level of difficulty and responsibility”.

CAUSES OF DEMOTION:

- Adverse business conditions: Employees may be demoted because of recession faced by company.
- Incompetency of the employee: It happens when an employee finds it difficult to meet the required standard.
- Technological changes: When employee is unable to adjust with any technological change made by the company.
- Disciplinary measure.
- A clear and reasonable list of rules should be framed, violations of which would subject an employee to demotion;
- This information should be clearly communicated to employees;
- There should be a competent investigation of any alleged violation;
- If violations are discovered, there should be a consistent and equitable application of the penalty, preferably by the immediate supervisor;

- There should be a provision for review. (In a unionised case, this will be automatic via the grievance procedure; in a non-unionised case, the employer will need to make other provisions for review).

TRANSFERS

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

NEED:

1. To Meet Organizational Needs:

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

2. To Satisfy Employee Needs:

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

3. To Better Utilize Employee:

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

4. To Make the Employee More Versatile:

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

5. To Adjust the Workforce:

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

6. To Provide Relief:

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

7. To Punish Employee:

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

POLICY:

Transfer involves costs as well. Therefore, every organisation should have a just and impartial transfer policy for its employees. Transfers should then be affected according to such policy only.

- Specify the circumstances under which transfers will be made.
- These should be in writing and should be communicated to the employees. For example, defense personnel and government employees are subjected to transfer once in three years.
- Specify the basis for transfer i.e., whether transfer will be made on the basis of seniority or skill and competency or on any other basis.
- Decide the authority which would handle transfers.
- Intimate the fact of transfer to the person concerned well in advance.
- Specify the jobs to which transfers will be made and duties and salary on assumption of new jobs should also be clarified.
- Clarify whether transfer is permanent or temporary.

- Indicate whether transfers can be made within a department or between departments or between units.
- Not to be made frequent and not for the sake of transfer only.

TYPES:

1. Production Transfer:

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

2. Remedial Transfer:

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

3. Replacement Transfer:

Replacement transfers are similar to production transfers in their inherent, i.e. to avoid layoffs. Replacement transfers are affected when labour requirements are declining and are designed to replace a new employee by an employee who has been in the organisation for a sufficiently long time.

4. Versatility Transfer:

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

5. Shift Transfers:

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

6. Penalty Transfer:

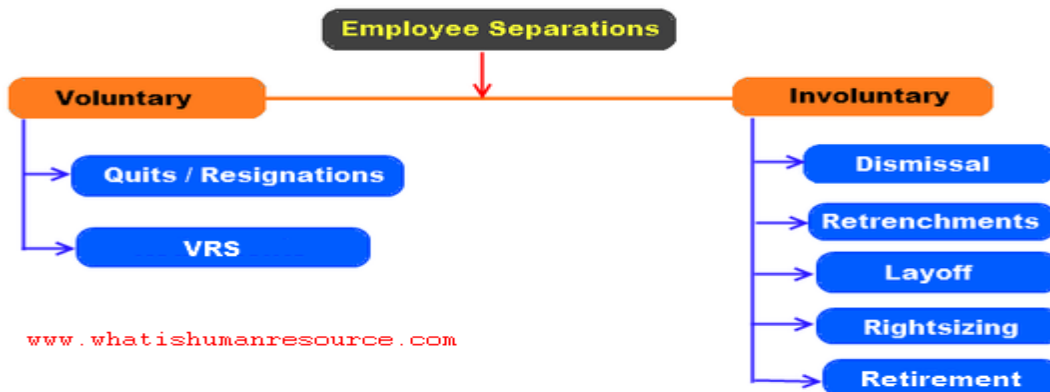
Management may use transfer as an instrument to penalize employees' involved in undesirable activities in the organisation. Employee transfer from one's place of convenience to a far-flung and remote area is considered as a penalty to the employee.

SEPARATIONS

Employee separation is a sensitive issue for any organization. Usually, an employee leaves the organization after several years of service. Thus, the permanent separation of employees from an organization requires discretion, empathy and a great deal of planning. An employee may be separated as consequence of resignation, removal, death, permanent Incapacity, discharge or retirement. The employee may also be separated due to the expiration of an employment contract or as part of downsizing of the workforce.

Definition: According to *Yoder*, separation is a negative recruitment. It may be In the form of resignation, dismissal or Discharge, suspension, retrenchment or lay-off.

TYPES OF SEPARATION:



1. Retirement:

Retirement is the major cause of separation of employees from the organisation. It can be defined as the termination of service of an employee on reaching the age of superannuation. For example, at present the superannuation age for the teachers working in the Central Universities is

62 years and in case of some state government employees, it is 58 years. Some people characterize retirement as 'role less role'.

Retirement may be of two types:

(i) Compulsory Retirement:

This is the retirement when employees retire compulsorily from service on attaining the age of superannuation. Some organisations like Universities may have a policy to reappoint professionals and others who possess rare skills and expertise for a limited time even after attaining superannuation.

(ii) Voluntary Retirement:

When organisations give option to its employees to retire even before superannuation, it is called 'voluntary retirement'. This scheme is termed as, 'voluntary retirement scheme (VRS)'. Of late, in their efforts to downsize the employees, organisations by providing certain incentives, are trying to encourage their employees to opt for voluntary retirement. Employees in return of voluntary retirement are given lumpsum payment. This type of retirement is also called 'Golden Hand Shake'.

2. Resignation:

Resignation is termination of service by an employee by serving a notice, called 'resignation' on the employer. Resignation may be voluntary or involuntary. A voluntary resignation is when an employee himself/herself decides to resign on the grounds of ill health, marriage, better job prospects in other organisations, etc. Resignation is considered involuntary or compulsory when the employer directs the employee to resign on grounds of duty and indiscipline or face the disciplinary action. However, in case of involuntary resignation, a domestic enquiry should be conducted before asking the employee to resign. The normal separation of employees from an organisation owing to resignation, retirement and death is known as 'attrition'.

3. Layoff:

Layoff implies denial of employment to the employees for reasons beyond the control of employer. Breakdown of machinery, seasonal fluctuations in demand, shortage of power, raw

materials, etc. are the examples of reasons leading to layoff. According to Section 2 (KKK) of the Industrial Disputes Act, 1947, lay off is defined as “the failure, refusal or inability of an employer, on account of shortage of coal, power or raw materials or accumulation of stocks or breakdown of machinery or by any other reason, to give employment to a workman whose name appears on the muster rolls of his industrial establishment and who has not been retrenched”.

4. Retrenchment:

Retrenchment means permanent termination of an employee’s services for economic reasons. Retrenchment occurs on account of surplus staff, poor demand for products, general economic slowdown, etc. It’s worth noticing that termination of services on account of retirement, winding up of a business, illness or on disciplinary grounds does not constitute retrenchment. The Industrial Disputes Act, 1947 makes it obligatory for organisations employing 100 or more employees to give three months’ notice to the employee to be retrenched and also seek prior approval of the Government.

5. Dismissal:

Dismissal is termination of service of an employee as a punitive measure. This may occur either on account of unsatisfactory performance or misconduct. Persistent failure on the part of employee to perform up to the expectations or specified standard is considered as unsatisfactory performance. Wilful violation of rules and regulation by the employee is treated as misconduct. Dismissal is a drastic step seriously impairing the earnings and image of the employee.

REASONS FOR SEPARATION:.

