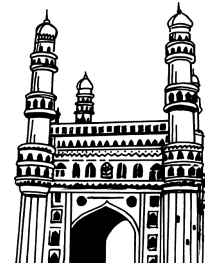**Rahul's** ✔

Topper's Voice

M.Com.
I Year II Semester

Latest **2021-22** Edition

HUMAN RESOURCE MANAGEMENT

☞ **Study Manual**

☞ **Frequently Asked & Important Questions**

☞ **Short Question & Answers**

☞ **Choose the correct Answers**

☞ **Fill in the blanks**

☞ **Solved Previous Question Papers**

☞ **Solved Model Papers**

- by -

WELL EXPERIENCED LECTURER

.179/-

Rahul Publications™
Hyderabad. Ph : 66550071, 9391018098

M.Com.
I Year II Semester

HUMAN RESOURCE MANAGEMENT

Price ` 179-00

HUMAN RESOURCE MANAGEMENT

C O N T E N T S

STUDY MANUAL

SOLVED PREVIOUS QUESTION PAPERS

SOLVED MODEL PAPERS

SYLLABUS

UNIT - I

Human Resources Management (HRM): Concepts – Significance – Objectives – Scope – Functions - Changing role of Human Resource Manager HRM Policies - Impact of Environment on HRM- Concepts of Talent Management- Concept of Human Capital-Social Capital.
Human Resource Development (HRD): Concept - Scope - Objectives- Brief introduction of Techniques of HRD

UNIT - II

Acquisition of Human Resource:
Job Design - Approaches - Job Rotation - Job Enlargement - Job Enrichment - Job Bandwidth - Job Analysis: Objectives - Components (Job Description and Job Specification) - Methods of Job Analysis
Human Resource Planning: Concept - Objectives - Factors affecting HR planning - Process of HR Planning - Problems in HR Planning
Recruitment: Objectives - Sources of recruitment – Selection: Selection - Procedure – Tests and Interview - Placement - Induction - Promotion - Transfer

UNIT - III

DEVELOPING AND MOTIVATING HUMAN RESOURCE:
Training - Assessing training needs - Methods and Evaluation of Training.
Development: Techniques of Management Development – Evaluating Effectiveness.
Performance Management: Concept - Performance Appraisal - Concept - Traditional and Modern Methods of Appraisal – Concepts of Potential Appraisal, Assessment Centers - Career Planning and Development
Concept of Empowerment – Participative Management: Objectives – Types– Quality Circles – Brief Introduction to forms of Workers Participation in Management in India – Work committee – Joint management council – Worker Shareholder – Worker Director

UNIT - IV

MAINTENANCE OF HUMAN RESOURCE:
Compensation Management: Objectives – Job Evaluation:– Methods - Essentials of Sound Wage Structure – of Minimum Wage, Living Wage and Fair Wage – Wage Differentials.
Employee Relations: Concept of Employee Engagement – Discipline: Objectives – Grievance: Causes – Procedure;
Industrial Relations Systems- Concept of Industrial Conflict- Causes- Trade Unions: Objectives - Role of Trade Union in New economy - Collective Bargaining: Types – Essential conditions for the success of Collective Bargaining.

UNIT - V

RECENT TRENDS IN HUMAN RESOURCES MANAGEMENT:
Knowledge Management: KM Architecture - Knowledge Conversion - Knowledge Management Process.
Virtual Organizations: Features -Types - HR Issues. **Learning Organization:** Characteristics – Role of Leader in Learning Organizations.
Managing Diversity – Benefits- Strategies. **Worklife Balance -** Significance-Steps.

Contents

UNIT - I

Frequently Asked & Important Questions

UNIT - I

1. **Define Human Resource Management (HRM). Explain the nature of HRM.**

Ans : **(May-19, May-17, May-16, May-13, May-11, Imp)**

Refer Unit-I, Q.No. 1.

2. **Discuss the functions performed by HR Manager.**

Ans : **(May-19, May-14, May-13, May-11)**

Refer Unit-I, Q.No. 7.

3. **Explain the impact of environment on HRM in organization.**

Ans : **(May-16, May-15, May-14)**

Refer Unit-I, Q.No. 14.

4. **List out the objectives of HRD.**

Ans : **(May-19, May-16, May-15, May-13, May-12, Imp.)**

Refer Unit-I, Q.No. 24.

5. **What are the techniques employed by HRD Managers.**

Ans : **(May-18, May-17, May-14, Imp.)**

Refer Unit-I, Q.No. 26.

6. **Discuss the essentials of effective Human Resource Development in an industrial organization.**

Ans : **(Dec.-2020)**

Refer Unit-I, Q.No. 22.

UNIT - II

1. **What is Job Design ? State the Objectives of Job Design.**

Ans : **(May-16, May-11, Imp)**

Refer Unit-II, Q.No. 1.

2. **Explain the approaches of the job design in an organization.**

Ans : **(May-18, May-16, May-13, May-12, May-11, Imp)**

Refer Unit-II, Q.No. 4.

3. **Describe the process of HR planning.**

Ans : **(May-19, May-14, May-13, May-11, Imp)**

Refer Unit-II, Q.No. 23.

4.   **Summarize the different sources of Recruitment. State its merits and demerits.**

Ans :   **(May-17, May-14, Dec.-20)**

    Refer Unit-II, Q.No. 30.

5.   **Explain the process of selection.**

Ans :   **(May-19, May-18, May-16, May-12, Imp)**

    Refer Unit-II, Q.No. 33

6.   **Explain the various techniques used for analyzing the job.**

Ans :   **(Dec.-20)**

    Refer Unit-II, Q.No. 18

UNIT - III

1.   **Examine the various steps in analyzing training needs.**

Ans :   **(Aug.-17, Imp.)**

    Refer Unit-III, Q.No. 7.

2.   **Compare and contrast training and development.**

Ans :   **(May-11, Imp.)**

    Refer Unit-III, Q.No. 23.

3.   **Explain the various methods of performance appraisal.**

Ans :   **(May-19, May-16, May-15, May-12, Imp.)**

    Refer Unit-III, Q.No. 35

4.   **Define Quality Circles. State the features of Quality Circles.**

Ans :   **(May-17, May-15)**

    Refer Unit-III, Q.No. 53.

5.   Explain Briefly the general methods of Training of Personnel.

Ans :   **(Dec.-20)**

    Refer Unit-III, Q.No. 9

6.   Describe the situations of Worker's Participation in India.

Ans :   **(Dec.-20)**

    Refer Unit-III, Q.No. 52.

UNIT - IV

1.   Define job evaluation. What are the objectives of job evaluation?

Ans :   **(May-15, May-13, Imp.)**

Refer Unit-IV, Q.No. 8

2.   What are the various quantitative and non quantitative methods of job evaluation.

Ans :   **(May-13, Imp.)**

Refer Unit-IV, Q.No. 10.

3.   Outline the components of wage structure.

Ans :   **(May-17, May-16, May-14, Imp. Dec.-20)**

Refer Unit-IV, Q.No. 13

4.   Define Minimum Wage. Explain the provisions of Minimum Wage.

Ans :   **(May-19, May-16, May-11, Imp.)**

Refer Unit-IV, Q.No. 14.

5.   What is Grievance ? Narrate the stages of grievances procedure.

Ans :   **(May-19, May-13, May-12)**

Refer Unit-IV, Q.No. 26, 29

6.   Define industrial relations. State its characteristics. What are the factors affecting industrial relations.

Ans :   **(Imp.)**

Refer Unit-IV, Q.No. 34.

7.   Explain the various approaches to Industrial Relations.

Ans :   **(Dec.-20)**

Refer Unit-IV, Q.No. 38

UNIT - V

1.   Write a brief note on KM Architecture and its role in human resource management?

Ans :   **(May-16, May-15, May-14, Imp.)**

Refer Unit-V, Q.No. 6.

2.   Discuss the steps in creating Knowledge Management system.

Ans :   **(May-19, May-18, May-17, May-15, May-13, May-12, Imp.)**

Refer Unit-V, Q.No. 8

3.   **What are the types of virtual organization?**

Ans :   **(May-19, May-14, May-13, May-11, Imp.)**

Refer Unit-V, Q.No. 11.

4.   **Discuss some of the emerging HR Issues in Virtual Organization.**

Ans :   **(May-13, May-11, Imp., Dec.-20)**

Refer Unit-V, Q.No. 15.

5.   **Explain the role of leader in Creating Learning Organizations.**

Ans :   **(May-18, May-17, May-16, May-15, May-12, Imp., Dec.-20)**

Refer Unit-V, Q.No. 18.

6.   **Define Worklife Balance. Explain the importance of Worklife Balance.**

Ans :   **(Imp.)**

Refer Unit-V, Q.No. 23.

7.   **What are the Benefits of Work life Balance.**

Ans :   **(Imp.)**

Refer Unit-V, Q.No. 26.

Human Resources Management (HRM): Concepts – Significance – Objectives – Scope – Functions - Changing role of Human Resource Manager

HRM Policies - Impact of Environment on HRM- Concepts of Talent Management- Concept of Human Capital-Social Capital.

Human Resource Development (HRD): Concept - Scope - Objectives- Brief introduction of Techniques of HRD

1.1 HUMAN RESOURCES MANAGEMENT (HRM)

1.1.1 Concepts

Q1. Define Human Resource Management (HRM). Explain the nature of HRM.

Ans :   (May-19, May-17, May-16, May-13, May-11, Imp)

Introduction

Human Resource Management is a process of bringing people and organizations together so that the goals each are met. It is that part of the management process which is concerned with the management of human-resources is an organization. It tries to secure the best from people by winning their whole hearted co-operation In short, it may be defined as the art of procuring, developing and maintaining competent work force to achieve e the goals of an organization is an effective and efficient manner.

Human Resource Management may be defined as the art of procuring, developing and maintaining compete workforce to achieve organizational goals efficiently.

Human Resource Management (HRM) is the utilization of individuals to achieve organizational objectives Consequently, managers at every level must concern themselves with HRM. Basically, all managers get thine done through the efforts of others, this requires effective HRM.

Definitions

(i) According to Invancevich and Glueck, "HRM is concerned with the most effective use of people to achieve organizational and individual goals".

(ii) According to Byars and Rue, "HRM encompasses those activities that are designed to provide for and coordinate the human resource of an organization".

(iii) According to Milkovich and Boudreau, "Human resource management is a series of integrated decisions that form the employment relationship; their quality contributes to the ability of the organizations and the employees to achieve their objectives".

(iv) According to Flippo, "Human Resource Management is the planning, organizing, directing and controlling of the procurement, development, compensation, integration, maintenance and separation of human resources to the end that individual, organizational and social objectives are accomplished".

(v) According to Leon C. Megginson, "The term human resources can be defined as the process of total knowledge, skills, creative abilities, talents and aptitudes of an organization's workforce, as well as the value, attitudes and beliefs of the individuals involved".

(vi) According to National Institute of Personnel Management of India, "Human resource management is that part of

management concerned with people at work and with their relationships within the organization. It seeks to bring together men and women who make up an enterprise, enabling each to make his/her own best contribution to its success both as an individual and as a member of a working group".

Human Resource Management could thus be viewed as a dynamic process which needs to be kept aligned with the changing realities in the environment.

Nature of HRM

Nature of HRM are shown in figure below:

1. Pervasive Force

HRM is pervasive is nature. It is present in all enterprises. It permeates all levels of management in. an organization.

2. Action Oriented

HRM focuses attention on action, rather than on record keeping, written procedures or rules. The problems of employees at work are solved through rational policies.

3. Individual-Oriented

It tries to help employees develop their potential fully. It encourages them to give out their best to the organization. It motivates employees through a systematic process of recruitment, selection, training and development coupled with fair wage policies.

4. People Oriented

HRM is all about people at work, both as individuals and groups. It tries to put people on assigned jobs in order to produce good results. The resultant gains are used to reward

people and motivate them toward further improvements in productivity.

5. Development Oriented

HRM intends to develop the full potential of employees. The reward structure is tuned to the needs of employees. Training is offered to sharpen and improve their skills. Employees are rotated on various jobs so that they gain experience and exposure. Every attempt is made to use their talents fully in the service of organizational goals.

6. Integrating Mechanism

HRM tries to build and maintain cordial relations between people working at various levels in the organization. In short, it tries to integrate human assets in the best possible manner in the service of an organization.

7. Challenging Function

Managing human resources is a challenging job due to the dynamic nature of people. People have sentiments and emotions so they cannot be treated like machines. It is, therefore, necessary to handle them tactfully. It is not simply managing people but administering a social system.

8. Auxiliary Service

HR departments exist to assist and advise the line or operating managers to do their personnel work more effectively. HR manages is a specialist advisor. It is a staff function.

9. Inter-Disciplinary Function

HRM is a multi-disciplinary activity, utilizing knowledge and inputs drawn from psychology, sociology, anthropology, economics, etc. To unravel the mystery surrounding the human brain, managers, need to understand and appreciate the contributions of all such 'soft' disciplines.

10. Continuous Function

According to Terry, HRM is not a one short deal. It cannot be practiced only one hour each day or one day a week. It requires a constant alertness and awareness of human relation and their importance in every day operations.

Q2.   Explain the need for Human Resource Management.

Ans :

It assists employees in attaining individual and organizational goals. This approach has been gaining the attention of management professionals in the last decade or so.

1.   For Good Industrial Relations

There is large spread unrest, labor-management disputes, lack of trust in each other, increasing expectations of workers, growing of militancy in trade unions etc. These factors have generated a gap among workers and managements. Both sides are blaming of exploitation by the other side. In the absence of cordiality in an organization, the performance of workers is adversely affected.

HRM approach is needed to bring proper understanding among workers and management. The workers are trained and developed to meet their individual and organizational objectives. The workers are made to understand that various managerial actions will assist them in achieving their aspirations and organization's goal.

2.   Create Organizational Commitment

There is a humanization of work environment in industrially advanced countries like Japan, U.S.A., and Germany etc. Globalization of economy has exposed Indian industries to international competition. An improvement in efficiency and quality of work can come only when workers develop organizational commitment. HRM approach helps in creating a sense of pride for the organization among the employees.

3.   Meeting with Changing Environment

The business environment is changing rapidly. Technological improvements have revolutionized production processes. Automation has been introduced in office operations. Good communication methods have revolutionized important areas of business.

Therefore, there is a need to cope with new and changing situation. The operational efficiency of workers must cope up with a revolutionary change in the technology which necessitates a new approach to manpower.

4.   Change in Political Philosophy

Political philosophy has also undergone a substantial change all over the world. The new approach is to develop human resources properly for making their better use. In India, Central Government has created a separate ministry as Human Resource Development and put it under a Senior Cabinet Minister.

This shows the importance given to human resources in India, which opened up a door for a fresh approach to human resource development in the industrial sector too.

5.   Enhanced Pressure On Employees

The technological innovations have made possible the use of sophisticated machines. The installation, monitoring of machines, maintenance and controlling of operations etc., require large number of trained and skillful personnel.

Technicians, repairers and service people are also necessary. The more the technical development and automation, the more would be the dependence on human beings. There should, therefore, be greater need for humane approach to manpower. Similarly, use of more capital intensive methods would result in greater productivity of men necessitating greater motivating and greater human resources approach to management.

6.   Meeting Research and Development Requirements

Fresh initiatives and emphasis on research and development in the realm of industry also led to a new policy of human resource development to cope with the increasing demand for technically capable people. As a result of this, a need arose for a new approach to human resources.

Q3. Elucidate the evolution of Human Resource Management.

Ans : (March - 15)

Evolution of Human Resource Management

The field of HRM as it currently exists represents a crystallization of a variety of historical and contemporary factors:

1. The Industrial Revolution

During this period machines were brought in; technology made rapid progress; jobs were more fragmented where the worker did only a small portion of the total job; and specialization increased speed and efficiency but left workers with dull, boring and monotonous jobs. Workers were treated like 'glorified machine tools'. Employers v/ere keen to meet production targets rather than satisfy workers' demands. Government did very little to protect the interests of workers.

2. Scientific Management

To improve efficiency and speed F.W. Taylor advocated scientific management. Scientific management is nothing but a systematic analysis and breakdown of work into its smallest mechanical elements and rearranging them into their most efficient combination. In addition to the scientific study of the task itself, Taylor argued that individuals selected to perform the tasks should be as perfectly matched, physically and mentally, to the requirements of the task as possible and that overqualified individuals should be excluded. Employees should also be trained carefully by supervisors to ensure that they performed the task exactly as specified by prior scientific analysis. A differential piece rate system was also advocated by Taylor to provide an incentive for employees to follow the detailed procedures specified by supervisors.

3. Trade Unionism

Workers joined hands to protect against the exploitative tendencies of employers and the prohibitive, unfair-labor practices through unions. Unions tried to improve the lot of workers through collective bargaining, resolving the grievances of workers relating to working conditions, pay and benefits, disciplinary actions, etc.

4. Human Relations Movement

The famous Hawthorne experiments conducted by Elton Mayo and his Harvard colleagues during 1930s and 1940s demonstrated that employee productivity was affected not only by the way the job was designed and the manner in which employes were rewarded economically, but by certain social and psychological factor as well. The human relations movement led to the wide scale implementation of behavioral science techniques in industry for the first time which included supervisory training programs, emphasizing support and concern for workers, programs to strengthen the bonds between labor and management and counseling programs whereby employees were encouraged to discuss both work and personal problems with trained counselors. The movement was also influenced by the growing strength of unions during the late 1930s and 1940s. The rise of unionism during this period was due to the passage of the Wagner Act which gave workers the legal right to bargain collectively with employers over matters concerning, wages, job security, benefits ad many other conditions of work.

5. Human Resources Approach

However, during early 1960s the 'pet milk theory', (advocating that happy workers are productive workers or happy cows give more milk) of human religionists had been largely rejected. Recognizing the fact that workers are unique in their own way - having individual needs. It was recognized that each employee is a unique and highly complex individual with different wants, needs and values. What motivates one employee may not motivate another and being happy or feeling good may have little or no impact on the productivity of certain employees. Slowly but steadily, the trend towards treating employees as resources or assets emerged.

"The Human Resource Approach assumes that the job or the task itself is the primary source of satisfaction and motivation to employees.The emphasis in the human resource approach is on individual involvement in the decisions made in the organization". In addition, this approach emphasizes the following things:

i) People do not inherently dislike work if they have helped establish objectives they want to achieve them.

ii) Most people can exercise a great deal mote self-direction, self-control and creativity than are required in their current jobs (Theory Y).

iii) The managers' basic job is to use the untapped human potential in the service of the organization.

iv) The manager should create a healthy environment wherein all subordinates can contribute to the best of their capacities. The environment should provide a healthy, safe, comfortable and convenient place to work.

v) The manager should provide for self-direction by the subordinates and they must be encouraged to participate fully in all important matters.

vi) Expanding subordinates' influence, self-direction and self-control will lead to direct improvements in operating efficiency.

vii) Work satisfaction may improve as a 'by-product' of subordinates making full use of their potential.

The contribution of behavioral science to management practice consists primarily of producing new insights rather than new techniques. It has developed or expanded a useful way of thinking, about the role of the manager, the nature of organizations and the behavior of an individual within an organization.

1.1.2 Significance

Q4. Explain the significance of Human Resource Management.

(OR)

What is the significance of HRM in the over changing business environment?

Ans :   (Dec.-20, May-19, May-17)

HRM becomes significant for business organization due to the following reasons.

1. Objective

HRM helps a company to achieve its objective from time to time by creating a positive attitude among workers. Reducing wastage and making maximum use of resources etc.

2. Facilitates Professional Growth

Due to proper HR policies employees are trained well and this takes them ready for future promotions. Their talent can be utilized not only in the company in which they are currently working but also in other companies which the employees may join in the future.

3. Better relations between union and management

Healthy HRM practices can help the organization to maintain co-ordinal relation-ship with the unions. Union members start realizing that the company is also interested in the workers and will not go against them therefore chances of going on strike are greatly reduced.

4. Helps an individual to work in a team/group

Effective HR practices teach individuals team work and adjustment. The individuals are now very comfortable while working in team thus team work improves.

5. Identifies person for the future

Since employees are constantly trained, they are ready to meet the job requirements. The company is also able to identify potential employees who can be promoted in the future for the top level jobs. Thus one of the advantages of HRM is preparing people for the future.

6.   Allocating the jobs to the right person

If proper recruitment and selection methods are followed, the company will be able to select the right people for the right job. When this happens the number of people leaving the job will reduce as the will be satisfied with their job leading to decrease in labour turnover.

7.   Improves the economy

Effective HR practices lead to higher profits and better performance by companies due to this the company achieves a chance to enter into new business and start new ventured thus industrial development increases and the economy improves.

1.1.3 Objectives

Q5.   What are the objectives of Human Resource Management.

Ans :   **(May-16, May-15, May-12, May-11)**

1.   Societal Objectives

It seek to ensure that the organization becomes socially responsible to the needs and challenges of the society while minimizing the negative impact of such demands upon the organization. The failure of the organizations to use their resources for the society's benefit in ethical ways may lead to restriction.

2.   Organizational Objectives

It recognizes the role of HRM in bringing about organizational effectiveness. It makes sure that HRM is not a stand-alone department, but rather a means to assist the organization with its primary objectives. The HR department exists to serve the rest of the organization.

```
                        ┌─────────────────────┐
                        │  Objectives of HRM  │
                        └─────────────────────┘
          ┌───────────────┬──────────────┬──────────────┐
   ┌──────────────┐ ┌──────────────────┐ ┌──────────────┐ ┌──────────────┐
   │  Societal    │ │  Organizational  │ │  Functional  │ │  Personnel   │
   │  Objectives  │ │  Objectives      │ │  Objectives  │ │  Objectives  │
   └──────────────┘ └──────────────────┘ └──────────────┘ └──────────────┘
```
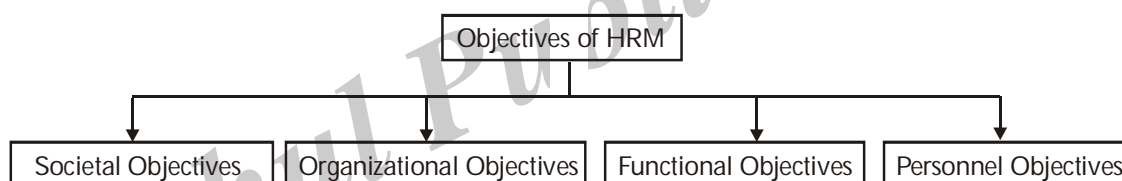
3.   Functional Objectives

It is to maintain the department's contribution at a level appropriate to the organization's needs. Human resources are to be adjusted to suit the organization's demands. The department's value should not become too expensive at the cost of the organization it serves.

4.   Personnel Objectives

It is to assist employees in achieving their personal goals, at least as far as these goals enhance the individual's contribution to the organization. Personal objectives of employees must be met if they are to be maintained, retained and motivated. Otherwise employee performance and satisfaction may decline giving rise to employee turnover.

1.1.4 Scope

Q6.   Explain the scope of Human Resource Management in an Organization.

Ans :   **(May-12)**

Scope of HRM

The major HRM activities include HR planning, job analysis, job design, employee hiring, employee and executive remuneration, employee motivation, employee maintenance, industrial relations and prospects of HRM.

The scope of Human Resources Management extends to:

➢ All the decisions, strategies, factors, principles, operations, practices, functions, activities and methods related to the management of people as employees in any type of organization.

➢ All the dimensions related to people in their employment relationships, and all the dynamics that flow from it.

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

These are given below:

a) Human Resource Planning

b) Design of the Organization and Job

c) Selection and Staffing

d) Training and Development

e) Organizational Development

f) Compensation and Benefits

g) Employee Assistance

h) Union/Labour Relations

i) Personnel Research and Information System

a) **Human Resource Planning**

The objective of HR Planning is to ensure that the organization has the right types of persons at the right time at the right place. It prepares human resources inventory with a view to assess present and future needs, availability and possible shortages in human resource.

Thereupon, HR Planning forecast demand and supplies and identify sources of selection. HR Planning develops strategies both long-term and short-term, to meet the man-power requirement.

b) **Design of Organization and Job**

This is the task of laying down organization structure, authority, relationship and responsibilities. This will also mean definition of work contents for each position in the organization. This is done by job description . Another important step is Job specification.

Job specification identifies the attributes of persons who will be most suitable for each job which is defined by job description.

c) **Selection and Staffing**

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

d) **Training and Development**

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

e) **Organizational Development**

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

f) **Compensation and Benefits**

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

g) **Employee Assistance**

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

h)   **Union-Labour Relations**

Healthy Industrial and Labour relations are very important for enhancing peace and productivity in an organization. This is one of the areas of HRM.

i)   **Personnel Research and Information System**

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

1.1.5 Functions

Q7. Explain the various functions of HRM.

(OR)

Discuss the functions performed by HR Manager.

Ans :   **(May-19, May-14, May-13, May-11)**

The Functions of HRM can be broadly classified into two categories, viz:

1. Managerial Functions
2. Operative Functions

HRM Functions

Managerial Functions of HRM   **Operative Functions of HRM**

Planning   Organization   Directing   Coordinating   Controlling

Employment   Human Resource Development   Compensation Management   Human Relations

Organizational design → Job design → Job Analysis

HUMAN RESOURCE PLANNING, RECRUITMENT, SELECTION, INDUCTION, PLACEMENT

PERFORMANCE APPRAISAL, TRAINING, MANAGEMENT DEVELOPMENT, CAREER PLANNING & DEVELOPMENT, ORGANIZATIONAL CHANGE & ORGANIZATION DEVELOPMENT

JOB EVALUATION, WAGE & SALARY ADMINISTRATION, FRINGE BENEFITS

MOTIVATION, MORALE, JOB SATISFACTION, COMMUNICATION, GRIEVANCE & DISCIPLINARY PROCEDURE, QUALITY OF WORK LIFE & QUALITY CIRCLES

A) Managerial Functions

Managing people is the essence of being a manager. A human resource manager performs the functions of planning, organizing, directing and controlling.

1. Planning

Planning may be defined as deciding in advance what is to be done in future. It is the process of thinking before doing. It is a pre-determined course of action. Planning is determination of personnel programs and changes in advance that will contribute to the organizational goals. In other words it involves planning of human resources, requirement, recruitment, selection, training etc. It also involves forecasting of personnel needs, changing values, attitudes and behavior of employees and their Impact on organization.

2. Organizing

Organizing is the process of arranging people and other resources to work together to accomplish a goal. It is essential to carry out the determined course of action. Thus, organization establishes relationships among the employees so that they can collectively contribute to the attainment of company goals.

3. Directing

The next logical function after completing planning and organizing is the execution of the plan. The basic function of personnel management at any level is motivating commanding, leading and activating people. Thus, direction is an important managerial function in building sound industrial and human relations besides securing employee contributions.

4. Coordinating

Organizational objectives will be achieved only if group activities in the enterprise are coordinated effectively. Coordination of personnel is required at all levels of management. Personnel department coordinates the task of developing, interpreting and reviewing personnel policies and programs related to employees. The final decisions may be left to line managers but personnel department marks suggestions for improvements.

5. Controlling

After planning, organizing and directing various activities of the personnel management, the performance is to be verified in order to know whether the personnel functions are performed in conformity with the plans and directions or not. Controlling also involves checking, verifying and comparing the accruals with the plans, identification of deviations if any and correcting of identified deviations.

B) Operative Functions

The operative functions of personnel management are related to specific activities of personnel management (figure), viz., employment, development, compensation and relations. All these functions are interacted by managerial functions.

1. Employment

It is the first operative function of Human Resources Management (HRM). Employment is concerned with securing and employing the people possessing required kind and level of human resources necessary' to achieve the organizational objectives. It covers the functions such as job analysis, human resource planning, recruitment, selection, placement, induction and internal mobility.

i) Job Analysis

It is the process of study and collection of information relating to the operations and responsi-bilities of a specific job. It includes:

a) Collection of data, information, facts and ideas relating to various aspects of jobs including men, machines and materials.

b) Preparation of job description, job specification, job requirements and employees specification which will help in identifying the nature, levels and quantum of human resources.

c) Providing the guides, plans and basis for job design and for all operative functions of HRM.

ii) Human Resources Planning

It is the process of getting the right number of qualified people into the right job at the right time. It is a system of matching the supply of people (existing employees and those to be hired or searched for) with openings the organization expects over a given time frame. It involves:

a) Estimation of present and future requirements and supply of human resources based on objectives and long range plans of the organization.

b) Calculation of net human resources requirements based on present inventory of human resources.

c) Taking steps to mould, change, and develop the strength of existing employees in the organization so as to meet the future human resource requirements.

d) Preparation of action programs to get the rest of human resources from outside the organization and too develop the human resources of existing employees.

iii) Recruitment

It is the process of searching for prospective employees and stimulating them to apply for jobs in an organization. It deals with:

a) Identification of existing sources of applicants and developing them.

b) Creation/identification of new sources of applicants.

c) Stimulating the candidates to apply for jobs in the organization.

d) Striking a balance between internal and external sources.

iv) Selection

It is the process of ascertaining the qualifications, experience, skill knowledge etc., of an applicant with a view to appraising his/her suitability to a job appraising: This function includes:

a) Framing and developing application blanks.

b) Creating and developing valid and reliable testing techniques.

c) Formulating interviewing techniques.

d) Checking of references,

e) Setting up medical examination policy and procedure.

f) Line manager's decision.

g) Sending letters of appointment and rejection.

h) Employing the selected candidates who report for duty.

v) Placement

It is the process of assigning the selected candidate with the most suitable job m terms of job requirements. It is matching of employee specifications with job requirements. This function includes:

a) Counseling the functional managers regarding placement.

b) Conducting follow-up-study, appraising employee performance in order to determine employee adjustment with the job.

c) Correcting misplacements, if any.

vi) Induction and Orientation

Induction and orientation are the techniques by which a new employee is rehabilitated in the changed surrounding and introduced to the practices, policies, purposes and people etc.. of the organization.

a) Acquaint the employee with the company philosophy, objectives, policies, career planning and development, opportunities, product, marker share, social and community' standing, company history, culture etc.

b) Introduce the employee to the people with whom he has to work such as peers, supervisors and subordinates.

c) Mould the employee attitude by orienting him to the new working and social environment.

2. Human Resources Development

It is the process of improving, moulding and changing the skills, knowledge, creative ability, aptitude, attitude, values, commitment etc., based on present and future job and organizational requirements.

This function includes:

i) Performance Appraisal

It is the systematic evaluation of individuals with respect to their performance on the job and their potential for development. It includes:

a) Developing policies, procedures and techniques.

b) Helping the functional managers.

c) Reviewing of reports and consolidation of reports.

d) Evaluating the effectiveness of various programs.

ii) Training

It is the process of imparting the employees the technical and operating skills and knowledge. It includes:

a) Identification of training needs of the individuals and the company.

b) Developing suitable training programs.

c) Helping and advising; line management in the conduct of training programs.

d) Imparting of requisite job skills and knowledge to employees.

e) Evaluating be effectiveness of training programs.

iii) Management Development

It is the process of designing and conducting suitable executive development programs so as to develop the managerial and human relation skill of employees. It includes:

a) Identification of the areas in which management development is needed.

b) Conducting development programs.

c) Motivating the executives.

d) Designing special development programs for promotions.

e) Using the services of specialists, and/or utilizing of the institutional executive development programs.

f) Evaluating the effectiveness of executive development programs.

iv) Career Planning and Development

It is the planning of one's career and implementation of career plans by means of education, training, job search and acquisition of work experiences. It includes internal and external mobility.

a) Internal Mobility

It includes vertical and horizontal movement of an employee within an organization. It consists of transfer, promotion and demotion.

➢ **Transfer**

It is the process of placing employees in the same level jobs where they can be utilized more effectively in consistence with their

---

potentialities and needs of the employees and the organization. It also deals with:

➢ Developing transfer policies and procedures.

➢ Guiding employees and line management on transfer.

➢ Evaluating the execution of transfer policies and procedures,

➢ **Promotion**

It deals with upward reassignment given to an employee in the organization to occupy higher position which commands better status and/or pay keeping in view the human resources of the employees and the job requirements.

➢ This function covers the formulating of equitable, fair and consistent promotion policies and procedures.

➢ Advising line management and employees on matters relating to promotion.

➢ Evaluating the execution of promotion policies and procedures.

➢ **Demotion**

It deals with downward reassignment to an employee in the organization:

➢ Develop equitable, fair and consistent demotion policies and procedure.

➢ Advising line managers on matters relating to demotions.

➢ Oversee the implementations of demotion policies and procedures.

b) External Mobility

External mobility is of two types, viz., accessions and separations.

➢ **Accessions**

Accessions are additions of new candidates to the existing employees. Accessions include employment of new candidates, reemployment of former employees, employees called back to work after lay-off, etc.

➢ **Separations**

Separations mean termination of employment. They are also called employee turnover. They include:

➢ **Voluntary' Quit**

Voluntary quit or resignations by employees when they are dissatisfied with the present job and/or organization, or when they get better employment in other organizations.

➢ **Lay-off or Lack of Work**

Organizations terminate the services of employees when the jobs are eliminated or reduced due to adoption to technology or adverse business conditions or lack of power, materials, break-down of machinery', etc.

➢ **Disciplinary Lay-off or Discharge**

Organizations terminate the services of employees if they are dissatisfied with the performance or conduct of employees.

➢ Retirement, and

➢ **Deaths**

Stages in External Mobility: There are four stages in external mobility, viz.: Exploration, Establishment including mutual recruitment, acceptance to the recruitment conditions, entry, having first job assignment settlement, transfer, promotion and granting of tenure, Maintenance stage, and Decline stage.

v) Organization Development

It is a planned process designed to improve organization effectiveness and health through modifications in individual and group behavior, culture and systems of the organization using knowledge and technology of applied behavioral science.

3. Compensation

It is process of providing adequate, equitable and fair remuneration to the employees. It includes job evaluation, wage and salary administration, incentives, bonus, fringe benefits, social security measures, etc.

i) Job Evaluation

It is the process of determining relative worth of jobs:

a) Select suitable job evaluation techniques.

b) Classify jobs into various categories.

c) Determining relative value of jobs in various categories.

ii) Wage and Salary Administration

This is the process of developing and operating a suitable wage ad salary' program. It covers:

a) Conducting wage and salary survey.

b) Determining wage and salary' rates based on various factors.

c) Administering wage and salary programs.

d) Evaluating its effectiveness.

iii) Incentives

It is the process of formulating, administering and reviewing the schemes of financial incentives in addition to regular payment of wages and salary. It includes:

a) Formulating incentive payment schemes.

b) Helping functional managers on the operation.

c) Review them periodically to evaluate effectiveness.

iv) Bonus

It includes payment of statutory bonus according to the Payment of Bonus Act, 1965, and its latest amendments.

v) Fringe Benefits

These are the various benefits at the fringe of the wage Management provides these benefits to motivate the employees and to meet their life's contingencies. These benefits include:

a) Disablement benefit.

b) Housing facilities

c) Educational facilities to employees and children.

d) Canteen facilities. Recreational facilities.

e) Conveyance facilities.

f) Credit facilities.

g) Legal clinic.

h) Medical, maternity and welfare facilities.

i) Company stores.

vi) Social Security Measures

Managements provide social security to their employees in addition to the fringe benefits. These measures include:

a) Workmen's compensation to those workers (or there dependents) who involve in accidents.

b) Maternity benefits to women employees.

c) Sickness benefits and medical benefits.

d) Disablement benefits/allowance.

e) Dependent benefits.

f) Retirement benefits like provident fund, pension, gratuity etc.

4. Human Relations

It is the process of interaction among human being. Human relations is an area of management in integrating people into work situation in a way that motivates them to work together productively, co-operatively and with economic, psychological and social satisfaction. It includes:

i) Understanding and applying the models of perception, personality, learning, intra and inter personal relations, intra and inter group relations.

ii) Motivating the employees.

iii) Boosting employee morale.

iv) Developing the comminution skills.

v) Developing the leadership skills.

vi) Redressing employee grievances properly and in time by means of a well formulated grievance procedure,

vii) Handing disciplinary case by means of an established disciplinary procedure.

viii) Counseling the employees in solving their personal, family and work problems and releasing their stress, strain and tensions.

ix) Improving quality of work life of employees through participation and other means.

1.1.6 Changing role of Human Resource Manager

Q8. "Human Resource Manager performs more challenging roles in the changing scenario." Explain.

Ans : (May -15)

Role of HR Manager in Post Liberalization Era

During the last decade of the 20th century, business management practices witnessed tremendous change. Even the HR manager's role has undergone some changes for achieving objectives of the firm. Responsibilities of HR manager have also increased after this revolutionary changes.

The major role played by HR manager in the post liberalization era, is as followed,

1. Globalization of Economy

HR managers in the present era of globalization, are required to possess knowledge of beliefs and values i prevailing in the host countries where managerial operations are being performed. Besides this, the HR managers must also perform various functions which are related with taxation, salaries and more involvement in employee's personal life.

2. Corporate Restructuring

Corporate restructuring helps in increasing the growth rate at a faster pace. Restructuring may be in the form of mergers, acquisitions and divestment of weak business. In the process of restructuring, HR managers must take care of all problems related to employees, such as stress, fear of loss of jobs, adjustment in new culture, etc. HR manager must adopt appropriate strategies to integrate individuals and organizations. Lack of integration may lead to failure of corporate restructuring.

3. Newer Organizational Designs

After liberalization, many companies are going for virtual organization. Virtual organization is a temporary network of independent companies, suppliers, customers, who are all connected with the help of information technology for sharing talents, expenditure and to use one another's market. The HR manager needs to work for development of company and adjust themselves in new organizational pattern.

4. Emphasis on Total Quality Management

After globalization, the concept of total quality management is being adapted by most of the Indian corporate sectors. The HR manager needs to understand TQM, as it focuses upon the quality of both goods and services. HR manager must identify the customers, provide them goods at the least possible cost arid maintain quality of products.

5.   Emphasis on Kaizen (Continuous Improvement)

Kaizen is continuous improvement and involves customer orientation, quality control and improvement etc. HR managers need to be efficient and their role is of utmost importance. Training must be provided to employees, so that they can participate in Kaizen process.

6.   Changing Job Profile

As time passes, the nature of job is also changing, due to the evolution of advanced technology which completes the job better and faster than employees. Hence, only skilled and expert personnel is required to perform the work. The HR manager needs to be good enough to design and formulate the job descriptions, human resource planning etc., HR manager must be an expert in recruitment and selection process, so that he can select the right candidate for the right job. Changing job profile poses to be a great challenge to the HR manager.

7.   Changing Workforce Profile

Changing job profile will lead to changes in workforce profile. In the present era, people are highly skilled, talented, young and educated with high expectations. So, there is a greater chance of job hopping, wherein young employees try to shift from one job to another in order to fulfill their expectations. HR manager needs to provide good quality of work-life and design appropriate retention strategies.

8.   Increasing Role of Woman Employees

Role of woman employees is increasing in both managerial and non-managerial groups. Woman employees are facing many problems, like balancing the career with family, sexual harassment, prejudices etc. If an organization wishes to recruit woman employees, it is the duty of HR manager to solve the problems of women by providing a convenient and suitable organizational climate and culture, Hence, the role of HR department in this aspect is very crucial.

9.   Emphasis on Knowledge Management

Many companies are shifting their focus from human resource management to knowledge management. Intellectual capital is treated as the managed asset in the knowledge based management and it makes use of tools such as organizational dynamics, process engineering and technology. The HR manager needs to develop reactive strategies and work as a facilitator and enabler.

Q9.   Explain the challenges of HRM in the present business scenario ?

Ans :

In the present scenario, HRM faces many challenges that result from various organizational, cultural and environmental changes. Fluctuating social and political trends and the recent economic development around the world facilitated the growing importance of HRM in an organization and at the same time posed some challenges. The challenges faced by HRM are,

1.   Growth in Employee Education and Expectation

The workforce or employees today are better educated with high motivations, aspirations about participation and have more expectations about equality and fair dealings at work. A higher educated workforce wants a more meaningful work and a say in decision making, particularly regarding their working conditions and careers. Thus, HR Managers and organizations must develop flexible approaches to all aspects of HRM.

2.   Changing Demographics and Life-styles of Workforce

The other challenge HRM is facing today is the changing nature of the workforce. The demographic changes in the workforce are,

(i)   Dual career couples-couples where both partners are actively pursuing professional careers.

(ii)   Growth of women employees

(iii)   Increasing number of young employees.

(iv)   Increasing number of working mothers

(v) Decline of blue-collar workers who are giving way to white-collar employees

(vi) Increasing level of education.

Life-style considerations too play a significant role in an organization's ability to recruit or transfer people. Willingness of the people as to where to live and work are dependent on the factors like personal convenience and preferences, family commitments etc. All these have their own implications for the HR manager.

3. Organizational Restructuring/Corporate Reorganization

The next challenge that HRM is facing today, is the reorganization resulting from acquisition, merger, divestiture or a takeover threat. In such circumstances, employees of the organization are affected, because decision making is difficult and delayed. Individuals in the firms undergoing acquisition, merging are facing difficulties like,

➤ Changes in jobs including new roles and assignments.

➤ Loss of job

➤ Transfers to new places

➤ Changes in compensations and benefits

➤ Possibilities of changes in career

➤ Changes in corporate culture etc.

4. Economic Conditions and Competition

The changing economic situation and the threat of competition has posed a great challenge to HRM. In the recent years, the Indian economy has undergone a process of liberalization and had been subjected to structural adjustments. Globalization and Privatization in the recent years increased the competition to a large extent. In such situations, HR managers should develop flexible approaches and strategies so that their firm is not threatened.

5. Quality of Work Life (QWL)

In the current scenario, many employees and managers are greatly concerned about the Quality of Work Life (QWL). It is a concept which contains the total range of organizational life, particularly as it is reflected in HRM. These considerations have a great impact on HRM.

6. Technological Changes

Technology is changing with innovations and improvements like automation, robotics and computerization. To meet the requirements, the organizations need to train their human resources accordingly.

7. Achieving Competitive Advantage

Modern HRM practices and policies have to be formulated to achieve a competitive advantage : unique benefits that an enterprise offers to its'Customers. The organization in this scenario of high competition should try to be unique in the factors like quality, special features like after-sales service, free gifts, coupons etc., to attract a stream of customers towards its products.

8. Globalization

With the spread of globalization, many foreign firms are entering into the Indian market and are challenging the domestic firms. The internet is adding fuel to globalization and most of the MNCs are entering into joint ventures with local firms or setting up green field projects. These alliances of MNCs with local firms, benefit the local firms who increase their sales, expand their markets, share the new technology and professionalism of management. Every organization to survive and meet the threat of competition, is willing to make an alliance with a foreign collaborator. In this situation it is a great Challenge for HRM to meet these requirements.

9. Outsourcing of HR Activities

In the current scenario, many organizations are outsourcing HR activities like recruiting, training and development etc.

Example : Proctor & Gamble has signed a 10-year deal with IBM to handle employee services.

This trend of outsourcing resulted from the several operational and strategic motives. In such situations, HR departments are focussing more on strategic roles. At the strategic level, outsourcing reduces bureaucracy and encourages a new culture with the introduction of external market forces into the firm. At the operational level, outsourcing saves money.

Outsourcing has a negative impact also. Outsourcing carried to its logical end, creates a downfall of HR department in an organization i.e., in outsourcing, an organization can work without HR department. Therefore, it is a big challenge to a HR manager to prove the importance of his department.

10.   The Bottom Line

Another challenge for HRM today is the necessity of cost-effective HR programs, approaches and policies. Though the HRM activities have their impact on profits its importance has not yet been identified. For thief, the HR department must be able to demonstrate that, what it does is of great importance to the success of the organization

Conclusion

The field of HRM is rapidly evolving as it is facing a lot of challenges. In such situations, HR managers must be ready to face these multidimensional challenges with adequate foresight.
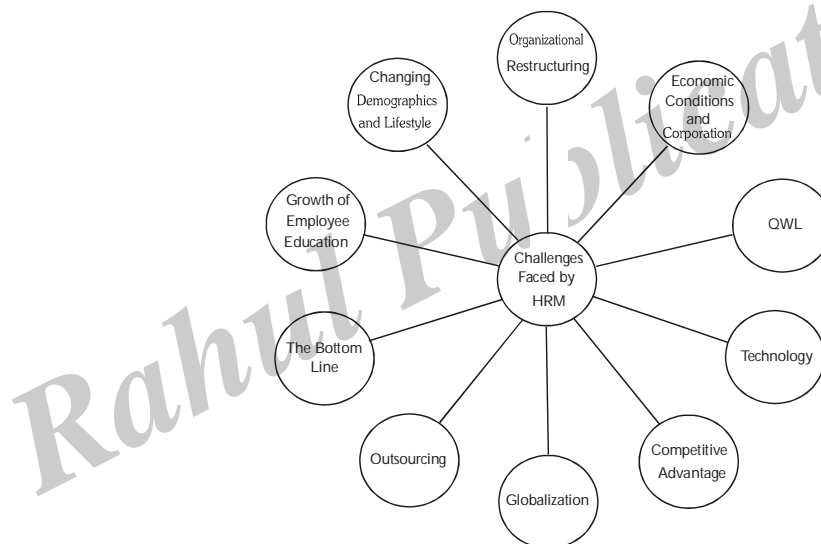
Fig Key Issues / Challenges Faced by HRM

Q10. Explain Recent trends in HRM.

Ans :

Human resource management creates the relationship between people and organizations to meet the goals of each other. The role of HR manager is adoption from one position to another like protector to planner, Personnel directors are new persons to corporate. Personnel relations are in order, it is not possible to show a good financial or operating report.

From many years, the jobs are depends on high skills and knowledge based. And the low skilled jobs are decreasing. This is for developing the organization through proper HRM initiatives.

Indian organizations are also focusing on a change in systems, management culture and there is a lack of proper associate to the global of Indian organizations.

Some of the recent trends observed are as follows,

1. The ISO 9001 and ISO 9004 of recent quality management of 2000 focus more on people coming from specific organizations. Now-a-days organizations themselves need to prepare, in order to discourse people particular problems and HR problems with commitment from the top management, more particularly on training.

2. Charles Handey also recommended future organizational models like Shamrock, Federal and Triple I. These models also focus on people specific issues and call for redefining HR professionals future role.

3. Organizations have introduced six-sigma practices, and it followed analytical tools with leadership from top management and develops a method for continuous improvement. These six-sigma practices improve organizational values and helps in creating adequacy product or services at minimum cost.

4. Human resource outsourcing is a new phenomena that makes traditional HR department in an organization unnecessary. The international pioneer in HR BPO already roped in Bank Of America, international players BP Amoco and over the years plan to spread their business to most of the Fortune 500 companies.

5. With the increase of recruiting competent people is also increasingly becoming difficult, especially in India. Organizations are also need to work out a retention strategy by creating an enabling culture, for the existing skilled manpower.

1.2 HRM POLICIES

Q11. Define HRM Policy. State the characteristics of HRM Policy.

Ans :

Introduction

Human resource policies are systems of codified decisions, established by an organization, to support administrative personnel functions, performance management, employee relations and resource planning.

Each company has a different set of circumstances, and so develops an individual set of human resource policies.

Definitions of HRM Policy

A policy is a plan of action, Brewster and Richbell defined HRM policies as, "a set of proposals and actions that act as a reference point for managers in their dealings with employees". "HR policies constitute guides to action. They furnish the general standards or bases on which decisions are reached. Their genesis lies in an organization's values, philosophy, concepts and principles". HR policies guide the course of action intended to accomplish personnel objectives.

Developing the HR Policies

HR policies provide an organization with a mechanism to manage risk by staying up to date with current trends in employment standards and legislation. The policies must be framed in a manner that the companies vision & the human resource helping the company to archive it or work towards it are at all levels benefited and at the same time not deviated from their main objective.

Characteristics

While developing sound personnel policies management should pay attention to the following things :

1. **Related to Objectives**

   Policies must be capable of relating objectives functions, physical factors and company personnel.

2. **Easy to Understand**

   Policies should be stated in define, positive, clear and understandable language.

3. **Precise**

   Policies should be sufficiently comprehensive and prescribe limits and yardsticks for future action.

4. Stable as well as Flexible

Personnel policies should be stable enough assure people that there will not be drastic overnight changes. They should be flexible enough to keep the organization in tune with the times.

5. Based on Facts

Personnel policies should be built on the basis of facts and sound judgment and not in personal feelings or opportunistic decision.

6. Appropriate Number

There should be as many personnel policies as necessary to cover conditions that can be anticipated, but not so many policies as to become confusing or meaningless.

7. Just, Fair and Equitable

Personnel policies should be just, fair and equitable to internal as well as external groups. For example, a policy of recruitment from within may limit opportunities to bright candidates from outside: and a policy of a recruitment from outside only would limit promotional avenue to promising internal candidates. To ensure justice, it is necessary to pursue both the policies scrupulously and apply them carefully.

8. Reasonable

Personnel policies must be reasonable and capable of being accomplished. To gain acceptance and commitment from employees, the policy should be conditioned by the suggestions and reactions of those who are affected by the policy.

9. Review

Periodic review of personnel policies is essential to keep in tune with changing times, and to avoid organizational complacency or managerial stagnation.

Q12. State the various Factors Affecting HR Policies.

Ans :

The following factors will influence in determining the personnel policies of an organization :

1) Laws of the Country

The various law and labor legislation govern the different aspects of personnel matters. Policies should be in conformity with the laws of the country.

2) Social Values and Customs

These are the codes of behavior of any community which should be taken into account in framing the policies.

3) Management Philosophy and Values

Management does not work, together for any length of the time without clear broad philosophy and set of values which influence their actions on matters concerning the workforce.

4) Stages of Development

All changes such as size of operations, scale of technology, innovations, fluctuations in the composition of workforce, decentralization of authority and change in financial structure influence the adoption of personnel policies.

5) Financial Position of the Organization

The personnel policies cost money which will be reflected in the price of the product. Because of this, prices set an absolute limit to organization's personnel policies.

6) Union Objectives and Practices

How well the employees are organized? What is their bargaining capacity? What are their pressure techniques? All these factors are responsible for personnel policies.

7) Type of Workforce

The assessment characteristics of workforce and what is acceptable to them is the responsibility of the effective personnel staff. A policy which is not appropriate is hardly worth implementation.

Q13. Outline the Process of Human Resource Policies.

Ans :

The development of HR policies depends upon the day-to-day problems arising in an organization and their solutions. The main purpose of formulating the HR policy is to assist the top

executives in reaching the decision in a given situation.

The process of policy formulation involves the following steps :

1) Identifying the Need

If an organization does not already have an appropriate personnel policy, the personnel manager should feel its needs. He should also convince the chief executive of the need of a personnel policy. Policies are required in various areas of personnel management such as hiring, training, compensation, industrial relations, etc.

A staff expert, a first-line supervisor, a union leader or a rank-and-file employee may voice the need for revision of an existing policy.

2) Gathering Information

Once the need for a policy has been accepted, the next step is to collect necessary facts for its formulation. A committee or a specialist may be assigned the task of collecting the required information from inside and outside the organization. Facts may be gathered from any of the following sources:

i) Past practice in the organization.

ii) Prevailing practice among the companies in the community and throughout the nation in the same industry.

iii) The attitudes and philosophy of the top management.

iv) The attitudes and philosophy of middle and lower management.

v) The knowledge and experience gained from handling countless problems on a day-to-day basis.

The HR department should study existing documents, survey industry and community practices and interview people within the organization to collect appropriate information. Special attention should be paid to attitudes and philosophy of top management, social customs and values, aspirations of employees, labor legislation, etc.

Widespread consultations and discussions at this stage prove helpful later on when it comes to applying the policies.

3) Examining Policy Alternatives

On the basis of data collected, alternatives are appraised in terms of their contributions to organizational objectives. It is necessary to secure active participation of those who are to use and live with the policies.

4) Putting the Policy in Writing

After the necessary information has been gathered and the alternatives examined, the HR department can begin the actual work of formulating the written expressions of the company's HR policy. While writing the policy, emotional phrases should be avoided.

5) Getting Approval

The HR department should send the policy draft to the top management for its approval. It is the top management which has the final authority to decide whether a policy adequately represents the organization's objectives or not.

6) Communicating the Policy

After getting the approval of the top management, the policy should be communicated throughout the organization. A real education program should be set up to teach people how to handle various personnel problems in the light of this newly formulated policy.

7) Evaluating the Policy

From time to time the policy should be evaluated in terms of experience of those who use it and of those who are affected by it. There may be situations when an organization is not getting the expected results. This requires modifications in the policies.

Any serious difficulty with a policy along with suggestions should be reported to the top management. Such knowledge will enable the management to decide whether there is a need to restate or re-formulate the policy.

1.2.1 Impact of Environment on HRM

Q14. Explain environment impact of Human Resource Management in recent change.

(OR)

Write a brief note on impact of environment on policy framing of HR.

(OR)

Explain the impact of environment on HRM in organization.

Ans :   (May-16, May-15, May-14)

In simple words, environment comprises all those forces which have their bearing on the functioning of various activities including human resource activities. Environment scanning helps HR manger become proactive to the environment which is characterized by change and intense competition. Human resource management is performed in two types of environments- internal and external.

A)   Internal Environment

These are the forces internal to an organization. Internal forces have profound influence on HR functions. The internal environment of HRM consists of unions, organizational culture and conflict, professional bodies, organizational objectives, polices, etc. A brief mention of these follows.

1.   Unions

Trade unions are formed to safeguard the interest of its members/workers. HR activities like recruitment, selection, training, compensation, industrial relations and separations are carried out in consultation with trade union leaders.

2.   Organizational Culture and Conflict

As individuals have personality, organizations have cultures. Each organization has its own culture that distinguishes one organization from another. Culture may be understood as sharing of some core values or beliefs by the members of the organization "Value for time" are the culture of Reliance Industries Limited. The culture of Tata conglomerate is "get the best people and set them free".

HR practices need to be implemented that best fit the organization's culture. There is often conflict between organizational culture and employee's attitude. Conflict usually surfaces because of dualities such as personal goal vs. organizational goal, discipline vs. autonomy, rights vs. duties, etc. Such conflicts have their bearings on HR activities in an organization

B)   External Environment

External environment includes forces like economic, political, technological, demographic etc. these exert considerable influence on HRM. Each of these external forces is examined here.

1)   Economic

Economic forces include growth rate and strategy, industrial production, national and per capita incomes, money and capital markets, competitions, industrial labor and globalization. All these forces have significant influence on wage and salary levels. Growing unemployment and reservation in employment also affect the choice for recruitment and selection of employees in organizations.

2)   Political

Political environment covers the impact of political institutions on HRM practices. For example, democratic political system increases the expectations of workers for their well being.