- ❖ **Voluntary Separation: Voluntary** separation, which normally begins after a request is placed in this regard by the employee, can happen due to two reasons: professional reason and personal reason. We shall now discuss these reasons in detail.
- ❖ **Professional reasons:** Employees may seek separation when they decide to seek better positions, responsibilities and status outside the present organization. Efficient employees would seek to expand their realm of knowledge and skills continuously by working in

different capacities/positions in various organizations. In their quest for greater responsibility, power and status, they may seek separation from the organization.

- ❖ **Personal reasons** The important personal reasons for voluntary separation are relocation for family reasons like marriage of the employees and health crisis of family members, maternity and child-rearing. For instance, when working women get married, they often prefer to settle in the partners place of occupation. Similarly, an employee may seek voluntary separation to look after the child or parent.
- ❖ **Involuntary Separation** As mentioned earlier, an involuntary separation is caused by the factors which remain beyond the purview of the employees. However, these factors may be classified broadly into health problems, behavioral problems and organizational problems. We shall now discuss these factors in detail
- ❖ **Health problems** Major health problems crippling the employees may make them invalid or unfit to continue in the profession. For instance, accidents causing permanent disabilities and illness of the employees like brain stroke and other terminal illnesses can lead to their involuntary separation. Death of employees is another factor which results in their involuntary separation.
- ❖ **Behavioural problems** An employee's objectionable and unruly behaviour within the organization may also lead to his involuntary separation from the organization. When the employees' behaviour is unethical or violates the code of conduct in force, the organization may initiate disciplinary actions, which may eventually result in his termination. This may constitute an act of involuntary separation. Consistent failure to reach performance goals by an employee can also result in his involuntary separation.
- ❖ **Organizational problems** Organizational problems are another important factor that contributes to the involuntary separation of employees. The poor financial performance of an organization may cause it to terminate the services of some of its employees as part of cost control measure. Such terminations are also classified as involuntary separation. Similarly, automation, organizational restructuring and rationalization can also result in employee termination, discharge or layoff, broadly called involuntary separation.

PERFORMANCE APPRAISAL

Performance appraisal is a systematic process in which employees' job performance is evaluated in relation to the projects on which employee has worked and his contribution to the organization. It is also known as an annual review or performance review. It helps the managers place the right employees for the right jobs, depending on their skills.

ADVANTAGES OF PERFORMANCE APPRAISAL

1. A systematic performance appraisal system helps the managers to properly identify the performance of employees in a systematic manner and their areas of talent and areas where they are lacking.
2. It helps the management to place the right employees for the perfect jobs depending on their skills in particular areas.
3. Performance appraisal helps employees identify the areas in which they need to improve. The managers can also use this information to provide constructive criticism of the way employees perform their work.
4. Potential employees are often given promotions on the basis of or the results of performance appraisals. People who have high ratings get promotions. They can also transfer or demote employees if they not performing up to the expectations of the managers.
5. An appraisal is also useful in determining the effectiveness and results of training programmes. It can show managers how much employees have improved after taking the training programmes. This will give managers data on how to change and evolve the [training programmer](#).
6. It creates healthy competition among employees as they will try to improve their performance and score better than their colleagues.
7. Managers use appraisal programmes to identify the grievances of employees and act upon them.

8. Keeping extensive records of performance appraisal will give managers a very good idea of which employees have the highest growth rate and are which ones have a declining rate of performance.

DISADVANTAGES OF PERFORMANCE APPRAISAL:

1. If the factors being used in the performance appraisal are incorrect or not relevant, the appraisal will fail to provide any useful or effective data.
2. Sometimes, equal weightage is not given to important factors when performing an appraisal.
3. Some objective factors are very vague and difficult to gauge like attitude and initiative. There is no scientific method to measure these factors.
4. Managers are sometimes not qualified enough to correctly assess the employees and their abilities. Thus, these mistakes can be very detrimental to the growth of the company

PERFORMANCE APPRAISAL METHODS

Table 28.4 : Methods of Performance Appraisal

<i>Traditional Methods</i>	<i>Modern Methods</i>
<ol style="list-style-type: none"> 1. Ranking method 2. Paired comparison 3. Grading 4. Forced distribution method 5. Forced choice method 6. Checklist method 7. Critical incidents method 8. Graphic scale method 9. Essay method 10. Field review method 11. Confidential report 	<ol style="list-style-type: none"> 1. Management by Objectives (MBO) 2. Behaviourally anchored rating scales 3. Assessment centres 4. 360-degree appraisal 5. Cost accounting method

Traditional Methods:

Ranking Method:

It is the oldest and simplest formal systematic method of performance appraisal in which employee is compared with all others for the purpose of placing order of worth. The employees

are ranked from the highest to the lowest or from the best to the worst. Thus, if there are ten employees to be appraised, there will be ten ranks from 1 to 10.

Paired Comparison:

In this method, each employee is compared with other employees on one- on one basis, usually based on one trait only. The rater is provided with a bunch of slips each containing pair of names, the rater puts a tick mark against the employee whom he considers the better of the two. The number of times this employee is compared as better with others determines his or her final ranking.

$$N(N-1)/2$$

Where N = the total number of employees to be evaluated. Let this be exemplified with an imaginary example.

If the following five teachers have to be evaluated by the Vice Chancellor of a University:

(K), Mohapatra (M), Raul (R), Venkat (V), and Barman (B), the above formula gives $5(5-1)/2$ or 10 pairs.

K with M			
K with R	M with R		
K with V	M with V	R with V	
K with B	M with B	R with B	V with B

Thus, the pairs so ascertained give the maximum possible permutations and combinations. The number of times a worker is considered better makes his/her score. Such scores are determined for each worker and he/she is ranked according to his/her score.

Grading Method:

In this method, certain categories of worth are established in advance and carefully defined. There can be three categories established for employees: outstanding, satisfactory and unsatisfactory. There can be more than three grades. Employee performance is compared with grade definitions. The employee is, then, allocated to the grade that best describes his or her performance.

Such type of grading is done in Semester pattern of examinations and in the selection of a candidate in the public service sector. One of the major drawbacks of this method is that the rater may rate most of the employees on the higher side of their performance.

Forced Distribution Method:

This method was evolved by Tiffen to eliminate the central tendency of rating most of the employees at a higher end of the scale. The method assumes that employees' performance level conforms to a normal statistical distribution i.e., 10,20,40,20 and 10 per cent. This is useful for rating a large number of employees' job performance and promo ability. It tends to eliminate or reduce bias.

Forced-Choice Method:

The forced-choice method is developed by J. P. Guilford. It contains a series of groups of statements, and rater rates how effectively a statement describes each individual being evaluated. Common method of forced-choice method contains two statements, both positive and negative.

Check-List Method:

The basic purpose of utilizing check-list method is to ease the evaluation burden upon the rater. In this method, a series of statements, i.e., questions with their answers in 'yes' or 'no' are prepared by the HR department (see Figure 28-2). The check-list is, then, presented to the rater to tick appropriate answers relevant to the appraisee. Each question carries a weight-age in relationship to their importance.

Fig. 28.2: Sample Check-list for Appraising University Teachers

	<i>Yes</i>	<i>No</i>
1. Is regular on the job?	---	---
2. Does maintain discipline well?	---	---
3. Does show consistent behaviour to all students?	---	---
4. Is interested in (teaching) job?	---	---
5. Does ever make mistakes?	---	---
6. Does show favouritism to particular students?	---	---
7. Is willing to help colleagues?	---	---

When the check-list is completed, it is sent to the HR department to prepare the final scores for all appraises based on all questions. While preparing questions an attempt is made to determine the degree of consistency of the rater by asking the same question twice but in a different manner (see, numbers 3 and 6 in Figure 28-2).