The total political environment is composed of three institutions:

i)   Legislature:

This is called Parliament at the central level and Assembly at the state level A plethora of labor laws are enacted by the legislature to regulate working conditions and employment relations.

ii)   Executive

It is the Government that implements the law. In other words, the legislature decides and the executive acts.

iii)   Judiciary

This is like a watchdog above the two. It ensures that both the legislature and the executive work within the confines of the

constitution and also in the overall interest of the people. These affect, in one way or the other, all HR activities from planning to placement to training to retention and maintenance.

3. Technological

Technology is a systematic application of organized knowledge to practical tasks.

Technological advances affect the HR functions in more than one way:

First; technology makes the job more intellectual or upgraded.

Second, it renders workers dislocated if they do not equip themselves to the job.

Third, job becomes challenging for the employees who cope with the requirements of technology Fourth, technology reduces human interaction at the work place. Finally job-holders become highly professionalized and knowledgeable in the job they perform.

4. Demographic

Demographic variables include sex, age, literacy, mobility, etc. Modem work force is characterized by literate, women and scheduled caste and scheduled tides workers. Now, workers are called knowledge workers' and the organizations wherein they work are called 'knowledge organizations'.

As such, the traditional line of distinction between manual and non-manual workers is getting blurred. Employees are demanding parity in remuneration and responsibility among various categories and levels of employe

1.3 CONCEPTS OF TALENT MANAGEMENT

Q15. Define and explain the concept of talent management. Discuss briefly the nature and scope of talent management.

Ans :

Definitions of Talent Management

1. **According to By Alison Coleman** 'Talent management means nurturing and developing those people identified as having ability and potential and it should form part of any organization's recruitment and retention strategy".

2. **According By Jason Ayerbook, Mary Ruiz and Suzzanne Rumsey** "Talent management is the process of managing the supply and demand of talent to achieve optimal business performance and in direct alignment with organizational goals".

3. **According By Rhea Duttagupta** "Talent management is the strategic management of the flow of talent through an organization"

In general a talent management is defined as a strategic approach which is engaged in recruiting, integrating, developing, rewarding and retaining the highly calibrated, multi-skilled, talented and competent personnel in an organization to accomplish the strategic objectives of the firm.

The success of an organization mostly depends on the diversified and dynamic workforce/ human resources of the firm. There has been an increase in the need for outstanding talented employees with an increase in the global competition. To gain and retain competitive advantage in the highly competitive world firms should design and successfully implement effective strategies and for this a firm require the employees that are highly calibrated, multi-skilled and competent. Thus results in a great need for talent management in their organization. The factors that influence the need for recruiting and retaining highly talented employees include,

(i)   The thrust to increase the turnover in accordance with the economic growth.

(ii)   Globalization of labour force and markets.

(iii)   Intensified competition among firms internationally.

(iv)   Increase in the scope of the corporate world.

The need for talent management and their strategies vary' from one organization to other as they depends on the culture, corporate needs and the competitor actions of firm and they differ from one organization to other.

Nature and Importance of Talent Management

The nature of talent management deals with the flow of talent throughout an organization to gain competitive edge over the rivals.

(i) Talent management is a strategic process that is engaged in ensuring the supply of talent in form of right people placed in right jobs at right time in order to accomplish the strategic objectives of a firm.

(ii) It is an integrated approach that facilitates a firm to gain competitive advantage through the strategic management of competent and talented workforce.

(iii) Talent management believes that talent can add value to the organization and will results in the success of both individual and organization as well.

(iv) Talent management is a reciprocal approach that contributes the success of both individuals and organization in long run.

(v) It is a change oriented approach that leads to an effective organizational change.

(vi) It provide a framework to integrate the business strategies with the human resource strategy of the firm.

(vii) It is a collaborative approach that involves shared accountability and responsibility among the workforce of the firm.

(viii) It also integrates the HR initiatives of a firm.

Scope of Talent Management

Talent management has a very vast and wide scope. It is concerned with activities starting from identification of target jobs and also resolves the issues and reduces the risks associated with it. According the scope of Talent Management (TM) includes.

(a) Target Jobs

Talent management emphasizes more on identification of type of jobs that are to be fulfilled in an organization. Most commonly talent management considers the executive and CEO jobs. In some other organizations the target jobs include senior management jobs, middle level management jobs and key leadership positions. All the above mentioned jobs constitute only a small proportion of total human resources of an organization. Thus, it will be more beneficial to a firm if it is applied for the other jobs.

(b) High-potential Individuals

The efforts of talent management vary from one organization to other. Some use talent management to acquire, develop and retain only high potential individuals than others. Whereas, some others use TM efforts for only a part of workforce that are classified under top 10% and some others focus on the whole workforce.

(c) Competency Models

Competency models represent the Key Skills, knowledge and Abilities (KSA's) required to perform different jobs of an organization. Based on these models an employer can plan their talent management efforts. These models help a recruiter to recognize the gaps between the competencies required and that are possessed by the employees and to take proper measures to bridge them. Most of the companies use the competency models libraries for the jobs such as executives, managers, supervisors, sales personnel and others.

(d) Talent Pools

Talent pools consist of a group of talented people which helps an employer to recruit the people from the pools for specified jobs in their organization. This avoids the development of specialized jobs, just-in-time training and coaching is one of the best approach to make talent pools.

(e) Career Tracks

Talent management focus on the career tracks which provide a series of steps that one should follow in order to attain the next highest position in their organization.

Example

A sales manager might have performed the different functions such as customer sales, supervising, other positions before reaching the position of sales manager.

(f) Assessment

Talent management also include evaluation of the personnel to determine their potential/caliber to perform the job by using a series of tests. The tests include IQ tests, aptitude, personality and other tests.

(g) Development Risk Sharing

Development of talent flow in an organization is associated with risks such as the loss of trained/ skilled employees after imparting training and development. An organization can avoid this risk by using different programs such as volunteer projects with non-profit organization, acquire promising employee volunteers, conduct executive programs on weekends etc. The risk has to be shared with the employees in order to minimize the adverse effects of the risk.

Q16. Explain briefly the development of talent management.

OR

"Talent management is defined as the future of human resource management". Justify this statement by highlighting the evolution of talent management.

Ans :   **(Imp.)**

Development of Talent Management

Most of the HR specialists argued that talent management has evolved from the concepts of human resource management. The stages that are involved in the development of talent management are,

1. Personnel management

2. Human resource management

3. Talent management.

1. Personnel Management

Traditionally the management of the activities that are related to the personnel/workforce of a firm was called personnel management. The activities include the workers and operational level people. The roles and responsibilities of personnel management are categorized into a three groups,

(i) Managerial functions include, planning, organizing, direct, controlling and coordi- nating.

(ii) Staff functions include formulation of policies, offer services to employees, development and control.

(iii) Line functions include, planning and recruiting the employees, ensuring favourable working conditions, imparting training, fixing compensation, communicating business information and personnel research.

Personnel management includes only support functions.

2. Human Resource Management

During 1980-1990 management of the firms recognized the importance of HR functions in the organization which resulted in the emergence of strategic HRM from personnel management. Thus, personnel manager became HR manager The major functions of a HR in an organization include,

(i) Recruiting and placing the right people in right job.

(ii) Effective decision making.

(iii) Performance appraisal of employees to establish rewards and compensation for them.

(iv)   Imparting training to employees to develop their skills.

(v) Motivating employees to enhance productivity.

(vi) Maintaining harmonious relations among the employees and also with the organization.

HRM played a significant role in designing and executing the business strategies by aligning them with the HR strategies. The organization has also implemented appropriate systems in order to support the new HRM I functions such as Applicant Tracking and Selection (ATS). total compensation system, learning management systems, etc. Now-a-days HRM became a business partner which provide support to business through managing human related aspects.

3. Talent Management

Now-a-days with an increase in the globalization and intensified competition there has been widen the scope of HRM that resulted in the emergence of talent management. The change in the percentage of tangible and intangible sources of a firm that contribute the organization success during a period of 1982-2000 is as follows.

Year	% of tangible	% of intangible sources
1982	82%	28%
1992	38%	62%
2000	15%	85%

A firm can gain competitive edge or distinguish itself from others by acquiring key skills and abilities and effective organization culture but not the resources, technology and processes. This view of the organizations has increased the emphasis on the following strategic issues.

(i)   Use of competency based tools and techniques to perform the basis functions of HR.

(ii)   Creation of an effective organization culture to motivate development of value added leadership.

(iii)   Use of novel, flexible and technology based tools and techniques to bride the talent gaps.

(iv)   Aligning the performance management system with the strategic objectives of business to benefit both individuals and organization as well.

(v)   Development of talented employees to handle key leadership positions.

To face the complex challenges require integration of human resource practices with business management processes. They require the support of efficient PMS, succession planning system and competency management system. Talent management facilitates business integration.
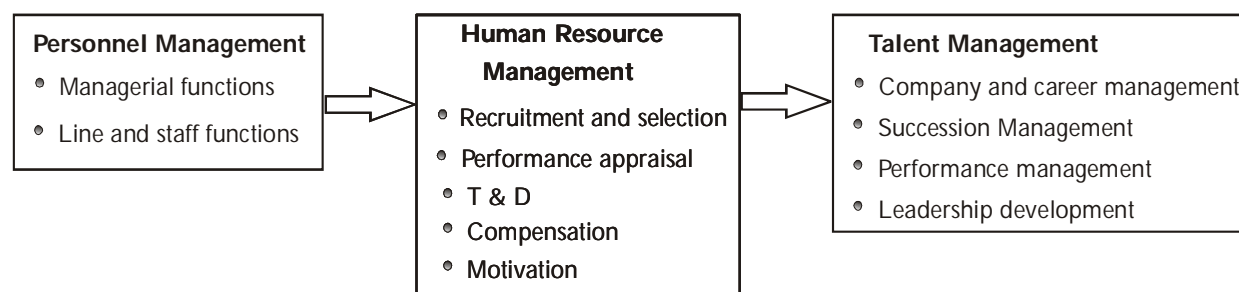
Fig. Development/Evolution of Talent Management

Q17. Explain briefly the process of talent management.

(Or)

Outline the process of Talent Management.

Ans : **(Imp.)**

Process of Talent Management

The process of talent management consists of number of interrelated activities. The business strategy initiates the process of talent management by specifying the talent pool that is necessary for the organization. The main objective of talent management is to develop and maintain an adequate and efficient talent pool or talent management pipeline. The activities in the process of talent management include,

(i) Resourcing

In this process, the firm has to determine the adequate human resource requirements and need to source them from both external and internal sources. Internal sources include training and development of talented people of the organization. External resources can be used through attraction policies.

(ii) Attraction and Retention Policies

These polices ensure the attraction and retention of the talented employees with the organization. Attraction policies are meant to source HR externally i.e., recruiting and selecting the personnel from the outside environment. Retention policies are meant to keep the talented people within the organization. These policies will result in the creation and management of talent throughout the organization.
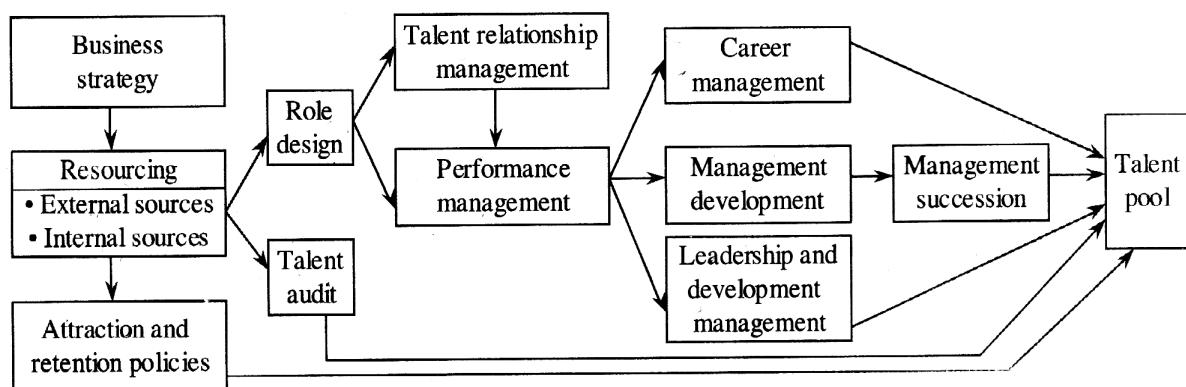
Fig. Talent Management Process

(iii) Talent Audit

It is a process of recognition of highly talented and calibered employees and offering them a way to creep up their career through career planning and development by imparting training and learning programs to train them in handling the key leadership position in the organization. It helps a HR manager to identify the risks and the great need for employee retention.

(iv) Role Design

The process of talent management requires the design of roles and responsibilities of the people involved to empower and motivate them. Role design ensures the employees with an assistance to grab the available opportunities and to develop in their positions through learning and training.

(v) Talent Relationship Management

The process of building harmonious relations between the employees that are engaged in their roles and the organization is called talent relationship management. It aimed to create favourable working conditions for the employees to provide fair and equal treatment, provide opportunities to them based on their value and contribution in order to develop them. It is meant to develop a commitment in the employees towards the organization success. According to sears it is beneficial to maintain the existing relations instead of creating new relationships.

(vi) Performance Management

The activities include in performance management process include building harmonious relations between personnel and organization identify the caliber and talent of the employees based on their performance, conducting training and development programs in order to encourage their growth and talent. In this process, line managers need to evaluate the risk associated with it when the employees left the organization. Performance management should be reviewed and redesigned periodically in order to motivate the employees through providing positive feedback, value recognition and rewarding their performance.

(vii) Learning and Development Programmes

These programmes facilitate the employees to develop their skills and competencies required to perform most responsible jobs in future. These policies should be designed by considering employee success profile.

(viii) Management Succession Planning

This process helps an organization to maintain the management sources that are required to meet the business needs in future.

(ix) Career Management

Career management is the process of providing various approaches to the employees to enhance and strengthen their abilities and competencies to make a bright career in the future. It fulfills the talent flow of organization and also their own career objectives.

1.4 CONCEPT OF HUMAN CAPITAL

Q18. Define Human Capital. Explain the Importance of Human Capital.

Ans :

Human Capital is a measure of the skills, education, capacity and attributes of labor which influence their productive capacity and earning potential.

According to the OECD, human capital is defined as:

"the knowledge, skills, competencies and other attributes embodied in individuals or groups of individuals acquired during their life and used to produce goods, services or ideas in market circumstances".

Importance of human capital

➢ **Structural unemployment**

Individuals whose human capital is inappropriate for modern employers may struggle to gain employment. A major issue in modern economies is that rapid deindustrialization has left many manual workers, struggling to thrive in a very different labor market.

➢ **Quality of employment**

In the modern economy, there is increasing divergence between low-skilled, low-paid temporary jobs (gig economy). High-skilled and creative workers have increased opportunities for self-employment or good employment contracts.

➢ **Economic growth and productivity**

Long-term economic growth depends increasingly on improvements in human capital. Better educated, innovative and creative workforce can help increase labor productivity and economic growth.

➢ **Human capital flight**

An era of globalization and greater movement of workers has enabled skilled workers to move from low-income countries to higher income countries. This can have adverse effects for developing economies who lose their best human capital.

➢ **Limited raw materials**

Economic growth in countries with limited natural resources, e.g. Japan, Taiwan and South East Asia. Rely on high-skilled, innovative workforce adding value to raw materials in the manufacturing process.

Q19. Explain the effective Measures of Human Capital.

Ans :

Human capital refers to the collective value of the intellectual capital (competencies, knowledge, and skills) of the employees in the organization. This capital is the constantly renewable source of creativity and innovativeness in the organization but is not reflected in its financial statements.

Revenue per employee is a basic measure of human capital effectiveness. The formula is Revenue/Head Count (full-time employee equivalents). It is a measure of employee productivity and shows the sales revenue generated by each full-time employee. This measure is commonly used in government reporting (see Bureau of Labor Statistics, BLS) as well as by organizations to track productivity over time. If revenues increase but employee head count remains constant, productivity would increase.

A widely used financial measure that can be applied to measure the contribution and cost of HR activities is return on investment (ROI), which is a calculation showing the value of investments in human resources. It can also be used to show how long it will take for the activities to pay for themselves. The following formula can be used to calculate the potential ROI for a new HR activity:

$$ROI = \frac{C}{A+B}$$

where:

A = Operating costs for a new or enhanced system for the time period

B = One-time cost of acquisition and implementation

C = Value of gains from productivity improvements for the time period

ROI is stressed because it is used in most other functions in an organization and is the "language" used by financial staff and top management. It allows managers to choose among various investment opportunities to determine the best use of funds.

i) **Human capital value added (HCVA)** is an adjusted operating profitability figure calculated by subtracting all operating expenses except for labor expenses from revenue and dividing by the total full-time head count. It shows the operating profit per full-time employee. Because labor is required to generate revenues, employment costs are added back into operating expense. The formula for HCVA is:

$$\frac{\text{Revenue - (Operating Expense - (Compensation + Benefit Costs))}}{\text{Full-Time Head Count}}$$

ii) **Human capital return on investment (HCROI)** directly shows the amount of profit derived from investments in labor, the leverage on labor cost. The formula for HCROI uses the same adjusted operating profitability figure as for HCVA, but it is divided by the human capital cost:

$$\frac{\text{Revenue - (Operating Expense - (Compensation + Benefit Costs))}}{\text{(Compensation + Benefits Costs)}}$$

iii) **Human economic value added (HEVA)** shows the wealth created per employee. It shows how much more valuable the organization has become due to the investment in human capital. Wealth is the net operating profit of a firm after the cost of capital is deducted. Cost of capital is the minimum rate of return demanded by shareholders. When a company is making more than the cost of capital, it is creating wealth for shareholders. An HEVA approach requires that all policies, procedures, measures, and methods use cost of capital as a benchmark against which their return is judged. Human resource decisions can be subjected to the same analysis. The formula for HEVA is:

$$\frac{\text{Net Profit after Taxes - Cost of Capital}}{\text{Full-Time Head Count}}$$

Many financial measures can be tracked and reported to show the contribution human resources make to organizational results. Without such measures, it would be difficult to know what is going on in the organization, identify performance gaps, and provide feedback. Managers should require the same level of rigor in measuring HR practices as they do for other functions in the organization.

1.4.1 Social Capital

Q20. Explain briefly about Social Capital.

Ans :

Social Capital

Social Capital is a concept that aims at emphasizing the importance of social contacts between groups and within groups. It primarily means that social networks have a value associated and that they are not always detrimental in nature .

The concept of social capital also stresses that social networks lead to increased productivity in individuals, teams and organizations. This increased productivity can be both financial and otherwise. This means that social contacts can lead to increase in confidence, fulfillment by fostering positive relationships. The essence being that just like any other capital form (human, physical, financial) social capital is also important and beneficial to the sustenance of society.

The term social capital has been used in varied forms in various disciplines. World Bank, for example, uses it to define societal and economic development. Corporate pundits similarly use it to mean an approach of organization development. Judson Hanifan championed the use of social capital. He used it in his discussions of rural school community centers. He promoted the importance of social intercourse among people for building goodwill and sympathy among fellow members and to promote cooperation

Application of Social Capital

The concept of social capital has gained significant ground as a means of enhancing overall quality and effectiveness specially those that involve large scale community action. Many organizations have designed practical constructs to make the idea feasible. World Bank, for example, developed Social Capital Implementation framework (SCIF). This was designed to access how social capital could be made use of in operations.

For social capital to be practically feasible it can be broken down into 5 elements both at practical and operational level. They are

1. Groups and Networks

2. Trust and Solidarity

3. Collective action and Cooperation

4. Social Cohesion and Inclusion

5. Information and Communication

1.5 HUMAN RESOURCE DEVELOPMENT (HRD)

1.5.1 Concept

Q21. Define Human Resource Development (HRD)?

(OR)

What is meant by Human Resource Development (HRD)?

Ans :   (May-19, May-13, May-12)

Organizations perform effectively and efficiently when the available resources such as tools, machinery and equipments or human resources function adequately, in an effective manner. Mostly the organizations change or replace their machineries and equipment normally, after a certain period, in order to use modern techniques for gaining a competitive advantage against its competitors. Similarly, human resources such as, employees should also continuously enhance their skills and abilities to perform their jobs effectively which inturn result in the efficient functioning of an organizations. Thus, there is a need for human resource development continuously at different levels of the organization, wherein training and development is provided to the employees or further education is provided to them which result in building up their confidence and enhancing their skills and abilities. In other words, HRD helps the human-resources or employees to develop their technical, behavioral and managerial skills at all levels of the organization.

Definitions of HRD

1. **According to Subba Rao,** "HRD from the organizational point of view, is a process, in which the employees of an organization are helped/ motivated to acquire and develop technical, managerial and behavioral knowledge, skills and abilities and mould the values, beliefs and attitudes necessary to perform present and future role by realizing the highest human potential with a view to contribute positively to the organizational, group, individual and social goals".

2. **According to Leonard Nadler defined HRD** as, "those learning experiences, which are organized for a specific time and designed to bring about the possibility of behavioral change".

3. **According to T.Venkateswara Rao,** "HRD is a process by which the employees of an organization are helped in a continuous, planned way to,

   (a) Acquire or sharpen capabilities required to perform various functions associated with their present or expected future roles.

   (b) Develop their general capabilities as individuals, discover and exploit their own inner potentials for their own and/ or organizational development purposes.

   (c) Develop an organizational culture in which superior-subordinate relationship, teamwork and collaboration among sub-units are strong and contribute to the professional well-being, motivation and pride of employees.

1.5.2 Scope

Q22. Explain the scope and need of HRD in present scenario.

Ans :   (Dec.-20, May-19, Imp.)

Scope

The scope of HRD is very wide, as it is mainly concerned with people or human resources. It is a people- oriented concept which basically deals with the efficient development and management of human resources to achieve organizational goals. As HRD constitutes a component of HRM, it includes

all the functions of HRM. The scope of HRD can be studied as follows,

(a) Recruitment of employees basically within the scope and possibilities for developing human resources.

(b) Selection of only those employees who possess the capabilities to develop their skills and abilities and to fulfill the present as well as future organizational needs.

(c) Examining, appraising and enhancing employee's performances individually or as a member of a group to develop by determining the gaps in skills and knowledge.

(d) Enables the employees to grasp the knowledge from their superiors through performance consultations, performance counselling and performance interviews.

(e) Provides effective training to the employees to develop new, innovative technical skills and knowledge.

(f) Developing the employees in terms of managerial and behavioural knowledge and skills.

(g) Forecasting and planning about the employee's career and implementing training and developmental programmes.

(h) Forecasting and planning towards the successful achievement of organizational objectives, and developing the employees.

(i) Organizational development paves the way for changing the employee's behaviour and attitude.

(j) Team work, group discussions, group dynamics, intra and inter-team interaction helps the employee to develop their skills and knowledge, which intum builds confidence to perform the job or (job- satisfaction).

(k) Social and religions interactions and programmers lead to training and developing employees knowledge and skills.

(l) Job rotation, job enrichment and empower-ment help the employees to learn new skills.

(m) Different schemes of workers participation in the management, quality circles inculcate the employee to learn and develop skills and abilities.

Need for HRD/Reasons for HRD

In today's modern, competitive world tough competition exists among different organizations due to privatization, liberalization and globalization. This resulted in the need for changes and modifications of technology and equipments which need continuous development and updating of technology. This in turn leads to the production of innovative/attractive products or services in the market. For this purpose there is a need for developing human resources continuously. The following points help us to know the need for HRD:

(i) Changes in Economic Policies

Economic policies have been significantly changed in most of the countries from a communist pattern to a capitalist pattern or from socialist pattern to capitalist pattern. Even India has liberalized its policies in 1991. Thus, privatization, liberalization and globalization acted as a threat to the small or week firms and provided opportunities to large firms. In short, capitalistic economic policies and their effective implementation, requires the development of human resources in the country.

(ii) Modification of Job Requirements

Dynamic Organization keeps on changing the organizational setup/design and job design which in turn leads to the changes in job description and job specification. These modifications and alterations demands for human resource development.

(iii) Need for Multi-skilled Human Resources

With the changing industrialization trends and globalization, of business it had become very essential for the employees to possess multi-skills and talents for facing any situation. Organizations in general, prefer only those employees/ candidates / individuals who can produce the best output with multiple skills and knowledge by performing his job

effectively. HRD activities are needed as they help employees in developing multi-skills and abilities.

(iv) Organizational Viability and Trans formation Process

Organizational viability plays the vital role in the functioning of an organization which is continuously affected by the environmental threats. Thus, the organization should formulate and implement strategies, for dealing with the changes in the environmental factors, other-wise it may loose its share value in the market, which in turn affects the reputation of the organization. For adopting these changes, the organization must firstly develop its human resources.

(v) Technology Advancement

In today's rapidly changing business environments, it is very essential for the firms to make use of innovative and latest technology for gaining competitive advantage over their rivals. But, acquiring latest technology is not enough, it should also be utilized effectively for obtaining the best output. This can be done effectively if the employees knows how to operate and perform tasks, which again demands for the need for human resource development.

(vi) Organizational Complexity

Due to increased mechanization, automation and industrialization, it has become very difficult to manage the processes of organization's. The organizational complexity can be effectively managed with the help of HRD.

(vii) Human Relations

Almost all the organizations are preferring and adopting human relations approach which intum requires HRD.

Conclusion

Hence, overall, HRD is the people-oriented concept, which is required in each and every aspect of the organization due to globalization and continuous changes in technology.

Q23. Explain the nature of HRD.

Ans :   **(May-18)**

HRD is process by which the employees of an organization are helped to help themselves and develop the organization. It has the following features :

(i) HRD is a system

It is a system having several interdependent parts or subsystems such as procurement, appraisal, development, etc. Change in any one subsystem leads to changes in other parts. For example, if there is a change in the promotion policy where seniority is replaced with merit, the chain reactions on affected individuals, unions shall have to be assessed - keeping the difficulties in framing acceptable guidelines regarding 'merit' in mind.

(ii) HRD is a planned process

It is a planned and systematic way of developing people. Further, it is undertaken on a continuous basis. Learning, as we all know, is a lifelong process and goes on and on.

(iii) HRD involves development of compe- tencies

Basically it tries to develop competencies at four levels. At the individual level, employees are made to realize the importance of playing their roles in tune with overall goals and expectations of other people (regarding such roles). By enriching and redesigning jobs, the roles of employees are made more meaningful and interesting. At the interpersonal level, more stress is laid on developing relationships based on trust, confidence and help. At the group level, task forces, cross functional teams are created to cement inter-group relations. At the organizational level, the organization is made to nurture a 'development climate', where every effort is made to harness human potential while meeting organizational goals.

(iv) HRD is an inter-disciplinary concept

HRD is an amalgamation of various ideas, concepts, principles and practices drawn from

a number of soft sciences such as sociology, psychology, anthropology, economics, etc.

(v) HRD improves quality of life

HRD enables the employee discover and utilize his capabilities in service of organizational goals. He finds a new meaning in work, when managers support such initiatives through incentive plans and challenging work assignments. The whole effort of HRD, thus, is focussed on improving the quality of life of employees working at various levels in an organization.

1.5.3 Objectives

Q24. State the objectives of HRD.

(OR)

List out the objectives of HRD.

Ans :   **(May-19, May-16, May-15,**

May-13, May-12, Imp.)

The different objectives of HRD are as follows:

➢ To make sure that the employees handle any situation associated with his job either at present or in future.

➢ To improve the skills and knowledge of the employees as per their requirements.

➢ To enhance the creativity of the employees in the form of talents and abilities.

➢ To train the employees and make them ready for superior level jobs.

➢ To share fundamental HRD skills and knowledge with the new employees.

➢ To enhance the capabilities and efficiencies of the employees to perform the next level job.

➢ To provide assistance towards total quality management.

➢ To encourage individual and collective morale and sense of responsibility among employees, cooperative attitudes and effective relationships.

➢ To widen the minds of the senior-level management, by providing them different

ways to interchange the experiences faced by them within and outside the firm.

➢ To make sure that the organization is carried out smoothly and effectively.

➢ To create a comprehensive and strategic framework for HRD.

➢ To improve the organizational capabilities.

➢ To help each and every individual to recognize his skills/capabilities and develop the same to the maximum extent in order to attain both individual and organizational goals.

➢ To perform performance appraisal of an employee and makes easy in providing training and development if required.

➢ To perform career planning and development of an employee for the successful achievement of organizational goals.

➢ To assist in organizational change and organizational development from global point of view.

➢ To help the employees to involve and interact themselves in social and religions interactions, quality circles, and worker's participation in management.

Q25. Explain the significance of HRD.

Ans :   **(May-18)**

The significance HRM assumes, with respect to the fast changing organization environment and the need for technological changes for responding to the environmental changes. Some of factors affecting the environmental changes are:

➢ Unpredictable increase in the competition within and outside the country resulting from the formulation and implementation of economic liberalization policies which demand human resource development continuously.

➢ Most of the countries following the trends towards market economy consist of former communist countries, which resulted in tough competition among the businesses globally as well as among the organizations within the same country. This lead to the withdrawal of

weak firms from the market and only the industries who were strong enough to face any situation, were able to survive in the market.

Thus, the overall performance of human resources depends on the development of an employee at different levels. Organizations should possess competent human-resources for becoming dynamic and fast-growing.

Overall, the organization can compete effectively, when it possesses competent and dynamic human resources. Thus, HRD plays a very prominent role in developing human resources and making them excellent, competitive, strong and effective.

1.5.4 Brief introduction of Techniques of HRD

Q26. Explain techniques of HRD.

(OR)

Discuss different techniques of HRD.

(OR)

What are the techniques employed by HRD Managers.

Ans :   **(May-18, May-17, May-14, Imp.)**

HRD follows various techniques for the development of human resources also called as HRD methods, HRD techniques, HRD instruments, HRD mechanisms or HRD subsystems. They are as follows:

(a)   Performance appraisal

(b)   Career planning and career development

(c)   Potential appraisal

(d)   Employee training and development

(e)   Executive development

(f)   Organizational change and development

(g)   Worker's participation in management

(h)   Quality circles

(i)   Employee counselling

(j)   Team work and collaboration

(k)   Role Analysis as individual, as member of group or organization

(l)   Communication policies and practices

(m)   Rewards in terms of both monetary and non-monetary

(n)   Social and religious programmes

(o)   Employee benefits through various incentive schemes

(p)   Grievance mechanism.

The HRD framework results into various outcomes. These major outcomes to the organization as a whole, from an individuals perspective, with the help of expectations of role analysis, to the groups, as well as to the society by considering various environmental factors. Hence, HRD helps the organization by ensuring the development skills and knowledge to the employees and making them perfect to handle any

drastic change, formulating and implementing programmes on total quality management, maintaining harmonious and peaceful relations, increase in the productivity and profitability.

HRD helps the individual employees by providing various benefits such as fulfilling their needs and enhancing their skills and capabilities to perform effectively and achieving the best outcome. It helps the groups as a member of the organization in terms of team building and co-operation, group discussions, etc.

Overall in every organization, HRD acts as a major role in developing the human resources as the situation arises to compete within or outside the country or to gain competitive advantage against competitors.

Q27. Distinguish between HRM and HRD.

Ans : (Dec.-20, May-11)

Comparison Chart

Basis for Comparison	HRM	HRD
i) Meaning	Human Resource Management refers to the application of principles of management to manage the people working in the organization.	Human Resource Development means a continuous development function that intends to improve the performance of people working in the organization.
ii) What is it ?	Management function	Subset of Human Resource Management
iii) Function Objective	Reactive To improve the performance of the employees.	Proactive To develop the skills, knowledge and competency of employees.
iv) Process Dependency Concerned with	Routine Independent People only	Ongoing It is a subsystem. Development of the entire organization.

Short Question and Answers

1. Significance of Human Resource Management.

Ans :

1. Objective

HRM helps a company to achieve its objective from time to time by creating a positive attitude among workers. Reducing wastage and making maximum use of resources etc.

2. Facilitates Professional Growth

Due to proper HR policies employees are trained well and this takes them ready for future promotions. Their talent can be utilized not only in the company in which they are currently working but also in other companies which the employees may join in the future.

3. Better relations between union and management

Healthy HRM practices can help the organization to maintain co-ordinal relationship with the unions. Union members start realizing that the company is also interested in the workers and will not go against them therefore chances of going on strike are greatly reduced.

4. Helps an individual to work in a team/ group

Effective HR practices teach individuals team work and adjustment. The individuals are now very comfortable while working in team thus team work improves.

5. Identifies person for the future

Since employees are constantly trained, they are ready to meet the job requirements. The company is also able to identify potential employees who can be promoted in the future for the top level jobs. Thus one of the advantages of HRM is preparing people for the future.

2. Define Human Resource Management.

Ans :

Introduction

Human Resource Management is a process of bringing people and organizations together so that the goals each are met. It is that part of the management process which is concerned with the management of human-resources is an organization. It tries to secure the best from people by winning their whole hearted co-operation In short, it may be defined as the art of procuring, developing and maintaining competent work force to achieve e the goals of an organization is an effective and efficient manner.

Human Resource Management may be defined as the art of procuring, developing and maintaining compete workforce to achieve organizational goals efficiently.

Human Resource Management (HRM) is the utilization of individuals to achieve organizational objectives Consequently, managers at every level must concern themselves with HRM. Basically, all managers get thine done through the efforts of others, this requires effective HRM.

Definitions

(i) According to Invancevich and Glueck, "HRM is concerned with the most effective use of people to achieve organizational and individual goals".

(ii) According to Byars and Rue, "HRM encompasses those activities that are designed to provide for and coordinate the human resource of an organization".

(iii) According to Milkovich and Boudreau, "Human resource management is a series of integrated decisions that form the employment relationship; their quality contributes to the ability of the organizations and the employees to achieve their objectives".

(iv) **According to Flippo**, "Human Resource Management is the planning, organizing, directing and controlling of the procurement, development, compensation, integration, maintenance and separation of human resources to the end that individual, organizational and social objectives are accomplished".

(v) **According to Leon C. Megginson,** "The term human resources can be defined as the process of total knowledge, skills, creative abilities, talents and aptitudes of an organization's workforce, as well as the value, attitudes and beliefs of the individuals involved".

3. Techniques of HRD.

Ans :

HRD follows various techniques for the development of human resources also called as HRD methods, HRD techniques, HRD instruments, HRD mechanisms or HRD subsystems. They are as follows:

(a) Performance appraisal

(b) Career planning and career development

(c) Potential appraisal

(d) Employee training and development

(e) Executive development

(f) Organizational change and development

(g) Worker's participation in management

(h) Quality circles

(i) Employee counselling

(j) Team work and collaboration

(k) Role Analysis as individual, as member of group or organization

(l) Communication policies and practices

(m) Rewards in terms of both monetary and non-monetary

(n) Social and religious programmes

(o) Employee benefits through various incentive schemes

(p) Grievance mechanism.

4. Objectives of HRD.

Ans :

The different objectives of HRD are as follows:

➢ To make sure that the employees handle any situation associated with his job either at present or in future.

➢ To improve the skills and knowledge of the employees as per their requirements.

➢ To enhance the creativity of the employees in the form of talents and abilities.

➢ To train the employees and make them ready for superior level jobs.

➢ To share fundamental HRD skills and knowledge with the new employees.

➢ To enhance the capabilities and efficiencies of the employees to perform the next level job.

➢ To provide assistance towards total quality management.

5.   Various functions of HRM.

Ans :

The Functions of HRM can be broadly classified into two categories, viz:

1.   Managerial Functions
2.   Operative Functions
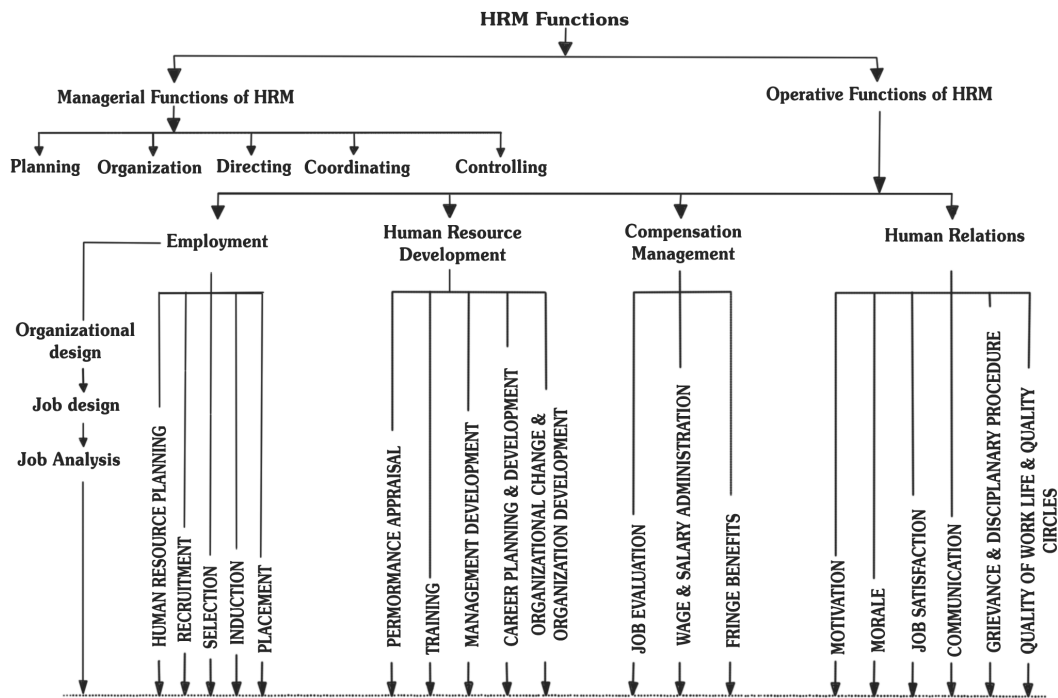
6.   Objectives of Human Resource Management.

Ans :

1.   Societal Objectives

It seek to ensure that the organization becomes socially responsible to the needs and challenges of the society while minimizing the negative impact of such demands upon the organization. The failure of the organizations to use their resources for the society's benefit in ethical ways may lead to restriction.

2.   Organizational Objectives

It recognizes the role of HRM in bringing about organizational effectiveness. It makes sure that HRM is not a stand-alone department, but rather a means to assist the organization with its primary objectives. The HR department exists to serve the rest of the organization.
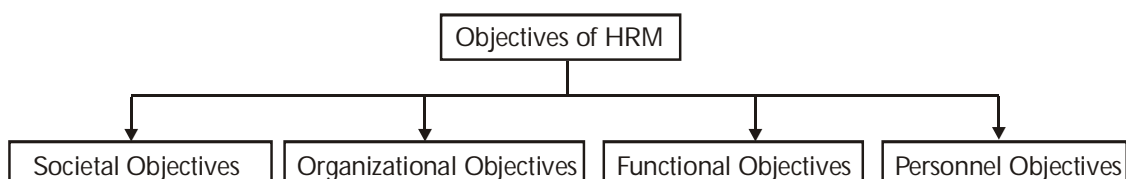
3.   **Functional Objectives**

Is to maintain the department's contribution at a level appropriate to the organization's needs. Human resources are to be adjusted to suit the organization's demands. The department's value should not become too expensive at the cost of the organization it serves.

4.   **Personnel Objectives**

It is to assist employees in achieving their personal goals, at least as far as these goals enhance the individual's contribution to the organization. Personal objectives of employees must be met if they are to be maintained, retained and motivated. Otherwise employee performance and satisfaction may decline giving rise to employee turnover.

7.   **Nature of HRM**

Ans :

Nature of HRM are shown in figure below:

1.   **Pervasive Force**

HRM is pervasive is nature. It is present in all enterprises. It permeates all levels of management in. an organization.

2.   **Action Oriented**

HRM focuses attention on action, rather than on record keeping, written procedures or rules. The problems of employees at work are solved through rational policies.

3.   **Individual-Oriented**

It tries to help employees develop their potential fully. It encourages them to give out their best to the organization. It motivates employees through a systematic process of recruitment, selection, training and development coupled with fair wage policies.

4.   **People Oriented**

HRM is all about people at work, both as individuals and groups. It tries to put people on assigned jobs in order to produce good results. The resultant gains are used to reward people and motivate them toward further improvements in productivity.

5.   **Development Oriented**

HRM intends to develop the full potential of employees. The reward structure is tuned to the needs of employees. Training is offered to sharpen and improve their skills. Employees are rotated on various jobs so that they gain experience and exposure. Every attempt is made to use their talents fully in the service of organizational goals.

8.   **Compensation.**

Ans :

It is process of providing adequate, equitable and fair remuneration to the employees. It includes job evaluation, wage and salary administration, incentives, bonus, fringe benefits, social security measures, etc.

i)   **Job Evaluation**

It is the process of determining relative worth of jobs:

a)   Select suitable job evaluation techniques.

b)   Classify jobs into various categories.

c)   Determining relative value of jobs in various categories.

ii)   **Wage and Salary Administration**

This is the process of developing and operating a suitable wage ad salary' program. It covers:

a)   Conducting wage and salary survey.

b)   Determining wage and salary' rates based on various factors.

c)   Administering wage and salary programs.

d)   Evaluating its effectiveness.

iii)   **Incentives**

It is the process of formulating, administering and reviewing the schemes of financial incentives in addition to regular payment of wages and salary. It includes:

a) Formulating incentive payment schemes.

b) Helping functional managers on the operation.

c) Review them periodically to evaluate effectiveness.

iv) Bonus

It includes payment of statutory bonus according to the Payment of Bonus Act, 1965, and its latest amendments.

v) Fringe Benefits

These are the various benefits at the fringe of the wage Management provides these benefits to motivate the employees and to meet their life's contingencies. These benefits include:

a) Disablement benefit.

b) Housing facilities

c) Educational facilities to employees and children.

d) Canteen facilities. Recreational facilities.

e) Conveyance facilities.

f) Credit facilities.

g) Legal clinic.

h) Medical, maternity and welfare facilities.

i) Company stores.

vi) Social Security Measures

Managements provide social security to their employees in addition to the fringe benefits. These measures include:

a) Workmen's compensation to those workers (or there dependents) who involve in accidents.

b) Maternity benefits to women employees.

c) Sickness benefits and medical benefits.

d) Disablement benefits/allowance.

e) Dependent benefits.

f) Retirement benefits like provident fund, pension, gratuity etc.

9. Define HRM Policy.

Ans :

Human resource policies are systems of codified decisions, established by an organization, to support administrative personnel functions, performance management, employee relations and resource planning.

Each company has a different set of circumstances, and so develops an individual set of human resource policies.

Definitions of HRM Policy

A policy is a plan of action, Brewster and Richbell defined HRM policies as, "a set of proposals and actions that act as a reference point for managers in their dealings with employees". "HR policies constitute guides to action. They furnish the general standards or bases on which decisions are reached. Their genesis lies in an organization's values, philosophy, concepts and principles". HR policies guide the course of action intended to accomplish personnel objectives.

10. Talent Management

Ans :

Definitions of Talent Management

1. **According to By Alison Coleman** 'Talent management means nurturing and developing those people identified as having ability and potential and it should form part of any organization's recruitment and retention strategy".

2. **According By Jason Ayerbook, Mary Ruiz and Suzzanne Rumsey** "Talent management is the process of managing the supply and demand of talent to achieve

optimal business performance and in direct alignment with organizational goals".

3. **According By Rhea Duttagupta** "Talent management is the strategic management of the flow of talent through an organization"

In general a talent management is defined as a strategic approach which is engaged in recruiting, integrating, developing, rewarding and retaining the highly calibrated, multi-skilled, talented and competent personnel in an organization to accomplish the strategic objectives of the firm.

11.   Define Human Capital.

Ans :

Human Capital is a measure of the skills, education, capacity and attributes of labor which influence their productive capacity and earning potential.

According to the OECD, human capital is defined as:

"the knowledge, skills, competencies and other attributes embodied in individuals or groups of individuals acquired during their life and used to produce goods, services or ideas in market circumstances".

12.   Social Capital.

Ans :

Social Capital is a concept that aims at emphasizing the importance of social contacts between groups and within groups. It primarily means that social networks have a value associated and that they are not always detrimental in nature .

The concept of social capital also stresses that social networks lead to increased productivity in individuals, teams and organizations. This increased productivity can be both financial and otherwise. This means that social contacts can lead to increase in confidence, fulfillment by fostering positive relationships. The essence being that just like any other capital form (human, physical, financial) social capital is also important and beneficial to the sustenance of society.

13.   Define Human Resource Development.

Ans :

Organizations perform effectively and efficiently when the available resources such as tools, machinery and equipments or human resources function adequately, in an effective manner. Mostly the organizations change or replace their machineries and equipment normally, after a certain period, in order to use modern techniques for gaining a competitive advantage against its competitors. Similarly, human resources such as, employees should also continuously enhance their skills and abilities to perform their jobs effectively which inturn result in the efficient functioning of an organizations. Thus, there is a need for human resource development continuously at different levels of the organization, wherein training and development is provided to the employees or further education is provided to them which result in building up their confidence and enhancing their skills and abilities. In other words, HRD helps the human-resources or employees to develop their technical, behavioral and managerial skills at all levels of the organization.

Definitions of HRD

1. **According to Subba Rao,** "HRD from the organizational point of view, is a process, in which the employees of an organization are helped/ motivated to acquire and develop technical, managerial and behavioral knowledge, skills and abilities and mould the values, beliefs and attitudes necessary to perform present and future role by realizing the highest human potential with a view to contribute positively to the organizational, group, individual and social goals".

2. **According to Leonard Nadler defined HRD** as, "those learning experiences, which are organized for a specific time and designed to bring about the possibility of behavioral change".

3. **According to T.Venkateswara Rao,** "HRD is a process by which the employees of an organization are helped in a continuous, planned way to,

   (a) Acquire or sharpen capabilities required to perform various functions associated with their present or expected future roles.

   (b) Develop their general capabilities as individuals, discover and exploit their own inner potentials for their own and/or organizational development purposes.

   (c) Develop an organizational culture in which superior-subordinate relationship, teamwork and collaboration among sub-units are strong and contribute to the professional well-being, motivation and pride of employees.

14. Nature of HRD.

Ans :

HRD is process by which the employees of an organization are helped to help themselves and develop the organization. It has the following features :

(i) HRD is a system

It is a system having several interdependent parts or subsystems such as procurement, appraisal, development, etc. Change in any one subsystem leads to changes in other parts. For example, if there is a change in the promotion policy where seniority is replaced with merit, the chain reactions on affected individuals, unions shall have to be assessed - keeping the difficulties in framing acceptable guidelines regarding 'merit' in mind.

(ii) HRD is a planned process

It is a planned and systematic way of developing people. Further, it is undertaken on a continuous basis. Learning, as we all know, is a lifelong process and goes on and on.

Choose the Correct Answers

1. Every Organisation is made up of _____   [b]
    (a) Capital   (b) People
    (c) Goods   (d) Services

2. HRM is not a one short deal it is a _____ function   [c]
    (a) Challenging   (b) Auxiliary
    (c) Continuous   (d) Inter-disciplinary

3. HRD consists of   [b]
    (a) Recruitment   (b) Management
    (c) Placement   (d) Selection development

4. Which of the following are the Operative Functions of HRM.   [c]
    (a) Planning   (b) Directing
    (c) Employment   (d) Controlling

5. _____ function is a process of stimulation of employee ,employe needs, job satisfaction
    rewards, compensation .   [b]
    (a) Maintenance   (b) Motivation
    (c)   Acquiring   (d) Developing

6. Which one is the managerial functions of HRM.   [b]
    (a)   Employment   (b) Directing
    (c) HRD   (d) Compensation

7. _____ is a method of achieving a planned task including allocation of tasks subordinate
    establishing departments and channels to communicate   [b]
    (a) Planning   (b) Organising
    (c) Director   (d) Controllimg

8. HRM is primarily concerned with.......   [b]
    (a) Sales   (b)   Dimension of people
    (c) External Environment   (d) Cost discipline

9. The focus of HRM revolves around   [d]
    (a) Machine   (b) Motivation
    (c) Money   (d) Men

10. Which of the following becomes a creative factor in production   [d]
    (a) Land   (b) Capital
    (c) Consumers   (d) Human Resources

Fill in the blanks

1. _____ combines the terms HR and development.

2. HR refers to _____ and skill that exit in organization.

3. HRM functions are divided into _____ and _____

4. _____ is the continuous never ending process.

5. HRM is more _____ where as personnel management is slightly narrow.

6. HRM is the responsibility of _____ managers in an organization.

7. The scope of _____ covers all the activities starting from manpower till the employee leaving the organization.

8. _____ is the process of reconciling and reuniting the organizational goals with its members.

9. _____ management is a set of managerial decisions and actions which determines the long -term performance of a corporation.

10. _____ analysis assist in the identification of primary activities that creates value for the customers.

ANSWERS

1. Human Resources Development

2. Talent

3. Managerial Operational

4. Human Resource Management

5. Growth oriented

6. Line and Staff

7. HRM (Human Resource Management)

8. Integration

9. Strategic

10. Value chain

Acquisition of Human Resource:

Job Design - Approaches - Job Rotation - Job Enlargement - Job Enrichment - Job Bandwidth - Job Analysis: Objectives - Components (Job Description and Job Specification) - Methods of Job Analysis

Human Resource Planning: Concept - Objectives - Factors affecting HR planning - Process of HR Planning - Problems in HR Planning

Recruitment: Objectives - Sources of recruitment – Selection: Selection - Procedure – Tests and Interview - Placement - Induction - Promotion - Transfer

---

2.1 JOB DESIGN

Q1. What is Job Design ? State the Objectives of Job Design.

Ans : *(May-16, May-11, Imp)*

Introduction

The term 'job design' refers to the way the tasks are combined to form a complete job. It can be defined as building the specifications of the position, contents, method, and relationships of the job so as to meet with various technological and organizational requirements as well as meet the personal needs of job holders.

Job design is the process of structuring work and designating the specific activities at individual or group levels.

Definitions

i) **According to Michael Armstrong,** "Job design is the process of deciding on the contents of a job in terms of its duties and responsibilities, on the methods to be used in carrying-out the job, in terms of techniques, systems, and procedures, and on the relationships that should exist between the job holder and his superior subordinates and colleagues".

ii) **According to Davis,** "Job design is the specification of the content, methods and relationships of jobs in order to satisfy technological and organizational require-ments as well as the social and personal requirements of the job holder".

Objectives of Job Design

The three main objectives that a manager tries to realize in specifying jobs are:

1. **Technical Feasibility**

   A job is a set of tasks or duties assigned to be performed. The person who holds the job must be capable of performing the assignment with the equipment and systems available and the job must take the necessary transformation of inputs into outputs. A job must not be beyond the reasonable limits of a person's skills or physical and mental endurance. Proper selection of process and equipment as well as proper training of employees helps ensure technical feasibility.

2. **Economic Feasibility**

   The cost of performing the job should not be too High. Since many businesses must perform in a competitive environment, they are subject to some pressure, to keep prices at reasonable levels.

3. **Behavioral Feasibility**

   Some characteristic of a job may affect the jobholder's perception of themselves, their perception of others and their relationships with others. The feelings that people desire from a job affect their motivation to perform it. Informal organizations or work groups have a large impact on the effectiveness of an organization. Attitudes are contagious and peer relations or peer pressure may be responsible for many of the motivational reactions of the workers.

Q2.   Bring out the factors affecting job design.

Ans :

Job design is affected by organizational, environmental, and behavioural factors. A properly designed job Will make it productive and satisfying. If a job fails on this count, the fault lies with the job designers who, based on the feedback, must redesign the job see Fig. We now propose to elaborate the various factors affecting job design. Figure probably fails to capture the considerations that motivate Sudhir, Joe, Ming Mei and Jonelle to work on extreme jobs (see Opening Case).
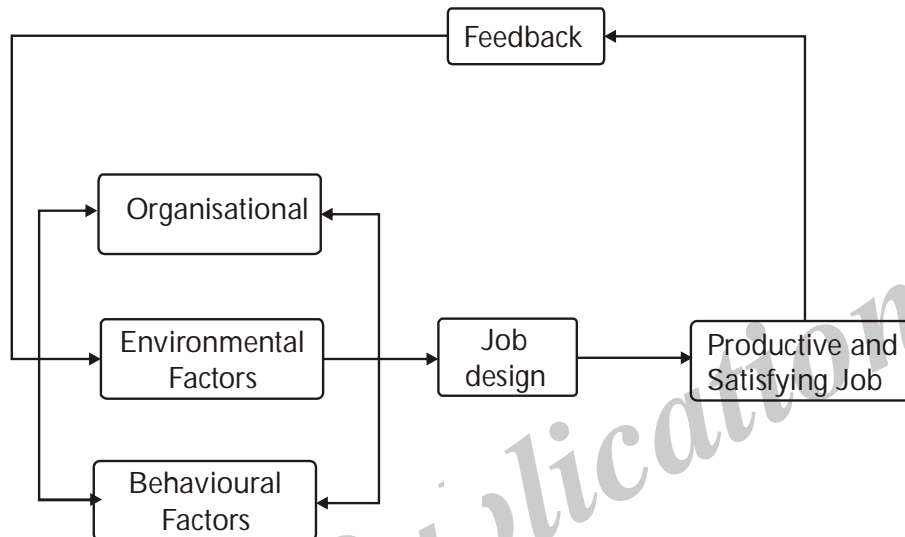
(A)   Organizational Factors

Organizational factors include characteristics of task, work flow, ergonomics, and work practices.

(i)   Task

Job design requires the assembly of a number of tasks into a job or a group of jobs. An individual may carry out one main task which consists of a number of interrelated elements or functions. On the other hand, task functions may be split between a team working closely together or strung along an assembly line. In more complex jobs, individuals may carry out a variety of connected tasks, each with a number of functions, or these tasks may be allocated to a group of workers or divided between them. Complexity in a job may be a reflection of the number and variety of tasks to be carried out, or the range and scope of the decisions that have to be made, or the difficulty of predicting the outcome of decisions.

The internal structure of each task consists of three elements:

(i)   planning (deciding the course of action, timing and the resources required),

(ii)   executing (carrying out the plan), and

(iii)   controlling (monitoring performance and taking corrective action when required).

A completely integrated job will include all these elements for each of the tasks involved. The worker (or group of workers) having been given objectives in terms of output, quality and cost targets, decides on how the work is to be done, assembles the resources, performs the work, and monitors output, quality and cost standards. Responsibility in a job is measured by the amount of authority someone has to put to do all these things. The ideal job design is to integrate all the three elements.

(ii) Work Flow

The flow of work in a firm is strongly influenced by the nature of the product or service. The product or service usually suggests the sequence and balance between jobs if the work is to be done efficiently. For example, the frame of a car must be built before the fenders, and the doors can be added later. After the sequence of jobs is determined, the balance between jobs is established.