Critical Incidents Method:

In this method, the rater focuses his or her attention on those key or critical behaviors that make the difference between performing a job in a noteworthy manner (effectively or ineffectively). There are three steps involved in appraising employees using this method.

First, a list of noteworthy (good or bad) on-the-job behavior of specific incidents is prepared. Second, a group of experts then assigns weight age or score to these incidents, depending upon their degree of desirability to perform a job. Third, finally a check-list indicating incidents that describe workers as “good” or “bad” is constructed. Then, the check-list is given to the rater for evaluating the workers.

Graphic Rating Scale Method:

The graphic rating scale is one of the most popular and simplest techniques for appraising performance. It is also known as linear rating scale. In this method, the printed appraisal form is used to appraise each employee. The form lists traits (such as quality and reliability) and a range of job performance characteristics (from unsatisfactory to outstanding) for each trait. The rating is done on the basis of points on the continuum. The common practice is to follow five points scale.

Fig. 28.3: Sample of Graphic Rating Scale Items and Format

Performance Factor	Performance Rating				
<i>Quality of work is the accuracy, skill, and completeness of work.</i>	<input type="checkbox"/> Consistently unsatisfactory	<input type="checkbox"/> Occasionally unsatisfactory	<input type="checkbox"/> Consistently satisfactory	<input type="checkbox"/> Sometimes superior	<input type="checkbox"/> Consistently superior
<i>Quantity of work is the volume of work done in a normal workday.</i>	<input type="checkbox"/> Consistently unsatisfactory	<input type="checkbox"/> Consistently unsatisfactory	<input type="checkbox"/> Consistently satisfactory	<input type="checkbox"/> Sometimes superior	<input type="checkbox"/> Consistently superior

<i>Performance Factor</i>	<i>Performance Rating</i>				
<i>Job knowledge is information pertinent to the job that an individual should have for satisfactory job performance.</i>	<input type="checkbox"/> Poorly informed about work duties	<input type="checkbox"/> Occasionally unsatisfactory	<input type="checkbox"/> Can answer most questions about the job	<input type="checkbox"/> Understands all phases of the job	<input type="checkbox"/> Has complete mastery of all phases of the job
<i>Dependability in following directions and company policies without supervision.</i>	<input type="checkbox"/> Required constant supervision	<input type="checkbox"/> Requires occasional follow-up	<input type="checkbox"/> Usually can be counted on	<input type="checkbox"/> Requires very little supervision	<input type="checkbox"/> Requires absolute minimum of supervision

Essay Method:

Essay method is the simplest one among various appraisal methods available. In this method, the rater writes a narrative description on an employee's strengths, weaknesses, past performance, potential and suggestions for improvement. Its positive point is that it is simple in use. It does not require complex formats and extensive/specific training to complete it.

Field Review Method:

When there is a reason to suspect rater's biasedness or his or her rating appears to be quite higher than others, these are neutralised with the help of a review process. The review process is usually conducted by the personnel officer in the HR department.

Confidential Report:

It is the traditional way of appraising employees mainly in the Government Departments. Evaluation is made by the immediate boss or supervisor for giving effect to promotion and transfer. Usually a structured format is devised to collect information on employee's strength weakness, intelligence, attitude, character, attendance, discipline, etc. report.

Modern Methods:

Management by Objectives (MBO):

Most of the traditional methods of performance appraisal are subject to the antagonistic judgments of the raters. It was to overcome this problem; Peter F. Drucker propounded a new concept, namely, management by objectives (MBO) way back in 1954 in his book.

An MBO programme consists of four main steps: goal setting, performance standard, comparison, and periodic review. In goal-setting, goals are set which each individual, s to attain. The superior and subordinate jointly establish these goals. The goals refer to the desired outcome to be achieved by each individual employee.

CONFIDENTIAL
PA Form: 2B

NAME	EMP. P. S. No.	CADRE	GROUP	DEPT.

EXECUTIVES &
SUPERVISORS



LARSEN & TOUBRO LIMITED
HUMAN RESOURCE DEVELOPMENT—PERFORMANCE APPRAISAL SYSTEM
PERFORMANCE ANALYSIS AND REVIEW
APRIL ... TO MARCH

	NAME	DATE	SIGNATURE
EMPLOYEE			
IMMEDIATE SUPERIOR			
NEXT SUPERIOR	1. 2.		
PERSONNEL/HRD DEPT.			

A PERFORMANCE REVIEW AGAINST OBJECTIVES		B1 By Immediate Superior				
A1 By Employee		Outstanding	V. Good	Good	Adequate	Inadequate
AGREED OBJECTIVES & TARGETS (Not more than five)	RESULTS ACHIEVED					
1.						
2.						
3.						
4.						
5.						

A2 SELF REVIEW (By Employee)				
SIGNIFICANT CONTRIBUTORS (JOB OR PROFESSION RELATED—NOT COVERED ABOVE)				
IMPORTANT FACTORS FACILITATING PERFORMANCE				
IMPORTANT FACTORS HINDERING PERFORMANCE				
B2 PERFORMANCE AGAINST OBJECTIVES (By Immediate Superior)				
OUTSTANDING	V. GOOD	GOOD	ADEQUATE	INADEQUATE (Contd..)

C Appraisal of Critical Attributes (By Immediate Superior)			OUTSTANDING	V.GOOD	GOOD	ADEQUATE	INADEQUATE
C1 Critical Attributes							
1.	INNOVATIVENESS	Ability to think new and better ways of doing things that result in introduction of new ideas or improvements of the systems and operations.					
2.	INITIATIVE	Ability to determine and initiate actions that result in improved handling of jobs, without waiting to be told.					
3.	INTERPERSONAL & TEAM RELATIONSHIP	Ability to interact effectively with people at all levels to gain their confidence and respect and work in a collaborative and participative manner.					
4.	RESOURCEFULNESS	Ability to muster resources to achieve desired results and devise ways and means of solving problems in difficult situations.					
5.	COMMUNICATION SKILLS	Ability to convey thoughts and feelings clearly both through oral as well as written expressions for better understanding.					
Specific role related attributes (Identified in the beginning of the year)							
6.							
7.							
C2 Areas of Strengths & Improvements (By Immediate Superior)							
MAJOR STRENGTHS							
AREAS OF IMPROVEMENTS							
C3 Potential Areas for Growth (By Immediate Superior)							
D Recommendations for Training & Development (By Immediate Superior)							
D1 IN-COMPANY TRAINING PROGRAMMES							
Description		Code		Description		Code	
1.		2.					
D2 OTHER TRAINING PROGRAMMES							
1.		2.					
D3 SPECIFIC DEVELOPMENT PLANS							
Proposed Action (Tick as applicable)				Details of Actions Required			
<input type="checkbox"/> Job Rotation		<input type="checkbox"/> Job Enlargement		<input type="checkbox"/> Special Assignment			
<input type="checkbox"/> Deputation to Other Dept.		<input type="checkbox"/> Other (Please Specify)					
E Comments by Next Superior (S)							
E1		On Specific Development Plans Stated Above in D3					
E2		Overall Observations:					
F For Use by Personnel/HRD Co-ordinator							

Fig. 28.4 : MBO Method of Performance Appraisal at Larsen and Toubro Limited

Behaviourally Anchored Rating Scales (BARS):

The problem of judgmental performance evaluation inherent in the traditional methods of performance evaluation led to some organisations to go for objective evaluation by developing a technique known as “Behaviourally Anchored Rating Scales (BARS)” around 1960s. BARS are descriptions of various degrees of behaviour with regard to a specific performance dimension. BARS for one of these performance dimensions, namely, “knowledge and judgment” can be developed.