(iii) Ergonomics

Ergonomics is concerned with designing and shaping jobs to fit the physical abilities and characteristics of individuals so that they can perform their jobs effectively Ergonomics helps employers to design jobs in such a way that workers' physical abilities and job demands are balanced. Ergonomics does not alter the nature of job tasks but the location of tools, switches and other facilities, keeping in view that the handling the job is the primary consideration.

(iv) Work Practices

Work practices are set ways of performing works. These methods may arise from tradition or the collective wishes of employees. Either way, the HR department's flexibility to design jobs is limited, especially when such practices are part of a union-management relationship. Failure to consider work practices can have undesirable outcomes.

(B) Environmental Factors

Environmental elements affect all activities of HRM, and job design is no exception. The external factors that have a bearing on job design are employee abilities and availability, and social and cultural expectations.

(i) Employee Abilities and Availability

Efficiency consideration must be balanced against the abilities and availability of the people who are to do the work. When Henry Ford made use of the assembly line, for example, he was aware that most potential workers lacked any automobile-making experience. So jobs were designed simple and required little training. Therefore, considerable thought must be given as to who will actually do the work.

(ii) Social and Cultural Expectations

There were days when getting a job was the primary consideration. The worker was prepared to work on any job and under any working conditions. Not any more. Literacy, knowledge and awareness among workers have improved considerably, so also their expectations from jobs. Hence jobs must be designed to meet the expectations of workers.

(C) Behavioural Factors

Behavioural factors have to do with human needs and the necessity to satisfy them. Higher-level needs are more significant in this context. Individuals inspired by higher-level needs find jobs challenging and satisfying which are high on the following dimensions:

(i) Feedback

individuals need to receive meaningful feedback about their performance, preferably by evaluating their own performance and defining the feedback. This implies that they need to ideally work on a complete product or on a significant part of it.

(ii) Autonomy

Autonomy is being responsible for what one does. It is the freedom to control one's responses to the environment.

Jobs that give workers authority to make decisions will provide added responsibilities, which tend to increase the employee's sense of recognition and self-esteem The absence of autonomy, on the other hand, can cause employee apathy or poor performance.

(iii) Use of Abilities

The job must be perceived by individuals as requiring them to use abilities they value in order to perform the job effectively.

(iv) Variety

Lack of variety may cause boredom. Boredom, in turn, leads to fatigue and fatigue causes mistakes. By injecting variety into jobs, personnel specialists can reduce errors caused by fatigue.

Q3. Explain the process of job design.

Ans :

For efficient performance of any task, a good job is quite essential. Job design is the logical sequence of job analysis. The job design process consists of the following steps:

1. Identification of Task

The first step of the process of job design is to identify the tasks to be accomplished by specifying the different skills and abilities, knowledge that are required by the incumbent employee to accomplish them successfully within in a specified span of time.

2. Consideration of Individual and Team Needs

Its very important to consider the wants and needs of individuals. According to Richard Hackman, job characteristic models states that employees would be more satisfied and motivated to work it their jobs contain certain core characteristics. As such, attention should be given to include elements like skills variety, task identity, functional autonomy etc., while designing the job. The job design must be flexible enough to be enriched to keep the employees motivated.

Similarly, job designed for teams must provide the team with required freedom to nurture the creativity of all its members, Examples of team design techniques include 'employee teams' and 'employee involvement groups'.

3. Job Description and Comparison

Finally, job description must be done. This gives information about the functions, duties, responsibilities and operations which an employee needs to perform. Finally, the job design is compared with other jobs keeping in mind the working conditions and career opportunities for the job designed.

2.1.1 Approaches of Job Design

Q4. Explain the various approaches of job design.

(OR)

What are the approaches to job design?

(OR)

Explain various methods of job design.

(OR)

Explain the approaches of the job design in an organization.

Ans :   (May-18, May-16, May-13

                                    May-12, May-11, Imp)

1. Job Rotation

Job rotation means moving employees from one job to another without any change in the job. In case of job rotation, an employee change to another job, but of similar job skill requirement to reduce boredom.

Advantages

(i) It improves employees skills and knowledge

(ii) For changing jobs employees can be more competent than performing only one job.

Disadvantages

(i) Frequent change of employees from one to another causes interruption in the job.

49

(ii) Employee may feel irritated with job rotation.

(iii) As job rotation involves training, cost increases.

2. Job Enlargement

Job enlargement involves expansion of more tasks in to a job. By adding more tasks to job, job enlargement will expands and gives different tasks to the job holders. Job enlargement reduces monotony by providing the employee more tasks in the job. It helps to increase the interest of employee's in work and workers found benefits such as more satisfaction and less errors. Even in the job enlargement, the job could become bore sometimes when the job was already existed.

3. Job Enrichment

Job enrichment has become a popular concept. It means designing, motivating jobs to make it more rewarding. Nowadays workers are better educated and getting high pay on their better performance.

By adding motivating factors to job, the job adds more responsibility and freedom to do it. Job enrichment is a type of improvement in the job which gives worker more responsibility, more opportunity for growth and more chances to contribute his ideas.

2.1.1.1 Job Rotation

Q5. Define job rotation. What are the advantages and disadvantages of Job Rotation.

Ans :

Job rotation refers to moving employees from job to job to add variety and reduce boredom by allowing them to perform a variety of tasks. When an activity is no longer challenging, the employee would be moved to another job at the same level

that has similar skill requirements. It reduces boredom and disinterest through diversifying the employee's activities. Employees with a wider range of skills give the management more flexibility in scheduling work, adapting to changes and filling vacancies. Job rotation also has its drawbacks. Training costs are increased, work is disrupted as rotated employees take time to adjust to a new set-up, and it can demotivate intelligent and ambitious trainees who seek specific responsibilities in their chosen speciality. According to Herzberg, job rotation is merely "substituting one zero for another zero".

Advantages of Job Rotation

1. Avoids monopoly

Job rotation helps to avoid monopoly of job and enable the employee to learn new things and therefore enjoy his job

2. Provides an opportunity to broaden one's knowledge

Due to job rotation the person is able to learn different job in the organization this broadens his knowledge.

3. Avoiding fraudulent practice

In an organization like bank jobs rotation is undertaken to prevent employees from doing any kind of fraud i.e. if a person is handling a particular job for a very long time he will be able to find loopholes in the system and use them for his benefit and indulge (participate) in fraudulent practices job rotation avoids this.

Disadvantages of Job Rotation

1. Frequent interruption

Job rotation results in frequent interruption of work .A person who is doing a particular job and get it comfortable suddenly finds himself shifted to another job or department .this interrupts the work in both the departments.

2. Reduces uniformity in quality

Quality of work done by a trained worker is different from that of a new worker when a

new worker shifted or rotated in the department, he takes time to learn the new job, makes mistakes in the process and affects the quality of the job.

3.   Misunderstanding with the union member

Sometimes job rotation may lead to misunderstanding with members of the union. The union might think that employees are being harassed and more work is being taken from them. In reality this is not the case.

2.1.1.2 Job Enlargement

Q6.   What is job enlargement. Explain the various approaches of job enlargement.

Ans :

Job enlargement refers to the expansion of the number of different tasks performed by an employee in a single job. For example, an auto mechanic undergoes job enlargement when he switches from only changing oil to changing oil, greasing and changing transmission fluid. Job enlargement attempts to add somewhat similar tasks to the existing job so that it has more variety and be more interesting.

The job enlargement approach to job design has been criticized as well as appreciated.

An enlarged job can motivate an individual for five reasons:

(a)   Task Variety

Highly fragmented jobs requiring a limited number of unchanging responses tend to be extremely monotonous. Increasing the number of tasks to be performed can reduce the level of boredom.

(b)   Meaningful Work Modules

Frequently, jobs are enlarged so that one worker completes a whole unit of work, or at least a major portion of it. This tends to increase satisfaction by allowing workers to appreciate their contribution to the entire project or product.
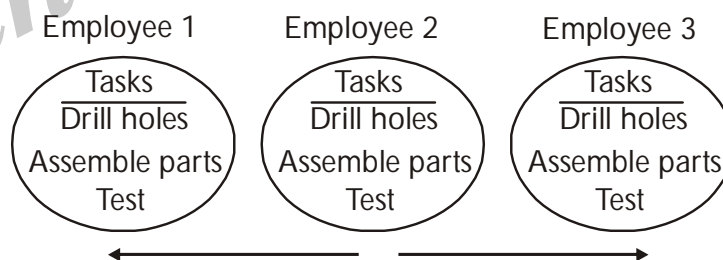
(c)   Ability Utilization

Workers derive greater satisfaction from jobs that utilize their physical and mental skills and abilities better. Enlarged jobs tend to fulfill this condition. However, management must be careful not to enlarge jobs too much, because jobs that require more skills and ability than the worker possesses lead to frustration and present obstacles to task accomplishment. Enlarged jobs with optimal levels of complexity, on the other hand, create tasks that are challenging but attainable.

(d)   Worker-paced Control

Job enlargement schemes often move a worker from a machine-paced production line to a job in which the worker paces himself/herself. Workers feel less fatigued and are likely to enjoy their work more if they can vary the rhythm and work at their own pace.

(e)   **Performance Feedback**

Workers performing narrow jobs with short performance cycles repeat the same set of motions endlessly, without a meaningful end point. As a result, it is difficult to count the number of completed performance cycles. Even if they are counted the feedback tends to be meaning-less. Enlarged jobs allow for more meaningful feedback and can be particularly motivating if they are linked to evaluation and organizational rewards.

Although the benefits of job enlargement are several, certain disadvantages cannot be ignored. First, training costs tend to rise. Workers may require additional training for their new, enlarged tasks. Besides, if the job enlargement programme involves breaking up of the existing production line of work systems, redesigning a new system, and training employees to adjust to it, the costs can be substantial. Moreover, productivity may fall during the introduction of a new system. Another drawback is that unions often argue for increased pay because of the increased workload. Finally, even after enlargement many jobs may still be routine and boring. Frederick Herzberg was right when he said that job enlargement is simply "adding zero to zero", meaning that one set of boring tasks (zero) is simply added to another set of boring tasks (zero).

Q7.   **What are the advantages and disadvantages of job enlargement.**

Ans :

Advantages of Job Enlargement

➢   **Variety of skills**

Job enlargement helps the organization to improve and increase the skills of the employee due to organization as well as the individual benefit.

➢   **Improves earning capacity**

Due to job enlargement the person learns many new activities. When such people apply foe jobs to other companies they can bargain for more salary.

➢   **Wide range of activities**

Job enlargement provides wide range of activities for employees. Since a single employee handles multiple activities the company can try and reduce the number of employee's. This reduces the salary bill for the company.

Disadvantages of Job Enlargement

➢   **Increases work burden**

Job enlargement increases the work of the employee and not every company provides incentives and extra salary for extra work. Therefore the efforts of the individual may remain unrecognized.

➢   **Increasing frustration of the employee**

In many cases employees end up being frustrated because increased activities do not result in increased salaries.

➢   **Problem with union members**

Many union members may misunderstand job enlargement as exploitation of worker and may take objection to it.

2.1.1.3 Job Enrichment

Q8.   What is job enrichment. Explain the characteristics of an enriched job.

Ans :   **(Aug. - 17)**

Job Enrichment First coined by Herzberg in his famous research with motivators and maintenance factors, job enrichment has become a popular concept. It simply means adding a few more motivators to a job to make it more rewarding. To be specific, a job is enriched when the nature of the job is exciting, challenging and creative, or gives the job holder more decision-making, planning and controlling powers.

According to Herzberg, an enriched job has eight characteristics. These features are discussed below and illustrated in Fig.
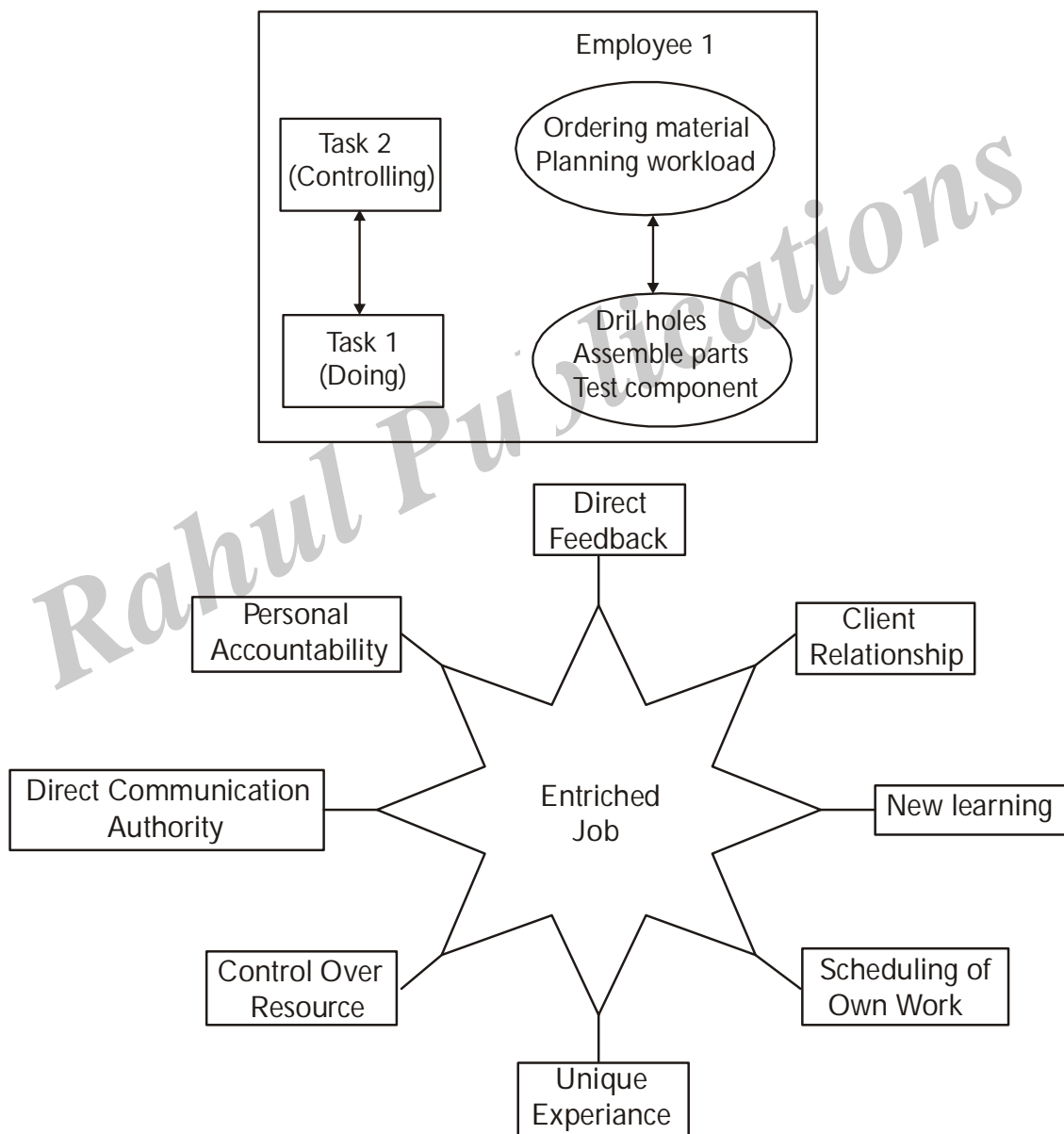

Fig. : Characteristics of an Entriched Job

(a) **Direct Feedback**

Employees should be able to get immediate knowledge of the results they are achieving. The evaluation of performance can be built into the job (as in an electronic spell-checker indicating the presence or absence of errors) or provided by a supervisor.

(b) **Client Relationship**

An employee who serves a client or customer directly has an enriched job. The client can be outside the firm (such as a mechanic dealing with a car owner) or inside (such as a computer operator executing a job for another department).

(c) **New Learning**

An enriched job allows its incumbent to feel that he is growing intellectually. An assistant who clips relevant newspaper articles for his or her boss is, therefore, doing an enriched job.

(d) **Scheduling Own Work**

Freedom to schedule one's own work contributes to enrichment. Deciding when to tackle which assignment is an example of self-scheduling. Employees who perform creative work have more opportunity to schedule their assignments than those who perform routine jobs.

(e) **Unique Experience**

An enriched job has some unique qualities or features, such as a quality controller visiting a supplier.

(f) **Control Over Resources**

One approach to job enrichment is for each employee to have control over his or her resources and expenses. For example, he or she must have the authority to order supplies necessary for completing his job.

(g) **Direct Communication Authority**

An enriched job allows the worker to communicate directly with people who use his or her output, such as a quality assurance manager handling a customer's complaints about quality.

(h) **Personal Accountability**

An enriched job holds the incumbent responsible for the results. He or she receives praise for good work and blame for poor work.

Q9. **What are the advantages and disadvantages of Job Enrichment.**

Ans : (Aug. - 17)

Advantages of Job Enrichment

1. Interesting and challenging job. When a certain amount of power is given to employees it makes the job more challenging for them, we can say that job enrichment is a method of employee empowerment.

2. Improves decision making. Through job enrichment we can improve the decision making ability of the employee by asking him to decide

3. Vation speaks of these higher order needs : e.g. Ego and esteemed needs, self-actualization etc. These needs can be achieved through job enrichment.

4. Reduces work load of superiors. Job enrichment reduces the work load of senior staff. When decisions are taken by juniors the seniors work load is reduced.

Disadvantages of Job Enrichment

1. Job enrichment is based on the assumptions that workers have complete knowledge to take decisions and they have the right attitude. In reality this might not be the case due to which there can be problems in working.

2. Job enrichment has negative implications i.e.. Along with usual work decision making work is also given to the employees and not many may be comfortable with this.

3. Superiors may feel that power is being taken away from them and given to the junior's. This might lead to ego problems.

4. This method will only work in certain situations. Some jobs already give a lot of freedom and responsibility; this method will not work for such jobs.

5.   Some people are internally dissatisfied with the organization. For such people no amount of job enrichment can solve the problem.

2.1.2 Job Bandwidth

Q10. Define Job Bandwidth

Ans :

Another approach to job design is narrow job design and broad job design. Narrow job design deals with the construction of a job with a few tasks, responsibilities etc. Broad job design deals with the construction of a job with a wide variety and range of tasks and responsibilities.

Narrow job design results in :

i)   the creation of a number of jobs at different levels

ii)   multiple layers

iii) tightly held relationships and

iv)   narrow authority and responsibility.

Broad job design results in :

i)   employee motivation and job satisfaction due to variety of tasks

ii)   empowerment

iii) horizontal reinforcement and

iv)   high productivity.

Most of the organizations today prefer broad job design in order to utilize employee's multi-skills and varied aptitudes. This is more appropriate in technology oriented organizations.

Bandwidth is the finite time and resources that senior managers in a company possess. It is most often mentioned when discussing the role and responsibilities of leaders and that many leaders take on more than they can realistically and reasonably commit to.

Because senior managers are decision-makers, they have more impact on the business as a whole than employees. This means they must give their time selectively to ensure that decisions are made based on informed reasoning. If they give insufficient time to a decision, they could make that negatively affects the business.

2.2 JOB ANALYSIS

Q11. Define Job Analysis.

Ans :   (May-15, May-13, May-11)

Meaning

Manpower planning is concerned with determination of quantitative and qualitative requirements of manpower for the organization.

The quantitative aspect deals with determining the total number of people required to do the work. The kind or quality of people required to do the work comes under the qualitative aspect. Detailed knowledge of the nature and requirements of jobs to be filled is essential for determining the kind of personnel required. Such knowledge can be obtained through the process of job analysis.

Job analysis is a formal and detailed examination of jobs. It is a process of gathering information about a job. It tries to "reduce to words the things that people do in human work."

Job-analysis is a detailed and systematic study of jobs to know the nature and characteristics of the people to be employed on various jobs. It involves collection of necessary facts regarding jobs and their analysis. Some of the definitions of job-analysis are given here under to understand the meaning of the term more clearly.

Definitions

i)   **According to Edwin B. Flippo**, "Job analysis is the process of studying and collecting information relating to the operations and responsibilities of specific job".

ii)   **According to Michael J. Jucius**, "Job analysis refers to the process of gathering information about the operations, duties and organizational aspect of jobs in order to write-up specifications or as they are called by some job descriptions".

iii) **According to Donald**, "Job analysis is a method of scientifically dissecting a job in order to determine the component elements and their influence upon the length of learning period of the worker, production and labor turnover".

iv) **According to Dale Yoder**, "Job analysis is the procedure by which the facts with respect to each job are systematically, discovered and noted. It is sometimes called 'Job study' suggesting the care with which tasks, processes, responsibilities and personnel requirements are investigated".

Nature of Job Analysis

1. Systematic Way of Gathering and Analyzing Information about a Job

The most basic building block of HR management is job analysis which is a systematic way of gathering and analyzing information about the content, context, and human requirement of jobs. Using job analysis to document HR activities is important because the legal defensibility of an employer's recruiting and selection procedures, performance appraisal system, employee disciplinary actions, and pay practices rests in part on the foundation of job analysis.

2. Develop Jobs

Job design attempts to develop jobs that fit effectively into the flow of the organizational work that needs to be done. The narrow focus of job analysis centers on using a formal system to gather data about what people do in their jobs. This data is used to generate job descriptions and job specifications.

3. Identifies Job Factors and Duties

Various methods and sources of data can be used to conduct job analyses. The real value of job analysis begins as the information is compiled into job descriptions and job specifications for Use in virtually all HR activities. To justify HR actions as job related accurate details on job requirements are needed. To be effective, HR planning, recruiting, and selection all must be based on job requirements and the capabilities of individuals. Additionally, compensation, training, and employee performance appraisals all should be based on the specific needs of the job. Job analysis is also useful in identifying job factors and duties that may contribute to workplace health and safety issues. Finally, job analysis plays a key role in employee/labor relations issues.

4. Redesigns Jobs

Job analysis involves collecting information on the characteristics of a job that differentiate it from other jobs. The information generated by job analysis may be useful in redesigning jobs, but its primary purpose is to capture a clear understanding of what is done on a job and what capabilities are needed to do it as designed.

Q12. Explain the purpose of job analysis.

Ans :

1. Human Resource Planning

Job analysis helps in forecasting human resource requirements in terms of knowledge and skills. By showing lateral and vertical relationships between jobs, it facilitates the formulation of a systematic promotion and transfer policy. It also helps in determining quality of human resources needed in an organization.

2. Recruitment

Job analysis is used to find out how and when to hire people for future job openings. An understanding of the skills needed and the positions that are vacant in future helps managers to plan and hire people in a systematic way.
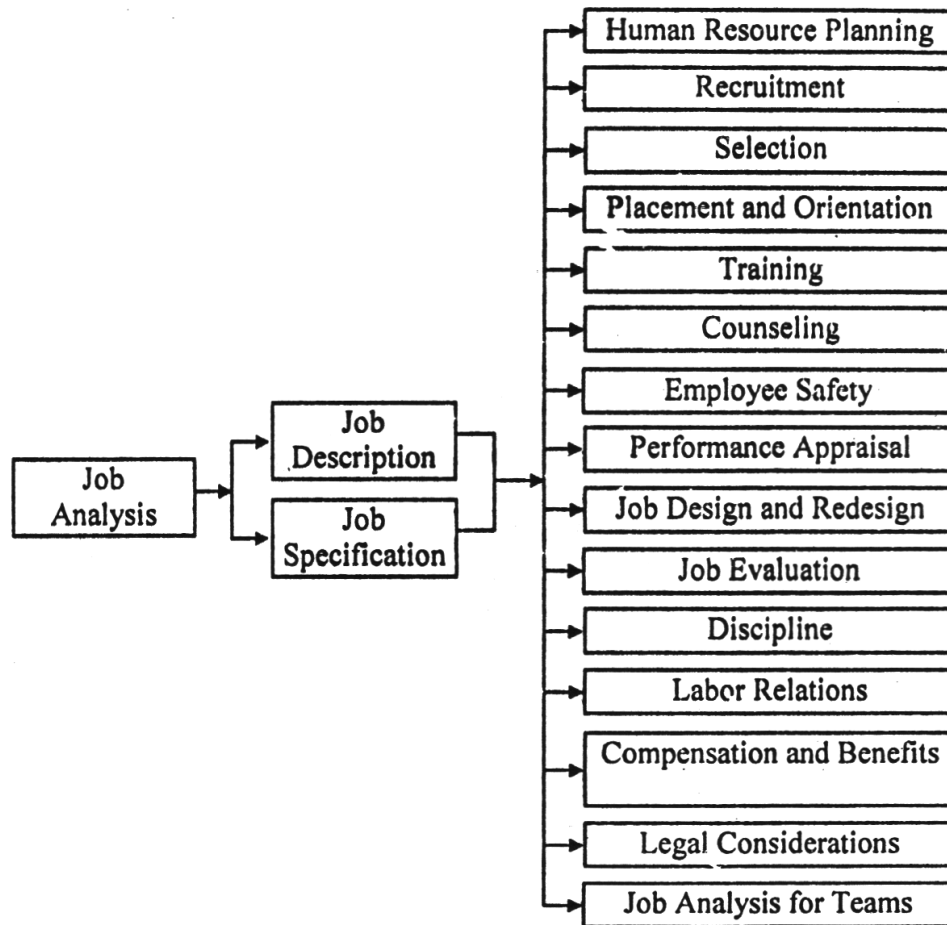
Fig. : Purposes of Job Analysis

3. **Selection**

    Without a proper understanding of what is to be done on a job, it is not possible to select a right person.

    For example, if a Super bazaar manager has not clearly identified what a clerk is to do, it is difficult to find if the person selected must be able to position stores items, run a cash register, or keep the account books.

4. **Placement and Orientation**

    After selecting people, we have to place them on jobs best suited to their interests, activities and aptitude. If we are not sure about what needs to be done on a job, it is not possible to identify the right person suited for the job. Similarly, effective job orientation cannot be achieved without a proper understanding of the needs of each job. To teach a new employee how to handle a job, we have to clearly define the job.

5. **Training**

    If there is any confusion about what the job is and what is supposed to be done, proper training efforts cannot be initiated. Whether or not a current or potential job holder requires additional training can be determined only after the specific needs of the jobs have been identified through a job analysis.

6. Counseling

Managers can properly counsel employees about their careers when they understand the different jobs in the organization. Likewise, employees can better appreciate their career options when they understand the specific needs of various other jobs. Job analysis can point out areas that an employee might need to develop to further a career.

7. Employee Safety

A thorough job analysis reveals unsafe conditions associated with a job. By studying how the various operations are taken up in a job, managers can find unsafe practices. This helps in rectifying things easily.

8. Performance Appraisal

By comparing what an employee is supposed to be doing (based on jot analysis) to what the individual has actually done, the worth of that person can be assessed. Ultimately, every organization has to pay a fair remuneration to people based on their performance. To achieve this, it is necessary to compare what individuals should do (as per performance standards) with what they have, actually done (as per job analysis).

9. Job Design and Redesign

Once the jobs are understood properly, it is easy to locate weak spots and undertake remedial steps. We can eliminate unnecessary movements, simplify certain steps and improve the existing ones through continuous monitoring. In short, we can redesign jobs to match the mental make-up of employees.

10. Job Evaluation

Job analysis helps in finding the relative worth of a job, based on criteria such as degree of difficulty, type of work done, skills and knowledge seeded, etc. This, in turn, assists in designing proper wage policies, with internal pay equity between jobs.

11. Discipline

Job analysis studies the failure of the workers to meet the required standard of performance. Corrective measures may be taken in time to avoid untoward situations. In this way, it helps in maintaining discipline in the organization.

12. Labor Relations

Job analysis will be helpful in improving labor management relations. It can also be used to resolve disputes and grievances relating to work load, work procedures, etc.

13. Compensation and Benefits

In the area of compensation, it is helpful to know the relative value of a particular job to the company before a dollar value is placed on it. From an internal perspective, the more significant its duties and responsibilities, the more the job is worth. Jobs that require greater knowledge, skills, and abilities should be worth more to the firm.

14. Legal Considerations

A proper prepared job analysis is particularly important for supporting the legality of employment practices. In fact, the importance of job analysis is well documented in the Uniform Guidelines on Employee Selection Procedures. Job analysis data are needed to defend decisions involving promotion, transfers, and demotions, e.g., job analysis provides the basis for tying the functional areas together and the foundation for developing a sound human resource program.

15. Job Analysis for Teams

Historically, companies have established permanent jobs and filled these jobs with people who best fit the job description. The jobs then continued in effect for years to come.

2.2.1 Objectives

Q13. Explain the objectives of Job Analysis.

Ans :

1. Work simplification

Job analysis provides the information related to job and this data can be used to make process or job simple. Work simplification

means dividing the job into small parts i.e. different operations in a product line or process which can improve the production or job performance.

2.   Setting up of Standards

Standard means minimum acceptable qualities or results or performance or rewards regarding a particular job. Job analysis provides the information about the job and standard of each can be established using this information

3.   Support to Personnel Activities

Job analysis provides support to various personnel activities like recruitment, selection, training and development, wage administration, performance appraisal etc.

2.2.2 Components

2.2.2.1 Job Description

Q14. Define job description ?   What are the characteristics of good job description ?

Ans :

Job Description is an important document which is basically descriptive in nature and contains a statement of Job analysis. It serves to identify a job for consideration by other job analysis. It tells us what should be done, why it should be done and where it should be done.

A job description is "an organized, factual statement of duties and responsibilities of a specific job". It tells what is to be done, how it is done and why ?

Contents of Job Description

➤   Job title

➤   Location of the job

➤   Supervision given and receive

➤   Materials, tools, machinery

➤   Designation of superior/subordinates

➤   Salary particulars

➤   List of duties

➤   Conditions of work

➤   Training and development facilities

Characteristics of Good Job Description

➤   Job description should indicate the scope and nature of the work including all important relation ships.

➤   It should be clear regarding the work, duties etc.

➤   More sportive words should be selected to show (a) Kind of work (b) degree of complexity (c) degree of skill required (d) extent to which problems are standardized (e) the extent of workers responsibility for each phase of the work (f) degree and type of accountability

➤   Supervisory responsibility should be shown to the incumbents. Brief and accurate statement should be used in order to accomplish the purpose.

➤   Utility of the description in meeting the basic requirements should be checked form the extent of understanding the job by reading the job description by a new employee.

Job description is prepared on the basis of data collected through job analysis. It is a functional description of the activities and duties to be performed in a job, the relation ship of the job with other jobs, equipment and tools involved, nature of the supervision, working conditions and hazards of the job and so on. All the major categories of jobs need to be spelled out in clear and comprehensive manner to determine the qualifications and skills required to perform a job. Thus job description differentiates one job form the other. Job description is a written statement of what a job does, how it is done and why it is done.

Purposes :

Job description is done for the following :

a)   Grading and classification of jobs

b)   Placement and orientation of new employees

c)   Promotions and transfers

d)　　Developing work standards

e)　　Employee counseling

Q15. What is the role played by job description

Ans :

Job description plays a crucial role in the recruitment and selection process of an organization. The following points highlights the role and importance of job description in the recruitment and selection process,

1. Facilitates the Availability of Information Required for Specification of Selection Criteria

The job description serves as the basis for the effective selection and recruitment. It determines the person specifications required for the recruitment and selection criteria. The selection criteria should be in accordance with the nature of work.

Job description clearly states the requirements for the job which serves as a basis for the selection criteria.

2. Informing the Applicants About the Nature of the Job

The applicants come to know about the nature of the job by referring the job descriptions published in the newspapers or the internet. The job description is accurate and provides the details of the job, the organization, location of the job and the salary level. In order to grab the attention of the employees the job description give a brief detail of the jobs. The job descriptions give an invitations to the applicants eligible for the job, by specifying the basic job requirements. The Individual can decide whether to apply for job or not based on job description

3. Primary Purpose and Major Functions of the Job Holds in the Organizations Structure

The job descriptions serve as a guide for newly selected employees. It states the major

objectives of the selected employees and the much needed information. The new staff completely understands their basic purpose for the existence in the organization.

2.2.2.2 Job Specification

Q16. Define the term job specification ? Explain its contents.

Ans :

Job specification is a written statement of qualifications, traits, and mental characteristics that all individual must possess to perform the job duties and discharge responsibilities effectively.

A job specification is "a statement of minimum acceptable human qualities necessary to perform a job properly. In contrast to the job description it is a standard of personnel and designates the qualities required for acceptable performance.

Content of Job Specification

The job specification contains :

➤ **Physical specification**

Height, weight, vision, hearing, ability to list weight, health, age, capacity to operate machines, tools and equipments.

➤ **Mental specifications**

Ability to perform, to interpret data, to read electrical circuits, drawings, reading abilities, judgement, memory, general intelligence etc.

➤ **Emotional and social specification**

Emotional stabilities, flexibility, social adaptability, personal appearance, dress, posture, features, voice required by the job.

➤ **Behavior specification**

Judgment, creativity, research, teaching ability, maturity.

Q17. Explain the difference between the job description and job specifications.

Ans :　　　　　　　　　　　　　**(July. - 18)**

The following are the differences between job description and job specifications,

SNo.	Job Description	SNo.	Job Specification
1.	Job description is an organized statement containing the facts about the duties and responsibilities of a specific job.	1.	Job specification is a statement consisting of the minimum level of qualifications, skills, talents, physical abilities experience etc., required for performing a job properly.
2.	Job description focuses on job characteristics	2.	Job specification focuses on individual characteristics.
3.	Job description measures the duties and responsibilities.	3.	Job specification measures the responsibilities performet by a person.
4.	Job description assists the candidate to understand the requirements of the job which are to be fulfilledby him/her.	4.	Job specification assists the management in finding an appropriate candidate for the job.
5.	Job description statement consists of, (i) Job identification (ii) Job summary (iii) Materials used (iv) Machines, tools and equipments	5.	Job specification consists of the following human qualifications required for performing the job, (i) Education (ii) Experience (iii) Training (iv) Judgement (v) Initiative (vi) Creativity
6.	Job description helps in, (i) Job grading and classification. (ii) Employee orientation and placement (iii) Promotions and transfers	6.	Job specification helps in, (i) Personal planning (ii) Performance appraisal (iii) Hiring (iv) Training and development

2.2.3 Methods of Job Analysis

Q18. Explain different methods of collecting information about job analysis.

(OR)

Describe various methods of job analysis.

Ans :   **(Dec.-20, May-15)**

Job analysis is dependent on job data. Earlier job-related data was collected by the methods of observation and by interviews. In recent years questionnaires, checklists, diaries, critical incident method, personnel records, technical conferences etc., are used for collecting job-related data.

Each method is described below.

1.   Observation

Under this method, the data is collected through directly observing the employee while at work the task per-formed, speed of performing activities, working conditions, the dangers involved, etc. The information thus obtained is documented in a standard format. This is the most suitable method for getting firsthand information related to the job. This method best fits for jobs consisting of primarily observable physical ability, short job cycle activities like draftsman, mechanic, spinner, weaver, etc. The criticisms on the part of this method are that this method is time consuming and is not suitable for jobs that involve unobservable mental activities.

2. **Interviews**

In this method the job analyst collects the job related information through personal interviews. Job related information can be obtained by conducting two types of interviews (i) with job holder(s) doing the same job (ii) with supervisors having thorough knowledge about the job. The data is collected and compared using a standard format wherein the interviewer asks job related questions. This method (interviewing) is suitable for the jobs where data can't be collected through direct observation. However, interview is used as a supplement to observation method. The drawbacks of this method are-it is time-consuming and costly and there are less chances of getting accurate information if the rapport between the analyst and employee is not good.

3. **Questionnaire (or) Survey Method**

In this method job-related data is obtained by giving questionnaire to the employees. The questionnaire may relate to task or behaviour with dimensions like frequency, significance, difficulty and relationship with overall performance. The data thus obtained is sorted out and the relevant conclusions are drawn. Some standard questionnaires used for the purpose of job analysis are FJA (Functional Job Analysis), PAQ (Position Analysis Questionnaire), JAIF (Job Analysis Information Format).

This method (questionnaire) provides comprehensive information about a job and enables to cover large number of job holders in the shortest time. But getting answers may consume lot of time and it is costly to frame standardized questions. This method is also criticized on the grounds that when questionnaire is supplied, direct rapport between analyst and employee is not possible which may result in lack of cooperation and motivation.

4. **Checklists**

The checklist method of collecting job related data is similar to that of questionnaire but the difference being, it contains few subjective questions in the form of 'Yes' or 'No'. Checklist is prepared on the basis of the information obtained from different sources such as supervisors, subordinates, industrial engineers and other people who are familiar to the job. The checklist consists of-list of the tasks performed, amount of time spent on each task, type of training and experience required to do the task. The data thus obtained is tabulated to obtain job related data.

Like questionnaire, this method is suitable for large organizations consisting of number of workers performing similar kind of activity and may lack it's importance in small organizations in the matters of cost.

5. **Diaries/Log Records**

In this method each individual employee is given a diary and asked to maintain the activities done by him each day. If judicial information is provided by employee, accurate and comprehensive information about job is obtained. This method is time consuming, as recording of activities may spread over several days. One more disadvantage is that it does not give any information about superior-subordinate relationship, equipments/machinery used, prevailing working conditions.

6. **Critical Incident Method**

This method is used for the purpose of gathering data for assisting recruitment and selection decisions. This method is based on the employees past experience, from where both successful and unsuccessful job behaviours are collected and the data thus collected is analyzed and classified accordingly, which gives a clear picture of actual job requirements.

This method is especially useful for the purpose of scientific analysis and selection research. However, this method is time-consuming and analyst requires a high skill to analyze the data.

7. **Technical Conference**

In this method, a conference is arranged for the supervisors possessing considerable

knowledge about the job. They discuss on various aspects of the job and the job analyst gather the required information. This method consumes less time but suffers with a drawback that it lacks accuracy and authenticity as the actual employee is not involved.

From the above methods, it is observed that no single method is complete and perfect. Therefore, the best data related to a job is obtained by a combination of all the methods.

2.3 HUMAN RESOURCE PLANNING

2.3.1 Concept

Q19. Define Human Resource Planning. Explain the importance of HRP.

Ans :

HRP is the process of forecasting an organizations future demand for and supply of the right people in the right members. It is only after HRP is done, that the company can initiate and plan the recruitment and selection process.

Human Resource (Manpower or Personnel) Planning (HRP) involves

1. Forecasting (Estimating) the Manpower requirements and recruitment.

2. Manpower Allocation

3. Manpower Motivation

4. Manpower Development

Definitions

HRP is a process of translates organizational objectives and plans into the member of workers needed to meet those objectives.

i) **According to Column** has defined human resource planning as "the process of determining manpower requirements and the means for meeting those requirements in order to carry an integrated plan at the organization".

ii) **According to Stainer** defines manpower planning as "strategy for the acquisition, utilization, improvement and preservation of an enterprise's human resources. It relates to establishing job specifications or the quantitative requirements of jobs determining the number of personnel required and developing resources of manpower".

Importance

Importance of HRP is shown in figure aside:

1. **Forecasting Human Resource Requirements**

Human resource planning is essential to determine the future human resource needs in an organization. In the absence of such a plan, it would be difficult to have the services of the right kind of people at the right time.

2. **Effective Management of Change**

Proper planning is required to cope with changes in market conditions, technology products, and government regulations in an effective way. These changes call for continuous allocation or reallocation of skills and in the absence of planning there might be under-utilization of human resource.

3. Realizing Organizational Goals

In order to meet the needs of expansion programs and growth strategies of the organizations planning is essential.

4. Promoting Employees

The database available provides a comprehensive skill repertoire, which facilitates for decision making as to the promotional opportunities to be made available for the organization.

5. Effective Utilization of Human Resource

This database is also useful for identifying surplus and unutilized human resource and resources. In times of downsizing or in estimating the cost-benefit analysis of human resources would add value to the process.

6. Facilitates Economic Development

At the national level, manpower planning is essential for economic development. It is particularly helpful in the generation of employment in educational reforms and in geographical mobility of talent.

7. Helps Fill the Gap

Manpower planning identifies the gaps in existing manpower so that suitable training programs may be developed for building specific skills, required in future.

2.3.2 Objectives

Q20. Explain the objectives of human resource planning.

Ans :

(i) To forecast future human resource requirements.

(ii) To ensure optimal utilization of existing manpower.

(iii) To provide regulatory measures to ensure the availability of adequate manpower.

(iv) To link manpower planning with corporate planning.

(v) To assess the surplus and shortage of manpower because both over staffing and under staffing may be highly demotivating in the organization.

(vi) To anticipate the impact of technology on man-power and the job.

(vii) To determine the extent of recruitment and training.

(viii) To identify the cost to be incurred in maintaining manpower.

(ix) To serve as a basis for management development programmes.

(x) To guide the productivity bargaining.

2.3.3 Factors Affecting HR Planning

Q21. Explain the various factors influencing HR planning.

Ans :

HRP is influenced by several considerations. The more important of them are:

(i) Type and strategy of organization,

(ii) Organizational growth cycles and planning,

(iii)   Environmental uncertainties,

(iv)   Time horizons,

(v)   Type and quality of forecasting information,

(vi)   Labour Market

(vii)   Out sourcing
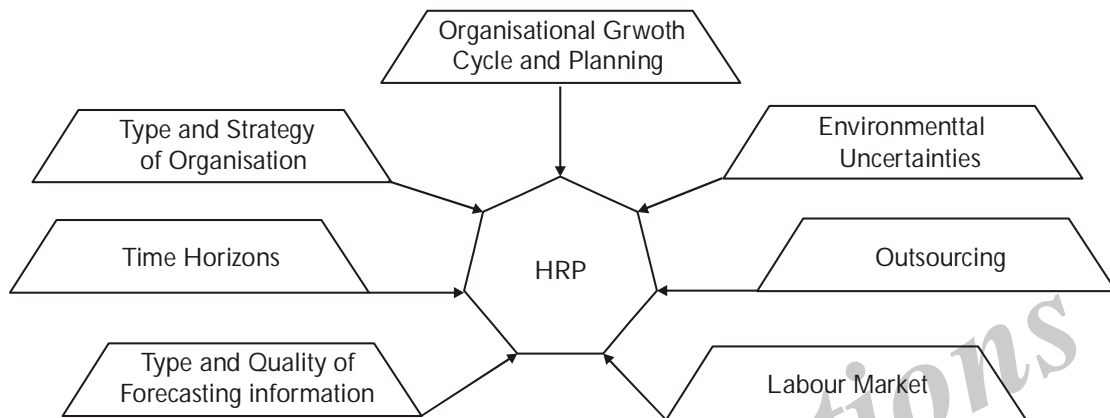
i)   Type and Strategy of Organization

The type of organization is an important consideration because it determines the production processes involved, number and type of staff needed, and the supervisory and managerial personnel required. Manufacturing organizations are more complex in this respect than those that render services.

The strategic plan of the organization defines the organization's HR needs. For example, a strategy of organic growth means that additional employees must be hired. Acquisitions or mergers, on the other hand, probably mean that the organization will need to plan for layoffs, since mergers tend to create, duplicate or overlapping positions that can be handled more efficiently with fewer employees.

Primarily, the organization decides either to be proactive or reactive in HRP. It can either decide to care-fully anticipate the needs and systematically plan them to fill them far in advance, or it can simply react to needs as they arise. Of course, careful planning to fill HR needs better helps ensure that the organization obtains the right number of HR people with proper skills and competencies when they are needed.

ii)   Organizational Growth Cycles and Planning

The stage of an organization's growth can have considerable influence on HRP. Small organizations in the embryonic stage may not have personnel planning.

Need for planning is felt when the organization enters the growth stage. HR forecasting becomes essential. Internal development of people also begins to receive attention in order to keep up with the growth.

A mature organization experiences less flexibility and variability. Growth slows down. The workforce becomes old as few younger people are hired. Planning becomes more formalized and less flexible and innovative. Issues like retirement and possible retrenchment dominate planning.

iii)   Environmental Uncertainties

HR managers rarely have the privilege of operating in a stable and predictable environment. Political, social and economic changes affect all organizations. Personnel planners deal with environmental

uncertainties by carefully formulating recruitment, selection, and training and development policies and programmes. Balancing mechanisms are built into the HRM programme through succession planning, promotion channels, layoffs, flexitime, job sharing, retirement, VRS and other personnel related arrangements.

iv) Time Horizons

Yet another major factor affecting personnel planning is the time horizon. On one hand, there are short-term plans spanning six months to one year. On the other hand, there are long-term plans which spread over three to twenty years. The exact time span, however, depends on the degree of uncertainty prevailing in an organization's environment. Plans for companies operating in an unstable environment, computers for example, must be for a short period. Plans for others where environment is fairly stable, for example a university plan, may be long-term. In general, the greater the uncertainty, the shorter the plan's time horizon and vice versa.

v) Type and Quality of Information

The information used to forecast personnel needs originates from a multitude of sources. A major issue in personnel planning is the type of information which should be used in making forecasts. Table illustrates the type and levels of forecasting information useful to personnel planners. Closely related to the type of information is the quality of data used.

vi) Labour Market

Labour market comprises people with skills and abilities that can be tapped as and when the need arises. Thanks to the mushrooming of educational, professional and technical institutions adequately trained human resource is always available on the market. Nevertheless, shortages do occur. For example, the Confederation of Indian Industry (CII) estimates that by 2015, India will be requiring 30 million additional skilled workers in sectors such as health care, banking and financial services, retail, auto and construction. It is doubtful whether so many skilled workers would be available in the country.

When one talks about labour supply, the following deserve due consideration:

➢ The size, age, sex and educational composition of the population

➢ The demand for goods and services in the country

➢ The nature of production technology

➢ Employability of the people

vii) Outsourcing

Several organizations outsource part of their work to outside parties either in the form of sub-contracting or ancillarisation. Outsourcing is a regular feature both in the public sector as well as in the private sector. Most organizations have surplus labour and they do not want to worsen the problem by hiring more people. Hence, the need for off-loading.

Some organizations are known to carry the concept of off-loading to ridiculous lengths. One of the Bangalore based public sector undertakings outsources major part of its work, and in the process, the regular employees sit idle. Kickbacks from owners of ancillary units are the cause for such ancillarisation. HRP is rarely required in such circumstances.

Q22. Classify the different types of human resource planning.

Ans :

There are two main types of manpower planning, on the basis of time span, i.e., short-term manpower panning and long term manpower planning.

1. Short Term Manpower Planning

Short term planning as the name suggests is made for a short time, i.e., for a period of not more than two years. Short term plans are more concerned with specific projects and

programs and the existing personnel must be adjusted, to match the requirements of that project and program.

In the short run, it may not be possible, either to change the personnel, to suit the jobs or eliminate jobs, to suit the personnel. So the basic problem in the short run is to match the individuals with jobs, as best as possible. Thus, the problems which are faced in the short run are:

i) Weak Incumbent

The first and the most difficult problem in short-term planning is experienced, when an existing personnel is not according to the specifications of the job. In such circumstances, there are four approaches, for matching jobs and individuals:

a) Changing of the Man

The first approach in this regard is the changing of the present incumbent by improving his ability, through education, training and counseling.

b) Change in the Contents of the Job

The next approach can be, to change the job contents, to make them suitable to the individual. This can be done by:

➢ Withdrawing a duty from one position and assigning it to some other related position,

➢ Adjusting the degree of decentralization,

➢ Providing the additional assistance when a person is weak.

c) Changing the Job and the Man

Another approach may be a combination of the above two approaches, i.e., both man and the job can be adjusted according to each other, by:

➢ Improving the ability of the man through training and counseling, and

➢ Shifting a duty' from one position to another.

d) Removal of the Incumbent

The fourth approach may be the removal of the present incumbent. But this step should be taken only when:

➢ It is not possible to change the job to make it suitable to the individual, or

➢ The individual cannot be improved even after proper training and counseling.

ii) Strong Incumbent

Some people in the organization may have greater ability than their present job requires. In such a case, again there is a problem of matching jobs with the man, because a portion of an individual's ability remains unutilized. For the proper utilization of the ability, the following approaches may be tried out:

a) Assigning Additional Duties

A man may be assigned some additional but related duties beyond his assigned sphere. He may give advice to others who are poor in their job performance.

b) Assigning Some Special Problems

Sometimes, some special problems arise in the organization. The help of the capable man can be taken, to solve the problem.

c) Advice

Advice of the capable man can be sought, for any problem, for which he is supposed to be having special knowledge or any activity can be made part of his regular duty, which requires repeated advice of the capable man.

d) Change in Job

The ability of a man can be better utilized, by changing the job that suits his abilities and capabilities. Any activity,

which is not being managed properly, may be assigned to the capable man.

iii) Unexpected Vacancy

The next problem, which the management has to face in the short run, is the filling up of posts, falling vacant, due to some unexpected reasons, such as death, resignation or some other social reason. As these unexpected factors are not known in advance, so again the problem of matching jobs and individuals arises. No one in the organization may match the vacant position. Much can be achieved, by changing the job reorganization or by changing the next person in the position, through training and for the mean time; some temporary' arrangements can be made.

2. Long Term Manpower Planning

Long term manpower planning is concerned with all jobs and persons at once - with matching total available personnel in the organization to total job requirements. It is concerned with fulfilling future vacancies, rather than matching the present incumbents to present jobs. The long-term manpower planning has the following elements:

i) Projecting Manpower Require- ments

The first essential step in projecting the manpower requirements is to forecast the organization structure. The organization operates in a changing environment and therefore, it is bound to change in future. In matching the change with the present job structure, the management must predict the manpower requirements in future. The following factors should be analyzed to forecast the manpower requirements:

a) Rate of Loss

The rate of loss, due to known (e.g., retirement and transfer, etc.) and unknown (e.g., resignation, discharge, leave, etc.) factors may be guessed. An accurate forecast can be done for known factors but for unknown factors, only past records may help which may be adjusted, on the basis of present known circumstances.

b) Change in Organization's Size

The manpower requirement in future will depend upon the expansion or contraction in the size of the organization. The size of the organization can be predicted on the basis of the past rate of growth, by projecting the trend in the size of sales, capital requirements or manpower stock.

c) Job Analysis

A job analysis should also help in long-term planning. A prediction of what capabilities will be required in the people, to perform the job effectively. Such prediction is more important in case of managerial personnel, because it takes more time to develop managerial skill. Again, the development of other personnel also depends upon the management abilities.

ii) Taking Stock of Existing Manpower

Having projected the manpower requirements, the next step in manpower planning is to take stock of existing manpower and to find out how far the present stock of manpower would fulfill the qualifications of the anticipated jobs or how far they would be developed, through training. For this purpose, a list of present employees should be prepared, stating the present abilities of different persons. The list should also state the persons who can be developed within a period of five or ten years, either through experience or training, to suit the anticipated job requirements.

iii) Recruitment and Selection

Once the requirement of manpower is known, the process of recruitment and selection starts to identify the prospective candidates and to stimulate them, to apply for jobs. The recruiting activity may be selective or pre-selective, through choosing among various sources of supply and by the decision, as to which candidate should be permitted, to go through subsequent screening procedures.

iv) Manpower Development

Manpower development includes the development of individuals, through training, to fill up the prospective vacancies, so that they can meet the challenges with their full capabilities. It develops the man, according to the requirements of the job and thus, co-ordinates the man and the job. Having predicted the future needs of personnel, the existing personnel are trained, if possible and are appointed as and when necessary, to the suitable higher job.

2.3.4 Process

Q23. Outline the process of Human Resource planning.

(OR)

Explain the process of HR Planning.

(OR)

Discuss the process of HR planning.

(OR)

Describe the process of HR planning.

Ans :   (May-19, May-14, May-13, May-11,Imp)

HRP essentially involves forecasting personnel needs, assessing personnel supply and matching demand-supply factors through personnel-related programs. The planning process is influenced by overall organizational objectives and the environment of business.

1.   Environmental Scanning

Environmental scanning refers to the systematic monitoring of the external forces influencing the organization. Managers monitor several forces but the following are pertinent for HRP:

i)   Economic factors, including general and regional conditions.

ii)   Technological changes, including robotics and automation.

iii)   Demographic changes, including age, composition and literacy.

iv)   Political and legislative child care, and educational facilities and priorities.

v)   Social concerns, including child care, and educational facilities and priorities. By scanning the environment for changes that will affect an organization, managers can anticipate their impact and make adjustments early.
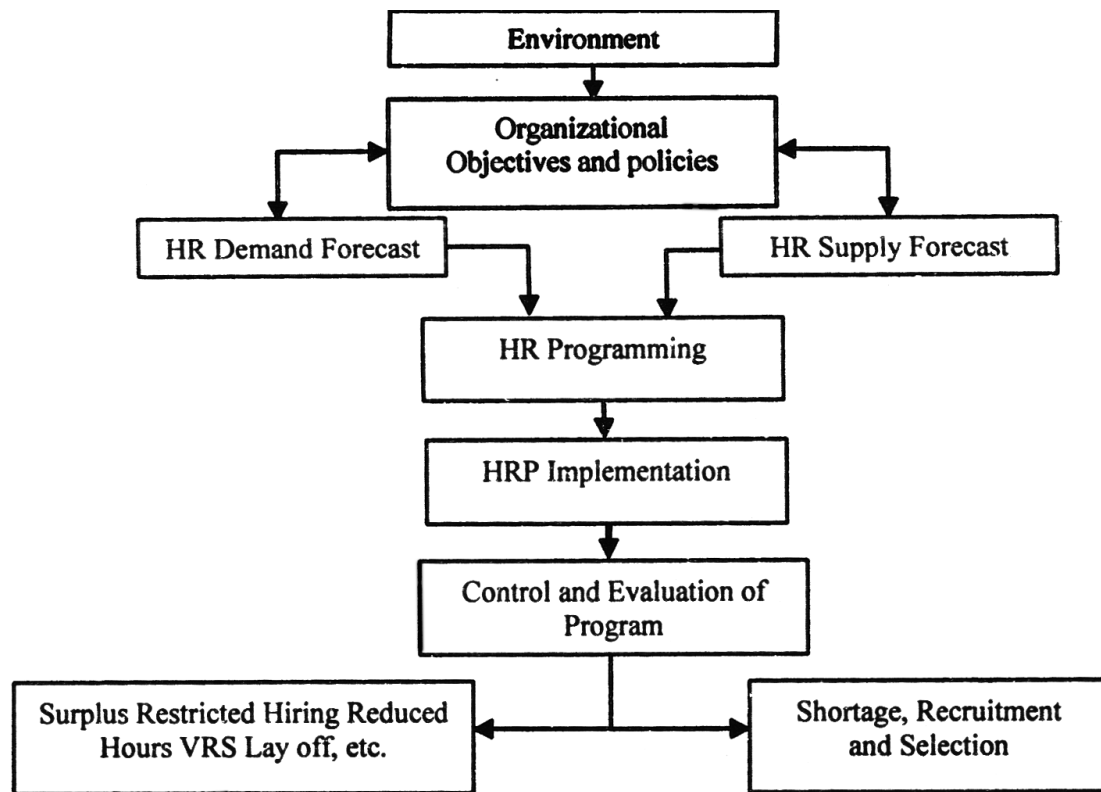
Fig.: HRP Process

2.   Organizational Objectives and Policies

HR plans need to be based on organizational objectives. In practice, this implies that objectives of the HR plan must be derived from organizational objectives. Specific requirements in terms of number and characteristics of employees should be derived from the organizational objectives.