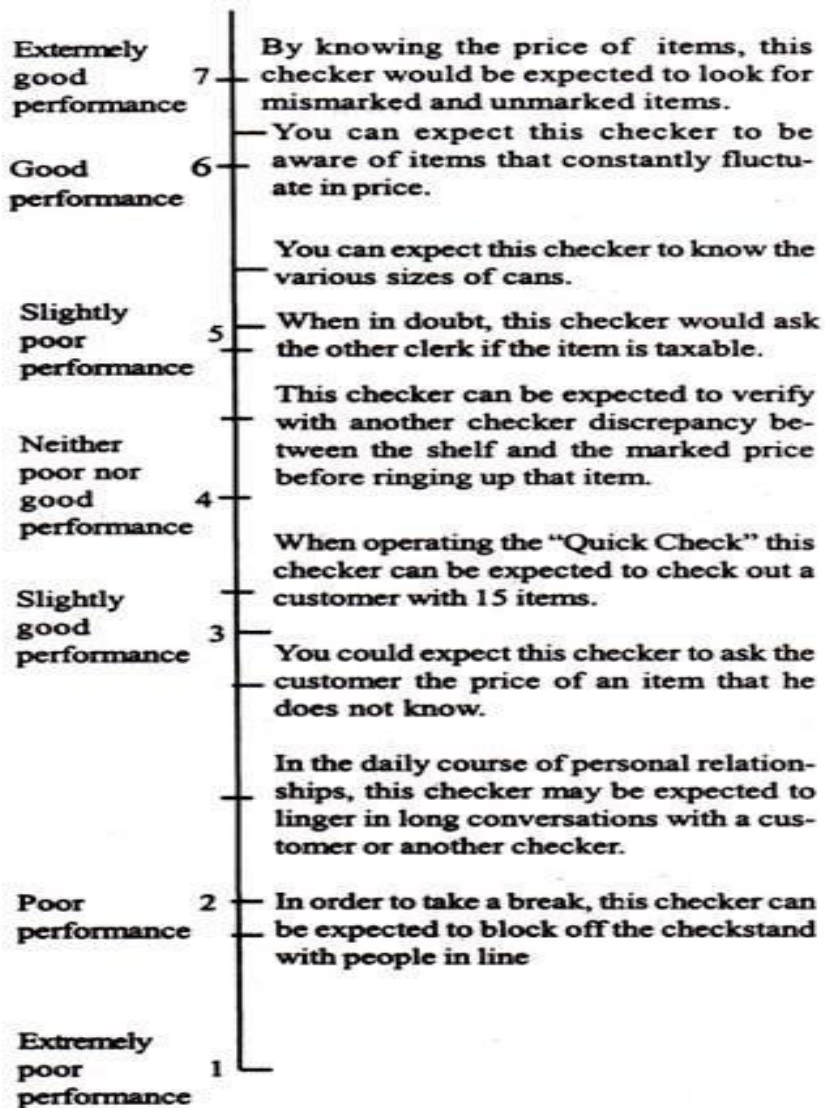


Fig. 28.5 : BARS for Appraising of a Grocery Checker's Job

BARS method of performance appraisal is considered better than the traditional ones because it provides advantages like a more accurate gauge, clearer standards, better feedback, and consistency in evaluation. However, BARS is not free from limitations.

Assessment Centres:

The introduction of the concept of assessment centres as a method of performance method is traced back in 1930s in the Germany used to appraise its army officers. The concept gradually spread to the US and the UK in 1940s and to the Britain in 1960s. In business field, assessment centres are mainly used for evaluating executive or supervisory potential.

By definition, an assessment centre is a central location where managers come together to participate in well-designed simulated exercises. They are assessed by senior managers supplemented by the psychologists and the HR specialists for 2-3 days.

360 – Degree Appraisal:

Yet another method used to appraise the employee's performance is 360 – degree appraisal. This method was first developed and formally used by General Electric Company of USA in 1992. Then, it travelled to other countries including India. In India, companies like Reliance Industries, Wipro Corporation, Infosys Technologies, Thermax, Thomas Cook etc., have been using this method for appraising the performance of their employees. This feedback based method is generally used for ascertaining training and development requirements, rather than for pay increases.

Cost Accounting Method:

This method evaluates an employee's performance from the monetary benefits the employee yields to his/her organisation. This is ascertained by establishing a relationship between the costs involved in retaining the employee, and the benefits an organisation derives from Him/her.

UNIT 4

Discipline-Meaning & Definition -Causes & Acts of Indiscipline -Procedure of Disciplinary Action-Grievance-Meaning & Definition-Characteristics & Causes of Grievance
-Methods of Knowing Grievance & Grievance Redressal

DISCIPLINE

MEANING: In simple words, the word discipline connotes orderly behavior by the members/employees. In other words, discipline implies behaving in a desired manner. By that we mean that employees conform to the rules and regulations framed by the organization for an acceptable behavior.

DEFINITION: According to Richard D. Calhoun', "Discipline may be considered as a force that prompts individuals or groups to observe the rules, regulations and procedures which are deemed to be necessary for the effective functioning of an organization".

FEATURES:

1. Discipline is self-control:

It refers to one's efforts at self-control to conform to organizational rules, regulations and procedures which have been established to ensure the successful attainment of organizational goals.

2. It is a negative approach:

It means discipline encourages people to undertake some activities, on the one hand, and restrains them from undertaking others, on the other.

3. It is a punitive approach:

It means that discipline also imposes penalty or punishment if the rules and regulations framed by the organisation are not obeyed or ignored by the members. Punishment is imposed not to change past behaviour but to prevent its recurrence in future.

OBJECTIVES OF DISCIPLINE:

1. Motivate an employee to comply with the company's performance standards: Employee receives discipline after failing to meet some obligation of job. The failure could be either directly related to the tasks performed by the employee or ignoring rules and regulations that define proper conduct at work.

2. Maintain respect and trust between the supervisor and employee:

Discipline if not properly administered can create problems like low morale, resentment, and ill-will between the employees. In such case, improvement in employee's behavior, if any, will be relatively short-lived and the supervisor will need to discipline the employee again and again. **3.**

3. Improve the performance of the employee:

Discipline for poor task performance should not be applied while employees are on training or learning the job. Nor should employees be disciplined for problems beyond their control, for example, failure to meet output standards due to the lack of raw materials.

4. Increase the morale and working efficiency of the employees.

5. Foster industrial peace which is the very foundation of industrial democracy.

INDISCIPLINE

An act of indiscipline or misconduct is the deviation or by passing of the established rules which should be followed without any discretion. It is an act or a conduct which is prejudicial to the interests of the employer or which is likely to impair his reputation or create unrest among other employees.

CAUSES OF INDISCIPLINE

1. Lack of Proper Leadership:

People are to be motivated, inspired and prepared to conform to rules and regulations and behave accordingly. This can be effectively done by leaders whether it is managerial leadership or union leadership. Ineffective leadership leads to indiscipline because they fail to motivate and control the behaviour of the employees. They cannot seek their cooperation in achieving organisational objectives.

2. Lack of Supervision:

Lack of proper supervision can create problems. Maintaining discipline and controlling the behaviour of the employees and forcing them to follow rules and regulations is the supervisory responsibility. Lack of effective supervision will promote indiscipline.

3. Violation of Rights of Employees.

Employees are human beings. They are treated as human resources. As human beings employees have certain rights which should not be violated in any case. Some of these rights are, they must be treated with respect, they should be allowed to express themselves or raise their voice, right to contribute to the best of their abilities, right to justice, right to security of service, right for self development etc. If these rights are violated and they are suppressed they will feel dissatisfied. Discontent will prevail which will lead to gross indiscipline.

4. Absence of Grievance Settlement Machinery:

Grievances of the employees should be redressed quickly at the lowest level as far as possible. Settlement should not be postponed. Effective grievance settlement machinery should be set up to resolve the disputes otherwise indiscipline will result.

5. Lack of Proper Promotional Policy:

Every employee has an inspiration to rise. If his claim in promotion is set aside and his junior and inefficient is given promotion he feel discontented. This will provoke him for revolt and he will behave in indiscipline manner.

6. Employer's Attitude:

Employers' attitudes towards their employees are also cause for indiscipline. Employers' have certain obligation to be fulfilled e.g. ensuring safety at workplace, healthy conditions, adequate tools and implements, supply of raw materials, conforming to rules and regulations, payment of adequate wages and salaries etc. The breach of these obligations by the employers will lead to indiscipline.

7. Lack of Communication:

There must be effective two way communication channel. Especially upward communication. Superiors must listen to feelings and opinions of lower level staff. Lack of this channel of communication is responsible for employee dissent and indiscipline.

8. Lack of Proper Rules and Regulations:

The rules and regulations which are impractical and cannot be followed are responsible for creating indiscipline among employees. Also the lack of proper code of conduct and manual pose problems.

9. Divide and Rule Policy:

Managements adopting divide and rule policy also create an atmosphere of misunderstanding and chaos keeping the employees divided and killing their team spirit.

10. Bad Working Conditions:

Bad and intolerable working conditions promote indiscipline among employees of the organisation.

11. Discrimination:

Discrimination on the basis of religion, caste, sex, language and other forms of favouritism in the matters of placement, transfer recruitment and promotion etc. lead to indiscipline among employees.

ACTS OF INDISCIPLINE

- Disobedience and insubordination
- Theft, fraud, dishonesty in connection with employer's business of property
- Willful damage/loss of employer's goods
- Taking or giving any bribes/illegal gratification
- Habitual absence/unauthorized absence for more than 10 days
- Habitual late attendance
- Habitual breach of any law applicable to the establishment
- Riotous or disorderly behavior during the working hours at the establishment or any act subversive of discipline
- Habitual negligence or neglect of work

- Frequent repetition of any act of omission for which fine may be imposed, and
- Striking work or inciting others to strike in contravention of any law.

PREVENTIVE MEASURES INDISCIPLINE

- The rules and regulations for maintaining discipline should be framed in consultation with the employees' representatives.
- Employees should be given a chance to improve their behaviour. The past offences as far as possible be condoned after some time.
- Rules should be made known to employees and they should be reminded of those rules after regular intervals.
- Rules should not be made rigid but they should change with time and changes in the working conditions.
- There should be uniformity in application of rules. Everybody should be treated equally before rules.
- Breach of rules by any employee should not be allowed and rules breakers should be dealt with firmly.
- It should be remembered that the aim of rules is to prevent indiscipline and not to cause harassment to the employees.
- The offences of grave concern should be dealt with firmly by appointing a committee to enquire thoroughly in the matter. The committee should be un-bias in *its* dealings.
- There must be a provision for appeal and disciplinary action taken should be reviewed if required.

PROCEDURE OF DISCIPLINARY ACTION

A disciplinary procedure is a process for dealing with perceived employee misconduct. Organizations will typically have a wide range of disciplinary procedures to invoke depending on the severity of the transgression.

- **Preliminary Investigation:**

First of all, a preliminary inquiry should be held to find out whether a prima facie case of misconduct exists.

➤ **Issue of a Charge-sheet:**

Once the prima facie case of misconduct is established, charge sheet is issued to the employee. Charge sheet is merely a notice of the charge and provides the employee an opportunity to explain his conduct. Therefore, charge sheet is generally known as a show cause notice. In the charge sheet, each charge should be clearly specified. There should be a separate charge for each allegation and charge should not relate to any matter which has already been decided upon.

➤ **Suspension Pending Enquiry:**

Depending on the gravity of charges, an employee may be suspended along with serving him the charge sheet. The various circumstances which may warrant suspension of an individual are:

- When disciplinary proceeding is pending or contemplated.
- When engaged in the activities prejudicial to the interest or security of the state.
- Where a case in respect of any criminal offence is under investigation, inquiry or trial.
- Where continuance in office will prejudice investigation/ inquiry/trial.
- When the presence of the employee in office is likely to affect discipline.
- When his continuous presence in office is against the wider public interest.
- Where a prima facie case has been established as a result of criminal or departmental proceedings leading to the conviction, revival, dismissal, etc.
- In case of the following acts of misconduct:
 - Moral Turpitude
 - Corruption, embezzlement
 - Serious negligence in duty resulting in loss
 - Desertion of duty
 - Refusal or failure to carry out written orders

According to the Industrial Employment (Standing Orders) Act, 1946, the suspended worker is to be paid subsistence allowance equal to one-half of his wages for the first ninety days of suspension and three-fourths of the wages for the remaining period of suspensions, if the delay in the completion of disciplinary proceedings is not due to the worker's own conduct.

➤ **Notice of Enquiry:**

In case the worker admits the charge, in his reply to the charge sheet, without any qualification, the employer can go ahead in awarding punishment without further inquiry. But if the worker does not admit the charge and the charge merits major penalty, the employer must hold an enquiry to investigate into the charges. Proper and sufficient advance notice should be given to the employee indicating the date, time and venue of the enquiry so that the worker may prepare his case.

➤ **Conduct of Enquiry:**

The enquiry should be conducted by an impartial and responsible officer. He should proceed in a proper manner and examine witnesses. Fair opportunity should be given to the worker to cross-examine the management witnesses.

➤ **Recording the Findings:**

On the conclusion of the enquiry, the enquiry officer must record his findings and the reasons thereof. As far as possible, he should refrain from recommending punishment and leave it to the decision of the appropriate authority.

➤ **Awarding Punishment:**

The management should decide the punishment purely on the basis of findings of the enquiry, past record of the worker and gravity of the misconduct.

➤ **Communicating Punishment:**

The punishment awarded to the worker should be communicated to him in written and the earliest available opportunity. The letter of communication should contain reference to the charge sheet, the enquiry and the findings. The date from which the punishment is to be effective should also be mentioned.

GRIEVANCE

MEANING: Employee grievance refers to the dissatisfaction of an employee with what he expects from the company and its management. A company or employer is expected to provide an employee with a safe working environment, realistic job preview, adequate compensation, respect etc. However, employee grievance is caused when there is a gap between what the employee expects and what he receives from the employer.

DEFINITION: According to **Dale S Beach**, “A grievance is any dissatisfaction or feeling of injustice in connection with one’s employment situation that is brought to the attention of management”.

CHARACTERISTICS OF GRIEVANCES

(a) Factual:

The employer-employee relationship depends upon the job contract in any organization. This contract indicates the norms defining the limits 'Within which the employee expects the organisation to fulfill his aspirations, needs or expectations. When these legitimate needs of expectations or aspirations are not fulfilled, the employee will be dissatisfied with the job.