3.   HR Demand Forecast

Demand forecasting is the process of estimating the future quantity and quality of people required. The basis of the forecast must be the annual budget and long term corporate plan, translated into activity levels for each function and department.

4.   HR Supply Forecast

Personnel demand analysis provides the manager with the means of estimating the number and kind of employees that will be required. The next logical step for the management is to determine weather it will be able to procure the required number of personnel and the sources for such procurement. This information is provided by supply forecasting. Supply forecasting measures the number of people likely to be available from within and outside an organization, after making allowance for absenteeism, internal movements and promotions, wastage and changes in hours, and other conditions of work.

5.   HR Programming

Once an organization's personnel and supply are forecast, the two must be reconciled or balanced in order that vacancies can be filled by the right employees at the right time. HR programming, the third step in the planning process, therefore, assumes greater importance.

6. HR Plan Implementation

Implementation requires converting an HR plan into action. A series of action programs are initiated as a part of HR plan implementation. Some such programs are recruitment, selection and placement; training and development; retaining and redeployment; the retention plan; the succession plan and the redundancy plan.

Q24. Explain advantages of human resource planning?

Ans :

1. Meeting manpower needs

Every Organization needs adequate and properly qualified staff for the conduct of regular business activities. Imaginative HRP is needed in order to meet the growing and changing human resource needs of an organization.

2. Replacement of manpower

The existing manpower in an Organization is affected due to various reasons such as retirement and removal of employees and labour turnover. HRP is needed to estimate the shortfall in the manpower requirement and also for making suitable arrangements for the recruitment and appointment of new staff.

3. Meeting growing manpower needs

The expansion or modernization programme may be undertaken by the enterprise. Manpower planning is needed in order to forecast and meet additional manpower requirement due to expansion and growth needs through recruitment and suitable training programmes.

4. Meeting challenges of technological environment

HRP is helpful in effective use of technological progress. To meet the challenge of new technology existing employees need to be retrained and new employees may be recruited.

5. Coping with change

HRP enables an enterprise to cope with changes in competitive forces, markets, products, and technology and government regulations. Such changes generate changes in job content, skill, number and type of personals.

6. Increasing investment in HR

An employee who picks up skills and abilities becomes a valuable resource because an organization makes investments in its manpower either through direct training or job assignments.

7. Adjusting manpower requirements

A situation may develop in; an organization when there will be surplus staff in one department and shortage of staff in some other department. Transfers and promotions are made for meeting such situations.

8. Recruitment and selection of employees

HRP suggests the type of manpower required in an organization with necessary details. This facilitates recruitment and selection of suitable personnel for jobs in the Organization. Introduction of appropriate selection tests and procedures is also possible as per the manpower requirements.

9. Placement of manpower

HRP is needed as it facilitates placement of newly selected persons in different departments as per the qualifications and also as per the need of different departments. Surplus or shortage of manpower is avoided and this ensures optimum utilization of available manpower.

10. Training of manpower

HRP is helpful in selection and training activities. It ensures that adequate number of persons are trained to fill up the future vacancies in the Organization.

2.3.5 Problems in HR Planning

Q25. What are the problems of human resource planning?

Ans :   **(May-19)**

Inspite of all its contributions, HRP suffers from some of the limitations as stated below,

1. Limitation of Accuracy

Human resource personnel may not be able to forecast the future workforce requirements accurately. This is because an entire HRP depends on many uncontrollable factors like market conditions, technological advancement, political atmosphere, changing trends and preferences of human resources.

2. Ignorance of Quality

The HRP forecasting methods, like zero based forecasting, bottom-up approach, mathematical models etc., only helps in predicting the quantitative aspects of human resources whereas the qualitative aspects like culture, motivation, loyalty, morale may not be considered.

3. Time Consuming and Expensive

The HRP relies on lot of collected data. Gathering all this takes, a lot of time. Also, integrating a HRP system is very expensive and all will not be economic for small and medium firms, as it is backed up by capital constraints.

4. Problem of Over Staff

HRP gives, a clear solution for handling over staff-Termination lay off etc. This could have a negative effect on the morale of existing employees as they may feel job insecurity, over burdened, stressed and duress. HRP do not have answers like adjustment of over staff instead of firing them.

5. Conservative Thinking

Many Indian managers are still having the opinion that, it's a simple task to hire/fire people as per requirements by offering them attractive packages and incentives. Thus, they do not feel the requirement of an expensive and time consuming HRP.

2.4 Recruitment

Q26. Define the term recruitment ? Explain the purpose of recruitment.

Ans :   **(May-12)**

Introduction

Recruitment involves attracting and obtaining as many applications as possible from eligible job seekers. In simple terms, recruitment is understood as the process of searching for and obtaining applications for jobs, from among whom the right people can be selected. Theoretically recruitment process is said to end with the receipt of applications. HRP helps determine the number and type of people a firm needs. Job analysis and job design specify the tasks and duties of jobs and the qualification expected from prospective job holders. The next logical step is to hire the right number of people of the right type to fill the jobs.

Human Resource Planning	→	Determine Recruitment and selection needs	←	Job analysis

According to Edwin B. Flippo "Recruitment is the process of searching prospective employees and stimulating them to apply for jobs in the organization".

Purpose

The purpose of recruitment is to provide a pool of potentially qualified job candidates.

(i) Determine the present and future requirements of the firm in conjunction with HR planning and job analysis.

(ii) Increase the pool of candidates at minimum cost.

(iii) To reduce the probability that job applicants once recruited and selected leave the organization at a very short time.

(iv) To meet the organization's legal and social obligations regarding the composition of its work force.

(v) Evaluate the effectiveness of various recruitment techniques and sources.

2.4.1 Objectives

Q27. State the various objectives of recruitment.

Ans :

1.   To provide the organization with a pool of potential and skilled human resources (Example: Job applicants).

2.   To forecast the human resource requirements of the organization using various statistical and other tools.

3.   To increase the number of job applicants at reduced cost.

4.   To align the recruitment process with the strategic goals of an organization.

5.   To use effective recruitment tools and techniques so that more number of aspirants can be recruited which helps in increasing the efficiency of selection process.

6.   To recruit the people from every class/level of the society [Example: Minorities, physically challenged, women etc.] so as to have a diversified workforce.

7.   To reduce the attrition rate by recruiting the right candidate at the right place.

8.   To periodically appraise the recruitment process, to keep it upto date and effective as per the organizational requirements.

9.   To increase the level of effectiveness (both individual and organizational) in both short run and long run.

10. To prepare and identify the potential job applicants for selecting appropriate candidates.

Q28. What are the factors affecting recruitment ?

Ans :

The recruitment process, is influenced by various internal and external factors. The human resource management should take all these factors into consideration before initiating the recruitment process.

(a)   Internal Factors

Internal factors are those factors, which are internal to the organization and the organization can change them if it desires. The important internal factors, affecting the recruitment process, are as follows,

1.   Company's Size

An important internal factor of recruitment is the company's size. In big organizations, we find continuous, recruitment. For example, we find the advertisement of big MNC's every week in newspapers as they exercises recruitment process throughout the year.

2.   Company's Goodwill, Reputation and Culture

An organization's name and its, reputation also have an impact on recruitment. This, is because, good companies, set higher standards. Even a large number of job aspirants apply for such companies, who are having good name/fame in the markets.

3.   Cost of Recruitment

Recruitment is also influenced by the availability of financial resources of a company. A big organization would like to spend a lot of money on recruitment to get the best possible candidate whereas, a small company may go for "knockout" rounds and concentrate more on getting the cheapest possible employees.

4.   Quality of Work Life (QWL) and Career Growth

Quality of work life and career opportunities provided by a company have a very good impact on the recruitment process. For instance, Self explanation Google incorporation provides gym facilities, Free food, Guest house, Sports and other recreational benefits to its employees, along with excellent career opportunities. In such organizations, even the attraction rate

would be very low. Employees, keep looking for better prospects, if they are not satisfied with the career growth.

(b) External Factors

External factors includes all those factors that are unconquerable. If has to change itself as, per the changing external factors. A few important external factors, impacting the recruitment process are as follows,

1.   Labour Market Conditions

The demand and supply of labour has a direct impact on the recruitment process. For instance, if there is more availability of employees in the market at the time of recruitment, a single informal method such as advertisement may attract many prospective applicants. However, if there is full employment in the market, the recruitment process becomes lengthy as, there are comparatively less number of candidates available in the employment market. Even the number of applicants that has to be recruited also depends upon the nature of economy. An employer can know the employment status, by studying the reports, published by the national stock exchange, trade journals, employment news and so on.

2.   Legal and Political Factors

This is another important factor impacting recruitment. Example, In US, some states, have enacted laws making it a must for companies to hire nationals instead of outsourcing them from the developing countries like India, China and so on. The government has also regulated recruitments, by passing laws, which prohibits discrimination hiring if it is based on religion, race, sex, caste and so on.

3.   Other Factors

Other factors, include the socio-economic conditions, employment rate, library rate, Demographic factors etc.

Q29.   Explain the process of recruitment.

Ans :

Process of Recruitment

The process of recruitment consists of five steps. Let us discuss about each step in detail.

1.   Recruitment Planning

The first step of the recruitment process is, Planning. The H.R department must collect the data about the number and type of vacancies available. Planning involves the setting of specific targets for a specific job, depending upon the number and types of applications to be collected and recruited. For example, a company may call 100 candidates, to fill two vacant posts by fixing the yield ratio as 50% which states that out of 50 candidates only a single competent and potential employee can be selected.

They must also decide the type of candidate to whom jobs need to be allotted. For example, fresher would be called for entry level jobs whereas, experienced workers would be called for managerial posts.

Recruitment planning	Number of candidates Types of Candidates
Strategic development	Where and how to call, when to call
Searching	Using various sources, media selling
Screening for candidates	Knock out round biographical information blanks
Evaluating and Controlling	Cost benefit analysis ROI method
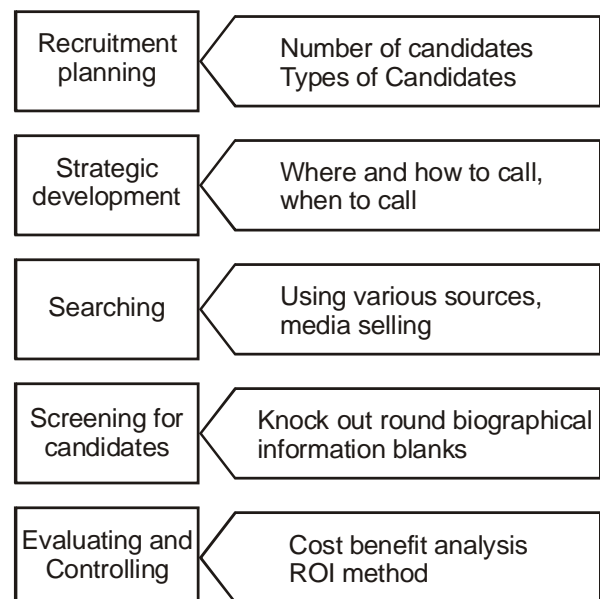
Fig. : Five Step Process of Recruitment

2. Strategic Development

The second step of the recruitment process is, Strategic development. This step provides answer to the following questions,

➤ Where to look for (campus job fairs etc.)

➤ How to look for (Internal and external sources)

➤ When to look for (perfect timing).

The company studies, whether to "make or buy" (i.e.,) is it better to hire and train (make) fresh graduates at a lower pay grade jobs or to select the experienced and trained candidates. Technical advancement have provided many alternatives for the selection of potential candidates.

For example, many companies in the U.S and Europe recruit Indian labours as they are good at English, highly' skilled, motivated and are willing to perform their jobs at less salary than the nationals of the country who seek high salary for performing the same job. Lastly, an efficient recruitment strategy suggests the best time for recruitment.

3. Searching

This is the third step of recruitment process. The search for a candidate begins only after the line manager communicates that there is a vacancy or there would be a vacancy in the future.

Searching involves selecting and screening of potential candidates. It is also important to select the right medium of advertisement as it reflects the company's image. Example, a company advertising in a reputed business magazine may be able to build a strong image in the minds of the customers than those advertising in local magazines.

4. Screening for Potential Candidates

Screening is the fourth step in the recruitment process. Some researches considered screening as the first step of selection. Whereas, others argue that the selection process begins only after the candidates are short listed through recruitment.

For screening, recruiters mostly use "multiple hurdle process". For this they use tools like "Biographical information blank" and "Knockout round". In knockout round applicants have to fill on application form consisting of 2-3 key questions if they are found to be capable of performing a task.

5. Evaluating and Controlling

This is the last step in the recruitment process. It involves cutting and controlling costs of recruitment and evaluating the effectiveness of the company's recruitment policy. Recruitment mostly involves, costs like,

(a) Cost of advertising in newspapers, magazines, on-line agencies. Example: naukri.com, monster.com etc.

(b) Salaries paid to the recruiters.

(c) Cost of outsourcing the job till the post is filled.

(d) Administrative and overhead expenses.

Evaluating is done to modify and make recruitment more effective. Mostly companies use the cost benefit and ROI method of evaluation. Another method is to evaluate time taken to perform a job. If it takes more time, it implies that the method adopted for recruitment was not effective which ultimately leads to loss of productivity.

2.4.2 Sources of Recruitment

Q30. Elaborate in detail about various sources of recruitment.

OR

Summarize the different sources of Recruitment. State its merits and demerits.

Ans :   (Dec.-20, May-17, May-14)

The various sources of recruitment are classified in to 2 broad categories, namely

➤ Internal sources

➤ External sources

A. Internal Sources

(a) Present Employees

Promotions and transfers form among the present employees can be a good source of recruitment. Promotion implies upgrading of an employee to a higher position carrying higher status, pay responsibilities. Promotion from among the present employees is advantageous because the employee promoted is well acquainted with the organizational culture they get motivated, and it is cheaper also.

However, the disadvantages is limiting the choice to a fewer people. This may also create dissatisfaction among the employees who are not promoted.

Transfers are shifting an employee from one job to another job with out any change in the present post, status, and responsibilities. This also facilitates job rotation and prepares the employee to under his base and gets ready for higher responsibilities.

(b) Former Employees

Retired, Resigned or retrenched employees may be interested to come back to the company for work. The advantages in this method are recruiting a person whose performance is already known.

(c) Previous Applications

This is considered as internal source in the sense that applications form the potential candidates are already lying with the organizations. These candidates are contacted this telephone or e-mail. This method is useful for recruitment of unskilled/semiskilled labor.

Advantages

➢ Familiarity with own employees

➢ Better use of the talent

➢ Economic Recruitment

➢ Improves Morale

➢ A motivator

From the above it can be understood that

(i) The organization will have more understanding with strength and weakness of its own employees than a strange outsides

(ii) It provides an opportunity for better utilization of internal talent.

(iii) The time, energy, cost in recruitment is negligible and hence more economical.

(iv) It gives a confidence to the employees that they would be preferred if vacancy arises.

(v) This serves as a motivator to the employees to the employees to improve their career. This also helps in encouraging and retaining the competent employees of the organization.

Disadvantages

(a) Limited Choice

Due to this we can not tap the talent available in the labor market.

(b) Discourages Competition

Internal candidates are protected from competition. It develops a tendency to take promotion with out showing any achievement.

(c) Stagnation of Skills

with the feeling that internal candidates will surely be promoted, their skill gets stagnant in the long run.

(d) Creates Conflicts

Conflicts and controversies surface among the internal candidates.

(e) Biasedness

The likes and dislikes and the personal biases of the management also play an important role in the selection.

(f) Inbreeding

Leads to inbreeding and discourages fresh blood to enter into the organization. Hence no fresh innovation is possible.

B. External Sources

External sources of recruitment lie outside the organization. The main ones are:

1.   Advertisement

It is the best method of recruiting persons for higher and experienced jobs. The advertisements are generally in local/national news papers, radio, television, professional journals. The requirements are given in the advertisement the prospective candidates evaluates themselves against the requirement before submitting the applications.

2.   Employment Exchanges

This is also a good source of recruitment. Unemployed persons get themselves registered with these exchanges which are run by Government. Whenever there are vacancies they have to be notified with these exchanges. The exchange supplies a list of suitable candidates. Exchanges are generally are suitable source of recruitment for filling unskilled, semi skilled posts. The employees and candidates are brought into contact by the employment exchanges.

3.   Employment Agencies

In addition to Government Agencies there are a number of private employment agencies who register candidates for employment and finish a list of suitable candidates from their data bank as and where sought by employers. E.g. ABC consultants, SB Bill moriel, etc are some of the examples. These agencies select personnel for supervisory and high levels. They invite applications and short list he candidates for the organizations. This method is cheaper than the organization recruiting by itself. There is also considerable time saving. Attempts to influence selection can be avoided as the organizational identity remains unknown to the job seekers.

4.   Campus Recruitment

This is another source of recruitment. The employers visit the educational institutions of engineering and Management for recruitment purposes. HAL, L&T Reliance, ICICI, Tata etc go to IIT'S IIMS; and premier institutes to pick up fresh candidates. For this purpose the institutions maintain placement cells. The advantage with this is that the candidates are available at one place and their respective professors will always help in providing the required information about the candidate. However this is an expensive process and quite likely the organization when they get better opportunity.

5.   Data Banks

The recruiting firms can prepare a data bank about various persons in different fields. The information is normally collected form educational institutions, professional organizations, etc. the details are readily available as and when the firm goes for recruitment.

6.   Labor Contractors

It is quite common to engage contractors for the supply of labor. When workers are required for short periods, contractors are best source of getting them. The persons hired are generally unskilled labor.

7.   Deputation

Employees of an organization are sent to another organization for a short duration of 2 to 3 years; in the Government Departments and public sector organizations. Deputation provides ready expertise for fulfilling a particular task. In this the initial cost of recruitment, induction and training are eliminated, generally 2 to 3 years is not enough to prove their mettle, and also they may not be loyal to the organization where they have gone on deputation.

8.   Competitors

This is also a source of recruitment. Popularly called as poaching or raiding this method involves identifying the right people to rival companies, offering them better terms and living them away. However there are legal and ethical issues involved. This practice is posing a big challenge to HR Managers.

9.   Walk in Interviews

This has become very popular method in the recent times. The applicants just walk in with their resumes for interviews. Here it becomes difficult to know how many candidates would turn up. However from the candidates point

of view walk in interview are preferable as they are from the hassles associated with other methods of recruitment.

Advantages

➢ Suitable candidates with skills, talent & knowledge are available.

➢ Fresh blood can be inducted in the organization.

➢ Being an open process it attracts more no of candidates.

➢ The management will be able to fulfill reservation requirements in favour of the disadvantaged sections of the society.

➢ Scope for resentment, heartburns and jealousy can be avoided by recruiting from outside.

➢ Possibly of fresh ideas, innovations increase.

➢ Existing employees broaden their personality.

Disadvantages

➢ More expensive and time consuming.

➢ Orientation and training cost increases.

➢ Of higher level jobs are filled from external sources, motivation and loyalties of existing staff are affected.

➢ Of the recruitment and selection process is not carried out, the chances of right candidates may be rejected or wrong candidates may be recruited.

Q31. Discuss the various techniques of recruitment.

Ans :

Recruitment methods/techniques serve the purpose of the media which establishes the relationship between the organizational recruiter and the source. Through recruitment method, organizations are able to communicate its ideas, mission and information to various job applicants and make them satisfied to apply for the jobs. Depending on the type and nature of job and also the number of candidates required, a recruiter may use any of the following techniques,
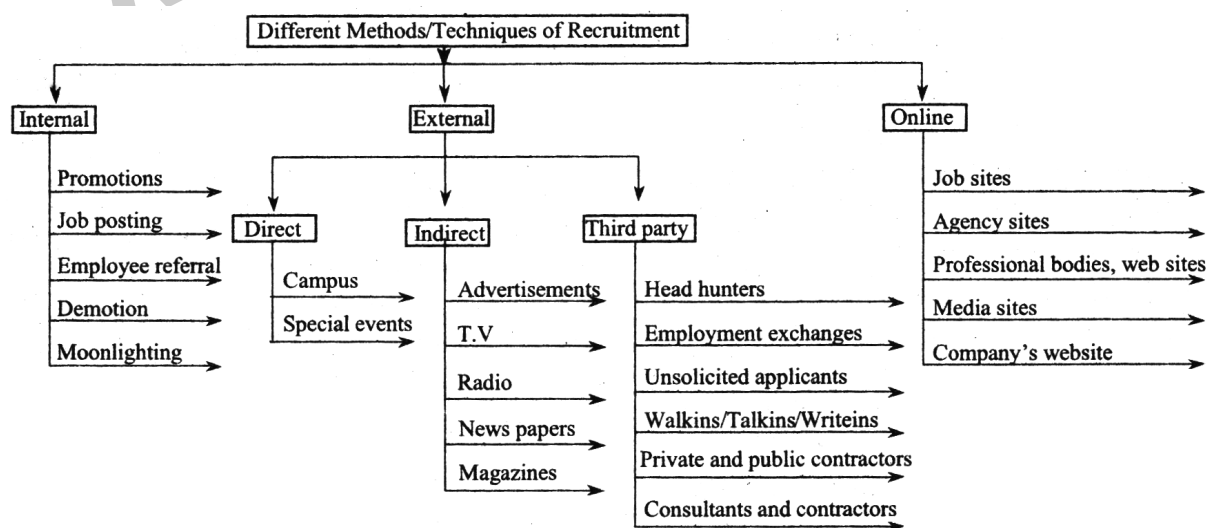
Fig. : Techniques of Recruitment

I. Internal Methods

Internal method implies all techniques and methods. The recruiters use to fill a vacancy by selecting an appropriate candidate among the already employed candidates. The different types of internal techniques include,

(a) Promotion

In promotion method an employee is moved from the existing level to a higher level to fill up the vacant job position.

(b) Job Posting

In this, method an employee is moved from one department to another department within the same organization.

(c) Employee Referrals

Employee referral is an excellent source of recruitment. Employees are encouraged to give reference of their friends/ relatives for vacant jobs. This saves a lot of time, hardwork and money for the organization as the employees are well aware of the company's requirement and would refer candidates accordingly. Infact, recently many companies are offering monetary incentives (`10,000 to 20,000) to a successful referral. In India too IT companies like Wipro, Infosys and so on are following this source of recruitment.

(d) Demotion

In rare cases, a job could be filled by demoting a non-performer to the lower level of the organizational hierarchy.

(e) Moonlighting

Organizations use Moonlighting, when there is a short-term shortage of employees. Moonlighting means making the existing employees work overtime.

II. External Methods

After ensuring that the internal supply of job applicants is exhausted, organizations move onto the external methods of recruitment for filling the vacant position. External methods of recruitment are of three types,

1. Direct Method

This involves the direct communication of recruiters with the job applicants through campus placement programmes, job fairs, seminars and placement cells.

(a) Campus recruitment

(b) Special events (Job Fairs).

2. Indirect Methods

Using these methods, companies contact job applicants indirectly by means of advertisements through newspapers, journals. Important indirect methods include, Advertisement, Television and Radio Ads.

3. Third Party Methods

Third party methods include people, agents, corporates or consultants who act as intermediate agents between recruiting organizations and job seekers. Such firms, possess specialized knowledge about the employee market and are considered as primary source of recruitment.

III. Online Recruitments

In today's highly competitive world, most of the companies are using internet for recruiting talented aspirants. Recruitment for positions from job seekers through internet is called as "on-line recruitment" or "e-recruitment". In e-recruitment, job seekers post their resumes on job sites such as Monter.com, Naukri.com, click jobs.com etc., whose accession is free for both domestic companies as well as for MNCs. Companies access these sites for recruitment and selection of potential candidates which are as per their requirements.

2.5 SELECTION

Q32. Define Selection. Explain the nature of selection.

Ans :   **(May-17)**

After identifying the sources of human resources, searching for prospective employees and stimulating them to apply for jobs in an organization,

the management has to perform the function of selecting the right employees at the right time.

The obvious guiding policy in selection is the intention to choose the best qualified and suitable job candidate for each unfilled job. The objective of the selection decision is to choose the individual who can most successfully perform the job from the pool of qualified candidates.

Meaning of Selection

Selection is "the process of screening the qualified applicants using different tools at every stage".

The hiring procedure is nit single act but it is essentially a series of methods or steps or stages by which additional information is secured about the applicant.

Definitions

(i) **According to Yoder,** "selection is the process by which candidates for employment are divided. Those who will be offered employment and those who will not".

If candidates get qualified in first round, they go to next round, if they are not eliminated from the list of the applicants.

(ii) **According to Koontz**-selection is the process of choosing from among the candidates from with in the organization or from outside, the most suitable person for the current or future position.

The objectives of selection is two fold

1. To predict which job applicant would be successful if hired, and

2. To inform and sell the candidate on the job and the organization.

2.5.1 Procedure

Q33. Explain the various stages in employee selection process.

(OR)

Explain in detail the process of selection.

(OR)

What are the various procedures involved in selection.

(OR)

Explain the process of selection.

Ans. **(May-19, May-18, May-16, May-12, Imp)**

The selection process is a long process which involves the following methods,

1. **Application Blanks**

This is one of the most common method used for collecting information from the applicants. With the help of the application process the company can know about history, detailed personal activities, skills and accomplishments of the applicant.

The application blank includes the following data,

(a) **Biographical Information**

It includes name, father's name, age, gender, nationality, marital status, etc.

(b) **Educational Information**

It covers candidate's academic qualification, courses, percentage, division, technical qualifications, etc.

(c) **Work Experience**

It includes position of candidate, nature of job, etc.

(d) **References**

It includes the names of referees who know the character, work and abilities of the candidate.

The information given by candidate should be correct. The information supplied by candidate in the application blank should be verifiable, otherwise it leads to the cancellation of their selection.

2. **Interview**

After completion of the pooling application forms, the interviewers must select the suitable applicant for a particular job.

The selected applicants have the following types of interviews.

(a) Preliminary Interview

The preliminary stage of interview is called Screening interview. The purpose of the preliminary interview, is to eliminate unqualified candidates from the selection process.

(b) Patterned Interview/Structured Interview

In this kind of interview what is to be asked is already structured is known as structured interview. This type of interview also allows an interviewer to prepare in advance, subject related and job related and complete a standardized evaluation form. The questions should be asked in a logical manner.

(c) Stress Interview

Stress interviews will create tension and pressure in an applicant. The main purpose of stress interview is to determine the stability of the applicant against tension and pressures. It involves the postage of questions one by one without allowing the applicant to complete his answers.

(d) Depth Interview

By conducting an in-depth depth interview, the interviewer can get detail information about the applicant. Based on the in-depth interview understanding of his personality such as education, extra curricular activities, early childhood experiences, etc. This kind of interview is suited for executive selection than selection of white collar, blue collar employees. It's major advantage is complete and detailed information about an applicant. But it's very costly and a time consuming process.

3. Selection Test

Individual skills, abilities, ideas, mentalities are different in order to select right person for right job. For the comparison of those employees in this situation the test will be conducted. With the selection test we can know the skills, abilities of an applicant. The selected applicant in the selection test will go to another test or further rounds.