Such dissatisfaction is called factual grievance. For instance, when an employee is not given promotion which is due to him or when work conditions are unsafe, grievances of employee relating to these issues are based on facts. In other words, these grievances reflect the drawbacks in the implementation of the organizational policies.

(b) Imaginary:

When the job contract is not clear-cut and does not indicate the norms defining the limits within which the employee expects the organization fulfill his needs or aspirations, the employee develops such needs which the organization is not obliged to meet.

Here, grievances are not based on facts. Even then the employee feels aggrieved. Normally, the organisation does not feel any kind of responsibility for such grievances and their redressal, because they are based not only on wrong perceptions of the employee but also on wrong information.

However, such grievances can have far-reaching consequences on the organisation because the employees are likely to develop an altogether negative attitude towards the organisation which decreases their effectiveness and involvement in work.

(c) Disguised:

In general organisations consider the basic requirements of their employees. Psychological needs of the employees such as need for recognition, affection, power, achievement etc., are normally unattended and ignored.

For instance, an employee complaining very strongly about the working conditions in the office may in turn be seeking some recognition and appreciation from his or her colleagues. Hence, disguised grievances should also be considered since they do have far-reaching consequences in case they are unattended and ignored.

CAUSES OF GRIEVANCES

- ❖ Demands for individual wage adjustments
- ❖ Complaints about the incentive system
- ❖ Complaints about the job classifications
- ❖ Complaints against a particular foreman
- ❖ Complaints concerning disciplinary measures and procedures
- ❖ Objections to the general methods of supervision
- ❖ Loose calculation and interpretation of seniority rules, and unsatisfactory interpretation of agreements
- ❖ Promotions
- ❖ Disciplinary discharge or lay-off
- ❖ Transfer for another department or another shift
- ❖ Inadequacy of safety and health services/devices
- ❖ Non-availability of materials in time
- ❖ Violation of contracts relating to collective bargaining
- ❖ Improper job assignment
- ❖ Undesirable or unsatisfactory conditions of work.

METHODS OF IDENTIFYING GRIEVANCES

1. Directive observation:

Knowledge of human behavior is requisite quality of every good manager. From the changed behavior of employees, he should be able to snuff the causes of grievances. This he can do without its knowledge to the employee. This method will give general pattern of grievances. In

addition to normal routine, periodic interviews with the employees, group meetings and collective bargaining are the specific occasions where direct observation can help in unfolding the grievances.

2. Grip boxes:

The boxes (like suggestion boxes) are placed at easily accessible spots to most employees in the organization. The employees can file anonymous complaints about their dissatisfaction in these boxes. Due to anonymity, the fear of managerial action is avoided. Moreover management's interest is also limited to the free and fair views of employees.

3. Open door policy:

Most democratic by nature, the policy is preached most but practiced very rarely in Indian organizations. But this method will be more useful in absence of an effective grievance procedure, otherwise the organisation will do well to have a grievance procedure. Open door policy demands that the employees, even at the lowest rank, should have easy access to the chief executive to get his grievances redressed.

4. Exit interview:

Higher employee turnover is a problem of every organization. Employees leave the organisation either due to dissatisfaction or for better prospects. Exit interviews may be conducted to know the reasons for leaving the job. Properly conducted exit interviews can provide significant information about the strengths and weaknesses of the organisation and can pave way for further improving the management policies for its labour force

GRIEVANCE REDRESSAL PROCEDURE

It is indeed unrealistic to assume that an aggrieved or dissatisfied employee will put his or her best efforts on the job. The redressal of the employees' grievances, therefore, assumes importance.

1. Timely Action:

The first and foremost requisite in grievance handling is to settle them immediately as and when they arise. Or say, grievances need to be nipped in the bud. Sooner the grievance is settled, lesser

will be its effects on employees' performance. This requires the first line supervisors be trained in recognizing and handling a grievance properly and promptly.

2. Accepting the Grievance:

The supervisor should try to recognize and accept the employee grievance as and when it is expressed. It must be noted that acceptance does not necessarily mean agreeing with the grievance, it simply shows the willingness of the supervisor to look into the complaint objectively and dispassionately to deal with the grievance. Evidences suggest that more the supervisor shows his or her concern for the employees, lesser is the number of grievances raised by the employees.

3. Identifying the Problem:

The grievance expressed by the employee maybe at times simply emotionally, over-toned, imaginary or vague. The supervisor, therefore, needs to identify or diagnose the problem stated by the employee.

4. Collecting the Facts:

Once the problem is identified as a real problem, the supervisor should, then, collect all the relevant facts and proofs relating to the grievance. The facts so collected need to be separated from the opinions and feelings to avoid distortions of the facts. It is useful to maintain the facts for future uses as and when these are required.

5. Analysing the cause of the Grievance:

Having collected all the facts and figures relating to the grievance, the next step involved in the grievance procedure is to establish and analyse the cause that led to grievance. The analysis of the cause will involve studying various aspects of the grievance such as the employees past history, frequency of the occurrence, management practices, union practices, etc..

6. Taking Decision:

In order to take the best decision to handle the grievance, alternative courses of actions are worked out. These are, then, evaluated in view of their consequences on the aggrieved employee, the union and the management. Finally, a decision is taken which is best suited to the given situation in the organisation. Such decision should serve as a precedent both within the department and the organisation.

7. Implementing the Decision:

The decision, whatsoever taken, must be immediately communicated to the employee and also implemented by the competent authority. McGregor's "Hot- stove Rule" should be strictly followed while implementing the decision. The decision, thus, implemented should also be reviewed to know whether the grievance has been satisfactorily resolved or not.

Example:1 The Indian Institute of Personnel Management, Kolkata has listed the following five steps contained in a grievance procedure:

- The employee should raise his or her grievance with the immediate supervisor.
- If the decision taken by the supervisor is not acceptable to the aggrieved employee, he or she should be made known to whom next in the echelon of management, he or she should refer the grievance.
- The grievance should be handled promptly and dispassionately.
- Only the grievance raised by the employee having understood the instructions issued to him or her employer will register the protest and set the grievance handling procedure in motion.
- If the aggrieved employee still remains dissatisfied, there will be no direct action by the either party which might prejudice the case or raise doubts while the grievance is being investigated.

Example 2: Let us consider a unit level works grievance procedure as followed in the Tata Iron and Steel Company (TISCO).

The procedure consists of the following stages:

Stage 1:

The worker fills in a grievance form and submits the same to the shift incharge for information and consideration.

Stage 2:

In case, he is not satisfied with the decision, he goes to the departmental head for the settlement of his grievance.

Stage 3:

:If the aggrieved employee is still dissatisfied, he forwards it to the appropriate chairman of the zonal works committee (ZWC). Each zonal works committee consists of five management and five union representatives. Their decision is final and binding on both the parties. The individual grievances considered by the zonal committee pertain to promotion, suspension, discharge and dismissal.

Stage 4:

If the zonal committee either does not reach to a unanimous decision or the decision is not accepted by the employee, the grievance is, then, forwarded to the central works committee. This committee consists of representatives of top management and union officials. Here also, the unanimity of principle operators and the decision taken by the committee is binding on both the parties.

Stage 5:

If this committee also does not reach to an unanimous decision, the matter is referred to the Chairman of the company. His or her decision is final and is binding on both the parties.

The stage at which the grievance is settled indicates the climate or the spirit that prevails in the organisation. Obviously, lower the level of settlement, the quicker the redressal of a grievance. The concerned officer, be the supervisor or manager, remains in a position to “give and take” at initial lower stages such as stage 1. Gradually, he or she comes under the glare of publicity; his or her position becomes harder at the subsequent stages.

UNIT 5

ORGANIZATIONAL CONFLICT:

Meaning: Organizational Conflict or otherwise known as workplace conflict, is described as the state of disagreement or misunderstanding, resulting from the actual or perceived dissent of needs, beliefs, resources and relationship between the members of the organization. At the workplace, whenever, two or more persons interact, conflict occurs when opinions with respect to any task or decision are in contradiction.

FACTORS INFLUENCING ORGANIZATIONAL CONFLICT

1. **Unclear Responsibility:** If there is lack of clarity, regarding who is responsible for which section of a task or project, conflict takes place. And, to avoid this situation, the roles and responsibility of the team members should be stated clearly and also agreed upon by all.
2. **Interpersonal Relationship:** Every member of an organization, possesses different personality, which plays a crucial role in resolving conflict in an organization. Conflicts at the workplace, are often caused by interpersonal issues between the members of the organization.
3. **Scarcity of Resources:** One of the main reason for occurrence of conflict in an organization is the inadequacy of resources like time, money, materials etc. due to which members of the organization compete with each other, leading to conflict between them.
4. **Conflict of Interest:** When there is a disorientation between the personal goals of the individual and the goals of the organization, conflict of interest arises, as the individual may fight for his personal goals, which hinders the overall success of the project.

TYPES OF ORGANIZATIONAL CONFLICT



- **Relationship Conflict:** The conflict arising out of interpersonal tension among employees, which is concerned with the relationship intrinsically, not the project at hand.
- **Task Conflict:** When there is a discord, among members regarding nature of work to be performed is task conflict
- **Process Conflict:** Clashes among the team members due to the difference in opinions, on how work should be completed, is called process conflict.

Organizational conflict can also be personal conflict (one that exist between two people because of mutual dislike), intra group conflict (one arising out of lack of liberty, resource, etc. in a group) and intergroup conflict (one that exist between two groups).

WAYS TO MANAGE CONFLICTS IN ORGANIZATION

- Handle the conflict positively.
- Formation of official grievance procedure for all members.
- Concentrate on the causes rather than their effect, to assess conflicts.
- Parties to conflicts should be given an equal voice, irrespective of their position, term or political influence.
- Active participation of all the parties to conflict can also help to counter it.

CONFLICT IN ORGANISATIONAL BEHAVIOUR

Conflict in organizational behavior is very important for the management students as the adept handling of conflicts is very imperative for the sound functioning and growth of any organization.

The word **conflict**, in general, has got many meanings ranging from simple disagreement to argument and even quarrel. But, when we talk about conflict in the perspective of **organizational behavior**, its definition changes completely. It incorporates broader meaning.

There are three different of approaches, They are as follows:-

1. **The traditional view:** It suggests that any type of conflict is bad and so must be avoided. This term had a negative connotation in the traditional view. It was largely seen as an outcome of lack of good communication and trust between people as well as inability of the managers to comprehend and respond to the need of the employees under them.

2. **The human relations view:** As per this approach, conflict is a natural inevitable phenomenon and, so can't be eliminated completely from any organization. Here, conflict was seen in a positive light as it was suggested that conflict may lead to an improvement in a group's performance.

3. **Inter actionist view:** The most recent approach i.e. the interactionist view says that some level of conflict is very much necessary for a group to perform effectively. A harmonious and cooperative group can be rendered static, indifferent and nonresponsive to the needs for change and innovation. As per this view, conflicts can be divided into two categories:-

a) **Functional form of conflict** – This is also called constructive form of conflict as it supports the goals and objectives of the group.

b) **Dysfunctional form of conflict** – It is also called destructive form of conflict as this kind of conflict negatively affects a group's performance, which in turn impacts the organization in a direct or indirect way.

INDIVIDUAL CONFLICT & ORGANISATIONAL CONFLICT

Within an organization, there are three major conflicts caused by individuals as suggested by Druckman (1993). They are:

1. **Interest conflict**– regarding preferred outcomes a discrepancy between individuals occur
2. **Understanding conflict**– disagreements of interpersonal conflict about the good way to gain shared goal, and

3. **Ideology conflict**– disputants' differences in the values.

MANAGING INDIVIDUAL CONFLICTS

- Individual conflicts can be minimized and turned beneficiary to an organization.
- It can be achieved by gaining a proper understanding of the individuals working in an organization
- Organizations must take effort and insist its managers to gain a complete understanding individuals working for them. This can be done by conducting face-to- face meetings, feedback sessions and interactive sessions among the workforce.
- The management must study each individual's like and dislikes in profession, and must allocate job accordingly
- A survey conducted in the year 2000, by one of the famous HR consulting companies in New York, revealed that a majority of the employers offered paid leaves in order to keep its workforce happy and satisfied.
- Besides, it has been identified that many employers were planning to add Sabbaticals as a part of their HR benefit programs.
- Thus by keeping an individual employee happy, an organization can minimize the negative impact of individual conflict.

CONCEPT OF ORGANIZATIONAL CONFLICT:

Organizational conflict is a disagreement between two or more organization members or groups arising from the fact that they must share scarce resources or work activities and/or from the fact that they have different statuses, goals, values or perceptions.

Organisation members or sub- units in disagreement, attempt to have their own cause or point of view prevail over that of others. Conflicts may be at individual level, group level and at organisational level. Conflicts affect the work efficiency of the individual and of the group; as a result productivity is reduced.

STAGES OF ORGANIZATIONAL CONFLICT:

1. Latent conflict:

Latent conflict provides the necessary antecedent conditions for conflict in organisation. Here participants only anticipate conflict.

Four basic types of latent conflicts are:

- a. Competition for scarce resources,
- b. Drive for autonomy,
- c. Divergence of subunit goals, and
- d. Role conflict.

2. Perceived conflict:

Perceived conflict is due to the parties' misunderstanding of each other's true position. Such a conflict can be resolved by improving communication between the parties.

3. Felt conflict:

A person X may be aware that he is in serious disagreement with Y over some policy. If this makes X tense and affects his relationship with Y then, the conflict is felt by the two. Conflict arises only after the differences become personalized or internalized (felt).

4. Manifest conflict:

This is the stage for open conflict. It takes the form of open aggression, sabotage, apathy, withdrawal etc.

5. Conflict aftermath:

The aftermath of a conflict may be either positive or negative for the organisation depending on how the conflict is resolved. If conflict is resolved to the satisfaction of all the parties involved, the basis for a more cooperative relationship may be laid.

TYPES OF ORGANISATIONAL CONFLICT:

1. Individual conflict:

Intra Individual conflict is internal to the person and is probably the most difficult type to analyse non-satisfaction of needs frustrates an individual and it leads to behaviour that negatively affects job performance. When two individuals are in confrontation with each other, it may be said an inter-individual conflict. For example, two individuals competing for the same promotion may develop inter- individual conflict.

2. Group level conflict:

Conflicts at the group (formal and informal) level may be classified as:–

- i. Intragroup conflict arises when differences over an issue crop up between the members of the group. Such a conflict may divide the group into two further groups.

- ii. Intergroup conflict. Every group is in at least partial conflict with every other group it interacts with. They differ in goals, work activities, power, prestige, resource allocation, reward systems etc.

3. Organisational conflict:

The inter-organisational conflicts are assumed between two organisations or between a business organisation and the government. The Intra-organisational conflicts comprise of all intra-individual, inter individual, intra-group and intergroup conflicts because they are the parts of the same organisation. Such conflicts may turn into hierarchical conflicts, line and staff conflicts, management versus shop floor conflicts, union versus union conflicts etc.

LEADERSHIP

Leadership is a process by which an executive can direct, guide and influence the behavior and work of others towards accomplishment of specific goals in a given situation. Leadership is the ability of a manager to induce the subordinates to work with confidence and zeal.

Leadership is the potential to influence behaviour of others. It is also defined as the capacity to influence a group towards the realization of a goal. Leaders are required to develop future visions, and to motivate the organizational members to want to achieve the visions.

According to Keith Davis, “Leadership is the ability to persuade others to seek defined objectives enthusiastically. It is the human factor which binds a group together and motivates it towards goals.”

IMPORTANCE OF LEADERSHIP

1. **Initiates action-** Leader is a person who starts the work by communicating the policies and plans to the subordinates from where the work actually starts.

2. **Motivation-** A leader proves to be playing an incentive role in the concern's working. He motivates the employees with economic and non-economic rewards and thereby gets the work from the subordinates.
3. **Providing guidance-** A leader has to not only supervise but also play a guiding role for the subordinates. Guidance here means instructing the subordinates the way they have to perform their work effectively and efficiently.
4. **Creating confidence-** Confidence is an important factor which can be achieved through expressing the work efforts to the subordinates, explaining them clearly their role and giving them guidelines to achieve the goals effectively. It is also important to hear the employees with regards to their complaints and problems.
5. **Building morale-** Morale denotes willing co-operation of the employees towards their work and getting them into confidence and winning their trust. A leader can be a morale booster by achieving full co-operation so that they perform with best of their abilities as they work to achieve goals.
6. **Builds work environment-** Management is getting things done from people. An efficient work environment helps in sound and stable growth. Therefore, human relations should be kept into mind by a leader. He should have personal contacts with employees and should listen to their problems and solve them. He should treat employees on humanitarian terms.
7. **Co-ordination-** Co-ordination can be achieved through reconciling personal interests with organizational goals. This synchronization can be achieved through proper and effective co-ordination which should be primary motive of a leader.

LEADERSHIP STYLES:



1. **Supportive Leadership:** Leaders are more attentive towards the welfare and individual needs of the subordinates.
2. **Directive Leadership:** Leaders establish the standards of performance for the subordinates and expect them to adhere to the rules and regulations. They provide complete guidance to the subordinates.
3. **Achievement-oriented Leadership:** Leaders usually set challenging goals for the subordinates, expecting their constant improvement in performance. They have confidence that the subordinates will perform excellently.
4. **Participative or Democratic Leadership:** Leaders invite opinions and suggestions from the subordinates while making decisions.
5. **Autocratic or Authoritative Leadership:** Leaders have the complete hold over the subordinates and do not entertain opinions, suggestions, questions and complains. They take all the decisions solely without the participation of subordinates.
6. **Strategic Leadership:** Strategic leaders frame a set of strategies towards their vision and motivate subordinates to accomplish that vision.
7. **Charismatic Leadership:** Charismatic Leader has an extraordinary and powerful personality and acts as a role model for his followers who follow him blindly.

8. **Laissez-faire or Delegative Leadership:** Leaders are lenient and assign authority and responsibility to the subordinates. The subordinates are free to work as they like to and take their own decisions with the minimal interference of the management. Laissez-faire is one of the least effective styles of leadership.
9. **Transformational Leadership:** Transformational Leaders initiates a revolutionary change in the behavior, perception and attitude of the subordinates. They motivate and inspire the subordinates to develop their own skills to perform better and ultimately accomplish the vision of the organization.
10. **Transactional Leadership:** Transactional Leaders believe in motivating subordinates through rewards and incentives and discouraging them through punishments.
11. **Coaching Leadership:** A Coaching Leader is well experienced in his role and is focussed on the long-term growth of his subordinates.
12. **Cross-cultural Leadership:** In today's global scenario, Cross-cultural Leaders keep themselves updated and aware of the different cultures around the world, and uses this knowledge to lead culturally diverse teams.
13. **Visionary Leadership:** A Visionary Leader communicates his vision for the organisation to his followers and intellectually influences them to become self-driven towards the shared vision.
14. **Bureaucratic Leadership:** Bureaucratic leaders use their position to exercise power and strict control over the subordinates. The subordinates have to be in complete discipline and are promoted on the basis of their capability to comply with the rules and regulations of the organisation.

THEORIES OF LEADERSHIP

1. "Great Man" Theories

Have you ever heard someone described as "born to lead?" According to this point of view, great leaders are simply born with the necessary internal characteristics such as charisma, confidence, intelligence, and social skills that make them natural-born leaders.

Great man theories assume that the capacity for leadership is inherent – that great leaders are born, not made. These theories often portray great leaders as heroic, mythic and destined to rise

to leadership when needed. The term "Great Man" was used because, at the time, leadership was thought of primarily as a male quality, especially in terms of military leadership. Such theories suggest that people cannot really learn how to become strong leaders. It's either something you are born with or born without.

2. Trait Theories

Similar in some ways to Great Man theories, [trait](#) theories assume that people inherit certain qualities and traits that make them better suited to leadership. Trait theories often identify a particular personality or behavioral characteristics shared by leaders. For example, traits like [extroversion](#), self-confidence, and courage are all traits that could potentially be linked to great leaders.

3. Contingency Theories

Contingency theories of leadership focus on particular variables related to the environment that might determine which particular style of leadership is best suited for the situation. According to this theory, no [leadership style](#) is best in all situations.

Leadership researchers White and Hodgson suggest that truly effective leadership is not just about the qualities of the leader, it is about striking the right balance between behaviors, needs, and context. Good leaders are able to assess the needs of their followers, take stock of the situation, and then adjust their behaviors accordingly.

4. Situational Theories

[Situational theories](#) propose that leaders choose the best course of action based upon situational variables. Different styles of leadership may be more appropriate for certain types of decision-making. For example, in a situation where the leader is the most knowledgeable and experienced member of a group, an [authoritarian style](#) might be most appropriate. In other instances where group members are skilled experts, a [democratic style](#) would be more effective.

5. Behavioral Theories

Behavioral theories of leadership are based upon the belief that great leaders are made, not born. Consider it the flip-side of the Great Man theories. Rooted in [behaviorism](#), this leadership theory focuses on the actions of leaders, not on mental qualities or internal states. According to this theory, people can *learn* to become leaders through teaching and observation.

6. Participative Theories

Participative leadership theories suggest that the ideal leadership style is one that takes the input of others into account. These leaders encourage participation and contributions from group members and help group members feel more relevant and committed to the decision-making process. In participative theories, however, the leader retains the right to allow the input of others.

7. Management Theories

Management theories, also known as transactional theories, focus on the role of supervision, organization and group performance. These theories base leadership on a system of rewards and punishments. Managerial theories are often used in business; when employees are successful, they are rewarded; when they fail, they are reprimanded or punished.

8. Relationship Theories

Relationship theories, also known as transformational theories, focus upon the connections formed between leaders and followers. Transformational leaders motivate and inspire people by helping group members see the importance and higher good of the task. These leaders are focused on the performance of group members, but also want each person to fulfill his or her potential. Leaders with this style often have high ethical and moral standards

-----**UNJT 5 COMPLETED**-----