The selection test can be defined as, "A test is a systematic procedure for comparing the behaviour of two or more persons".

- Lee J. Groonbach

4. Group Discussion

Most of the companies use Group Discussion as selection technique. It is frequently used technique while selecting employees. Before individuals interviewed, the organization conducts the group discussion for hiring right person. The group discussion includes the range of six to ten candidates. The group discussion is a time saving process because, the interviewer can observe the six to ten applicants simultaneously. The group discussion process involves six to ten applicants sitting together and the topic is selected by the company and allow the participants to speak for sometime about a chosen topic. Then the interviewer observes the applicants and select right candidates from them.

The group discussion help that can easily select the candidates from group within few time. It's time saving and costless process. With this we can know the skills and abilities of an applicant.

5. Reference Checks

The Reference Check is one of the step in the selection process. This is useful for obtaining and verifying additional information about candidate. The candidate must write two-three names of persons (referees) to whom he know personally. The referees are those who are working in a particular organization, neighbours, friends, family, members also can act as references. With this references we can know the applicant's performance in previous organization and which form the base for predicting future work behaviour.

(a) References are normally those who speak well about the candidate

(b) Referee may give favourable opinion about the candidate.

6. Physical Examination

The last technique of selection process is Physical Examination. The main purpose of conducting medical or physical examination is to have proper matching of job requirements. This test is must because the employees carrying any infectious diseases which might endanger the health of existing employees. The organization avoid the possibility of an unhealthy applicant because, protect themselves from employees paying compensation claims for injuries.caused preexisting ailments.

In public sector government jobs like defence and police department physical examination is a must. The organization wants the working environment to be free from diseases. So, the physical checkup has to be done through a specialist.

7. Final Selection

The last, that is after completion of the above all tests the next process is Final Selection. Candidates who have cleared all the above process are finally selected and job offer is issued to them. The job offer contains the pay-scale, allowances and other conditions of the job. When the candidate reports for joining they need to be placed in a particular division.

Q34. Explain the factors affecting selection.

Ans :

Various internal and external environment factors affecting selection are as follows :

1. Internal Environmental Factors:
Internal environmental factors which influence selection process include:

i) Size of the Organization

The size of the organization affects the selection process, where the smaller the organization, the more informal the selection decision.

ii) Type of the Organization

Organizations with greater complexity requires more sophisticated selection techniques.

iii) Nature of Social Pressure

The nature of social pressure emerging from, e.g., legislation and trade unions also affects the selection process.

iv) Applicant Pool

The number of applicants for a particular job can also affect the selection process. The process can be truly selective only if there are several qualified applicants for a particular position. The number of people hired for a particular job compared to the individuals in the applicant pool is often expressed as a selection ratio.

v) Speed of Decision-Making

The time available to make the selection decision can have a major effect on the selection process. Closely following selection policies and procedures can provide greater protection against legal problems; however, there are times when the pressure of business will dictate that exceptions be made.

2. External Environmental Factors

External environmental factors which influence selection process include:

i) Nature of the Labour Market

The nature of the labour market affects the selection process, for example, where there are few individuals with the skills required, the selection process would be unsophisticated and short.

ii) Trade Unions

Trade unions where employees who belong to a trade union, can make certain demands in accordance with the trade union contract.

iii) Government Regulations

Government regulations where, e.g., legislation may affect the manner in which the selection process is executed.

2.5.2 Test

Q35. Explain the different types of tests involved in selection process.

Ans :   (May-15)

The simple meaning of test is 'A systematic procedure for sampling human behaviour'. For the selection purpose. Tests are classified into five types. They are :

i)   Aptitude tests;

ii) Achievement tests;

iii) Situational tests;

iv) Interest tests;

v)   Personality tests and

vi) Multidimensional Testing.

i)   Aptitude Tests

These tests measure whether an individual has the capacity or latent ability to learn a given job if given adequate training. Aptitudes can be divided into general and mental ability or intelligence and specific aptitudes such as mechanical, clerical, manipulative capacity etc.

a)   Intelligence Tests

These tests in general measure intelligence quotient of a candidate. In detail, these tests measure capacity for comprehension, reasoning, word fluency, verbal comprehension, numbers, memory and space. Other factors comprise of digit spans, both forward and backward, information known, comprehension, vocabulary, picture arrangement and object assembly.

Though these tests are accepted as useful ones, they are criticized against deprived sections of the community. Further, it is also criticized that these tests

may prove to be too dull as a selection device.

Intelligence tests include: sample learning, ability, adaptability tests etc.

Intelligence Quotient (IQ)

The scope of the intelligence test is expressed in terms of Intelligence Quotient (IQ). IQ is calculated by using the following formula :

$$IQ = \frac{Mental\ Age}{Actual\ Age} \times 100$$

Candidates with high level of intelligence quotient can learn the complicated issues easily and fast. Therefore, it would be easy for the company to train such candidates easily for the new jobs and new technology.

Emotional Quotient (EQ)

Most of the organizations realized that emotional involvement and commitment of the employees determine their contribution to the company rather than their intelligence quotient. As such, emotional quotient (EQ) is used as important criteria in the employee selection process. EQ is calculated by using the following formula:

$$EQ = \frac{Emotional\ Age}{Actual\ Age} \times 100$$

b)   Skill Tests

These tests measure the candidate's ability to do a job perfectly and intelligently. These tests are useful to select the candidates to perform artistic jobs, product design, design of tools, machinery etc. The candidates can be selected for assembly work, testing and inspection also.

c)   Mechanical Aptitude Tests

These tests measure the capacities of spatial visualization, perceptual speed and knowledge of mechanical matter.

These tests are useful for selecting apprentices, skilled, mechanical employees, technicians etc.

d) Psychomotor Tests

These tests measure abilities like manual dexterity, motor ability and eye-hand coordination of candidates. These tests are useful to select semi-skilled workers and workers for repetitive operations like packing and watch assembly.

e) Clerical Aptitude Tests

Measure specific capacities involved in office work. Items of this test include spelling, computation, comprehension, copying, word measuring etc.

ii) Achievement Tests

These tests are conducted when applicants claim to know something as these tests are concerned with what one has accomplished. These tests are more useful to measure the value of a specific achievement when an organization wishes to employ experienced candidates. These tests are classified into: (a) Job knowledge test: and (b) Work sample test.

a) Job Knowledge Test

Under this test, a candidate is tested in the knowledge of a particular job. For example, if a junior lecturer applies for the job of a senior lecturer in commerce, he may be tested in job knowledge where he is asked questions about Accountancy Principles, Banking, Law, Business Management etc.

b) Work Sample Test

Under this test, a portion of the actual work is given to the candidate as a test and the candidate is asked to do it. If a candidate applies for a post of lecturer in Management, he may be asked to deliver a lecture on Management Information System as work sample test.

Thus, the candidate's achievement in his career is tested regarding his knowledge about the job and actual work experience.

iii) Situational Test

This test evaluates a candidate in a similar real-life situation. In this test, the candidate is asked either to cope with the situation or solve critical situations of the job.

a) Group Discussion

This test is administered through the group discussion approach to solve a problem under which candidates are observed in the areas of initiating, leading, proposing valuable ideas, conciliating skills, oral communicating skills, co-ordinating and concluding skills.

b) In Basket

Situational test is administered through in basket. The candidate in this test is supplied with actual letters, telephone and telegraphic message, reports and requirements by various officers of the organization, adequate information about the job and organization. The candidate is asked to take decisions on various items based on the in basket information regarding requirements in the memoranda.

iv) Interest Tests

These tests are inventories of the likes and dislikes of candidates in relation to work, job occupations, hobbies and recreational activities. The purpose of this test is to find out whether a candidate is interested or disinterested in the job for which he is a candidate and to find out in which area of the job range/ occupation the candidate is interested. The assumption of this test is that there is a high correlation between

the interest of a candidate in a job and job success. Interest inventories are less faked and they may not fluctuate after the age of 30.

v) Personality Tests

These tests prove deeply to discover clues to an individual's value system, his notional reactions and maturity and characteristic mood. They are expressed in such traits like self-confidence, emotional control, optimism,

decisiveness, sociability, conformity, objectivity, patience, fear, distrust, imitative, judgement dominance or submission, impulsiveness, sympathy, integrity, stability and self-confidence.

a)   Thematic Apperception Test (TAT)

Candidates are shown a series of pictures and are asked to write a story based on these pictures. This test measured candidates conceptual, imaginative, projective and interpretative skills.

b)   Ink-blot Test

The Rorschach Ink-blot test was first described in 1921. The candidates are asked to see the ink-blots and make meaningful concepts out of them. The examiner keeps a record of the responses, time taken, emotional expressions and other incidental behaviours.

vi)   Other Tests

a)   Cognitive Ability Tests

These tests measure mathematical and verbal abilities. Popularly known tests of this category include Graduate Record Examination (GRE) and Scholastic Aptitude Test (SAT).

b)   Wechsler Adult Intelligence Scale

This is a comprehensive test including general information, arithmetic, similarities, vocabulary, picture completion, picture arrangement, object assembly and similar items.

c)   Wonderlic Personnel Test

This test includes perceptual, verbal and arithmetic.

d)   Polygraph Tests

The polygraph is an instrument that records changes in breathing, blood pressure, pulse and skin response associated with sweating of palms and plots these reactions on paper. The candidate is asked a series of simple, complicated, related, unrelated and critical questions. This test was used in personnel selection extensively in 1980s, but objections have been raised to the use of this test in personnel selection in 2000s.

e)   Honesty Tests

The two types of pre-employment honesty tests are overt integrity tests and personality- based integrity tests. Overt integrity tests make direct questions to assess dishonest behaviour and gather a history of theft and illegal behaviour. Personality-based integrity tests assess an individual's predisposition towards deviant and disruptive behaviour.

vi)   Multidimensional Testing

However, the need for multi-skills is being felt by most of the companies consequent upon globalization, competitiveness and the consequent customer-centred strategies. Organization have to develop multidimensional testing in order to find out whether the candidates possess a variety of skills or not, candidate's ability to integrate the multi-skills and potentiality to apply them based on situational and functional requirement.

Q36. What are the difference between Recruitment and Selection.

Ans :

Basis	Recruitment	Selection
Meaning	It is an activity of establishing contact between employers and applicants.	It is a process of picking up more competent and suitable employees.
Objective	It encourages large number of Candidates for a job.	It attempts at rejecting unsuitable candidates.
Process	It is a simple process.	It is a complicated process.
Hurdles	The candidates have not to cross over many hurdles.	Many hurdles have to be crossed.
Approach	It is a positive approach.	It is a negative approach.
Sequence	It proceeds selection.	It follows recruitment.
Economy	It is an economical method.	It is an expensive method.
Time Consuming	Less time is required.	More time is required.

2.6 Interviews

Q37. Define interview. What are the objectives of interview.

Ans :

The interview is a selection technique which enables the employer to view the total individual and directly Appraise him and his behavior. It is a method by which an idea about an applicant's personality (including his intelligence, breadth of interests, and general attitudes towards life) can be obtained by a face-to-face contact.

Definition

According to Scott, "An interview is a purposeful exchange of ideas, the answering of questions and communication between two or more persons".

In other words, an interview is an attempt to secure maximum amount of information from the candidate concerning his suitability for the job under consideration.

Objectives of Interview

The following are the objectives of interview;

1.   Judgment of Applicant

To get an opportunity to judge an applicants' qualifications and characteristics as a basis for sound selection and placement. On the basis of the information obtained about the family background, training, educational and other qualifications, personality, characteristics, aptitude, interests and skills of an applicant - the interviewer tries to arrive at as impartial a decision as possible. He may decide to hire him, to reject him or to pass him on to another step in the interview if it is not the final one. These types of interviews are referred to as selection or placement interviews.

2. Give Information to the Applicant

To give an applicant essential facts about the job and the company (nature and hours of work, medical requirements, opportunities for advancement, special hazards, employee benefits and services, company policies, etc.) in order to enable him to decide intelligently whether he should or should not accept the employment

3. Developing Mutual Understanding and Confidence

To establish a rapport, or a feeling of mutual understanding and confidence, between the personnel department and the applicant who is to be employed.

4. Promote Goodwill

To promote goodwill towards the company whether the interview culminates in employment or not.

5. Precious Tool

Interviewing is an invaluable tool of disciplinary action, grievance handling and relations with unions.

6. Solve Problems

To solve problems as when counseling a student conferring with a career guidance person or discussing a grievance with a superior.

7. Knowing Reasons

To find out why an employee is leaving the company and seeking job elsewhere. Such interviews are called exit or termination interviews.

Q38. Classify the different types of Interviews.

Ans :   **(May-16)**

Various forms of employment interviews are adopted to solicit different kinds of information and to measure the candidate's skills, knowledge etc. at different planes. Employment interviews can be divided into three categories as shown in figure viz., preliminary interview, core interview and decision-making interview.

```
                          ┌─────────────────────┐
                          │  Types of Interview │
                          └─────────────────────┘
         ┌────────────────────────┼────────────────────────┐
┌──────────────────────┐  ┌─────────────────┐   ┌─────────────────────┐
│ Preliminary Interview│  │ Core Interview  │   │   Decision Making   │
└──────────────────────┘  └─────────────────┘   │     interview       │
   ├─ Informal interview    ├─ Background information interview  └──────────┘
   └─ Unstructured interview ├─ Stress interview
                             ├─ Formal and structured interview
                             ├─ Panel interview
                             ├─ The group discussion interview
                             ├─ Job and probing interview
                             └─ Depth interview
```
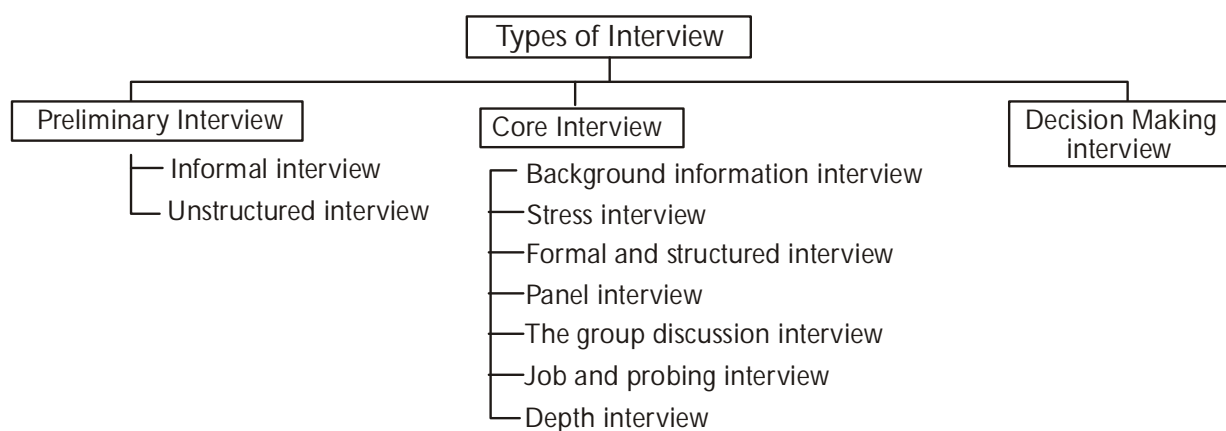
Fig. : Types of Interview

1.   Preliminary Interview

it is generally regarded as exchange of basic information between the candidate and the personnel manager about the job and organization, like job nature, salary', working conditions, benefits, etc. It is helpful to the organization to weed out unwanted hands and to the candidate to select or reject the job. Sometimes it may prove to be unsatisfactory, when the exchange of information between the candidate and the organization is not true. This interview may generally be informal and unstructured.

i)   Informal Interview

This is the interview which can be conducted at any place by any person to secure the basic and non-job related information. The interaction between the candidate and the personnel manager when the former meets the latter to enquire about the vacancies or additional particulars in connection with the employment advertisement is an example of informal interview.

ii)   Unstructured Interview

In this interview the candidate is given the freedom to tell about himself by revealing his knowledge on various items/areas, his background, expecta-tions, interests etc. Similarly, the interviewer also provides information on various items required by the candidate.

2.   Core Interview

In is normally the interaction between the candidate and the line executive or experts on various areas of job knowledge, skill, talent, etc. This interview may take various forms like:

i)   Background Information Interview

This interview is intended to collect the information which is not available in the application blank and to check that information provided in the application blank regarding education, place of domicile. family, health, interests, hobbies, likes, dislikes, extracurricular activities of the applicant.

ii)   Stress Interview

This interview aims at testing the candidate's job behavior and level of withstanding during the period of stress and strain. Interviewer tests the candidate by putting him under stress and strain by interrupting the applicant from answering, criticizing his opinions, asking questions pertaining to unrelated areas, taping silent for unduly long period after he has finished speaking etc. Stress during the middle portion of the interview gives effective results. Stress interview must be handled with at most care and skill. This type of interview is often invalid, as the interviewee's need for a job, his previous experience in such type of interviews may inhibit his actual behavior under such situations.

iii)   Formal and Structured Interview

In this type of interview, all the formalities, procedures like fixing the value, time, panel of interviewers, opening and closing, intimating the candidates officially etc., are strictly followed in arranging and conducting the interview. The course of the interview is preplanned and structured, in advance depending on job requirements. The questions/items for discussion are structured and experts are allotted different areas and question to be asked. There will be very little room for the interviewers to deviate from the questions prepared in advance in a sequence.

iv)   Pannel Interview

Interviewing of candidates by one person may not be effective as he cannot judge the candidates in different areas/skills owing to lack of knowledge and competence in multiple disciplines and areas. Hence most organizations invite a panel of experts, specialized in

different areas/fields/disciplines, to interview candidates. A Panel of experts interviews each candidate, judges his performance individually and prepares a consolidated judgment based on each expert's judgment and weight age of each factor. This type of interview is known as panel interview. This type of interview would be more effective as each candidate is appraised by an in relevant area. Experts should be cautioned against over accuracy, excessive weightage to a particular factor, domination of other experts, etc.

v) Group Discussion interview

There are two methods of conducting group discussion interviews viz., Group interview method and discussion interview method. All the candidates are brought into one room i.e., interview room and are interviewed one by one under group interview. This method helps busy executives to save valuable time and gives a fair account of the objectivity of the interview to the candidates.

Under the discussion interview method, one topic is given for discussion to the candidates who assemble in one room and they are asked to discuss the topic in detail. This type of interview helps the interviewer in appraising, certain skills of the candidates like initiative, inter-personal skills, dynamism, presentation, leading, comprehension, collaboration, etc.

Interviewees are at ease in this category of interview because of its informality and flexibility. But it may fail to cover some significant portions of the candidates, background and skills.

vi) Job and Probing Interview

This interview aims at testing the candidate's job knowledge about duties, activities, methods of doing the job, critical/problematic areas, methods of handling those areas etc.

vii) Depth Interview

In this type of interview, the candidates would be examined extensively in core areas of knowledge and skills of the job. Experts in that particular field examine the candidates by posing relevant questions as to extract critical answers from them initiating discussions regarding critical areas of the job, and by asking the candidates to explain even minute operations of the job performance. Thus the candidate is examined thoroughly in critical/ core areas in their interview.

3. Decision-Making Interview

After the candidates are examined by the experts including the line managers of the organization in the core areas of the job, the head of the department/section concerned interviews the candidates once again, mostly through informal discussion. The interviewer examines the interest of the candidate in the job, organization, reaction/adaptability to the working conditions, career planning, promotional opportunities, work adjustment and allotment etc. The Personnel Manager also interviews the candidates with a view to find out his reaction/acceptance regarding salary, allowances, benefits, promotions opportunities etc. The head of the department and the personnel manager exchange the views and then they jointly inform their decision to the chairman of the interview board, which finally makes the decision about the candidate's performance and their ranks in the interview.

Q39. Explain the steps involved in interview process.

Ans :

The various steps involved in the process of interview are as follows :

Step 1: Preparation of interview

Advance preparation by the interviewer is basic to the success of interview.

➤ Establishing the objectives of interviews

➤ Review applicants resume and note areas which are vague, which questions to be asked on strengths and weakness.

➤ Keep ready interview assessment forms.

➤ Select method of interview

➤ Choose panel of experts as interviewers

Step 2 : Physical setting :

Comfortable place of interview, away from noise and interruptions, property ventilated and lighted, good seating arrangement, 2 door for the room for entry and exit, good reception to the candidates by HR department providing drinking water, tea, newspaper in the waiting room, following punctuality in starting the interview.

| Evaluation of Results |
| Closing the interview |
| Conducting the interview |
| The physical setting |
| Preparation for the interview |
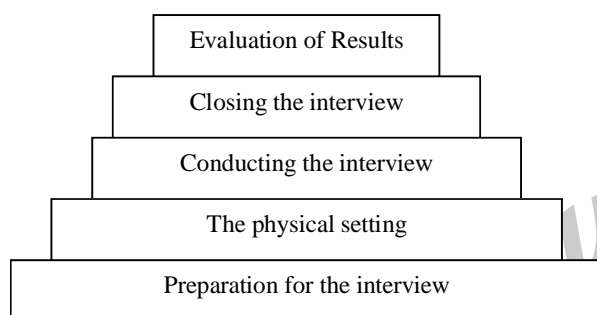
Steps in an Employment Interview

Step 3 : Conducting the interview:

This step is most important

➤ Establish rapport with the candidate

➤ Try to get complete and accurate information by using clear language, listen to candidate patiently, avoid highly personal questions.

➤ Write down in brief the observation on the assessment form

Step 4: Closing the interview :

Interview should be closed as happily as it started with out creating any awkward Situation for the candidates. The interview should be closed diplomatically, so that the Candidate leaves with a satisfaction that the interview is fair and he is heard fully. At this stage the applicant should not be given any indication of his prospects.

Step 5: Evaluation of Results :

After the interviews are over the interviewers are required to evaluate a candidate's suitability for the job. The evaluation is based on the observations, impressions, and information collected from application form, test and other steps. Finally a list of selected candidates is prepared.

2.7 PLACEMENT

Q40. Define Placement. Write about the employee placement process.

Ans :   **(May-13)**

Placement is nothing but assigning jobs to the selected candidates. It is the assignment or re-assignment of an employee to a new or different job. Placement include initial assignment of job to new employee and promotion, demotions or transfer to present employees.

According to 'Pigors and Myers ' "The determination of the job to which an accepted candidate is to be assigned, and his assignment to that job. It is a matching of what the supervisor has reason to think he can do with the job demands and what he offers in the form of payrolls, companionship with others, promotional possibilities etc".

Placement involves assigning a specific job to each one of the selected candidates. But the task is not as simple as it looks.

Employee Placement Process

Generally, two stages are involved in the placement of new employees.

Stage 1

Placement of new individuals when the employees have successfully completed the selection process and orientation programme.

Stage 2

Placement of employees in the form of internal mobility such as promotion, demotion, transfer, separation, turnover etc.

Placement Situations

The following are the three conditions in which the placement problem varies.

(a)   If an individual's selection to a job is for a particular position, then he will be placed in that position.

Example: Operations manager in operations department.

(b)   If an employee is selected to perform his responsibilities for a specific position but the position or the department is not specified.

Example: Sales representative.

(c)   If an employee is selected for a job but does not have specific reference about the position or department. Example: Management trainee/Manager/Advisor etc.

These types of problems are common in the organization. To avoid these problems the organization should make use of assessment-classification model for employee placement.

Assessment-classification Model for Employee Placement
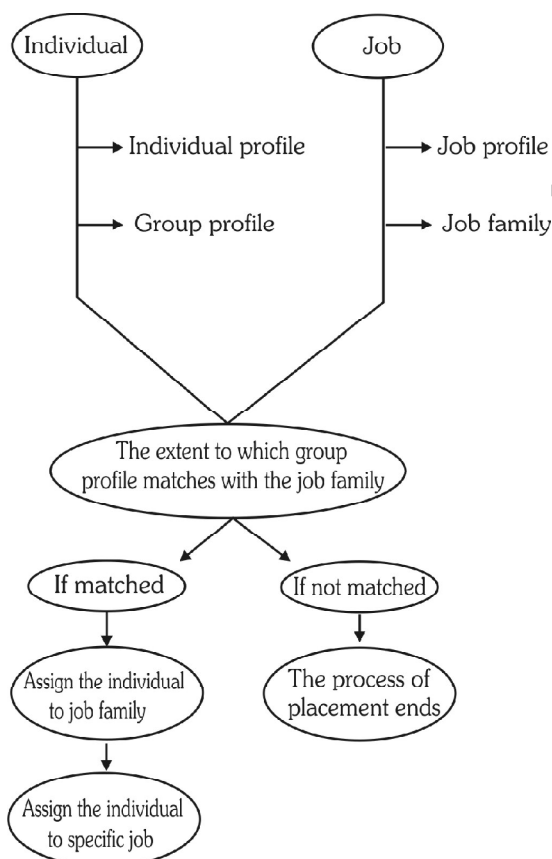
Fig. : Assessment-classification Model for Employee Placement

The following are the two important aspects of this model,

(a)   Individual and

(b)   Job.

(a)   Individual

If an individual is selected in an organization, but with no specific job, then the employee's suitability is judged by comparing his profile with the group profile.

(i)   Individual Profile

Profile is a brief description of an individual's ability, interest, attitude and values, biographical features and motivation. This profile of employees helps an organization to get an idea of the person and his potential skills. The abilities of employees outlined in the profile acts as the basis for entering in the organization.

(ii)   Group Profile

In an organization, individuals work collectively in 'groups'. Eventhough two individuals share different profiles, some factors of these individuals match with each other. The common factors prevailing in two individuals provide scope for individuals to work in a group.

(b)   Job

A Job consists of several interrelated tasks. The performance of the job relies on the job contents, the environment in which the job is performed and the individual's profile who is performing the job. The preparation of job profile helps in checking the suitability of the job and the individual performing it.

(i)   Job Profile

A job profile has the following elements in it,

(a)   Job contents

(b)   Job context and

(c)   The relationship of one job with another job in the organization.

The job contents and job context are the outcome of job analysis and the relationship of one job with the other job is the result of usage of technology while performing the job.

ii) Job Family

Job Family explains the classification of various jobs based on the nature of the job and the pooling of various jobs of the same nature together.

iii) Matching Group Profile and Job Family

By matching the Group Profile with Job Family, an individual is placed in a job family. The organization ultimately places the individual in a specific position by conducting counselling and assessment process to judge the suitability of individual profile with that of group profile and job profile.

Thus, proper placement of employees helps in enhancing the morale of employees by significantly lowering employee turnover, absenteeism, dissatisfaction etc.

Q41. State the various principles of placement.

Ans :

➢ Selected candidate should be placed on the job according to the requirements of job.

➢ Job should be offered according to his qualifications.

➢ Employee should be made conversant with the working conditions prevailing in the industry and things relating to the job.

➢ Effort should be made to develop a sense of loyalty and cooperation.

➢ Placement should be ready before the employee joining the industry.

➢ Initial period of placement is temporary as changes take place after training.

2.8 INDUCTION

Q42. Define the term induction (or) orientation.

Ans :   **(May-19)**

Orientation is also called 'Induction', it means in simple words 'introduction', introduction of a new person into any group or organization.

Example

If anybody has joined in our organization, he is a new member and has to be about the particular department rules and regulations. And at the same time the department should know about him. This type of introduction is known as 'Induction'.

Definition

According to Michael Armstrong "induction is the process of receiving and welcoming an employee when he first joins a company and giving him basic information he needs to settle down quickly and happily and start work".

Hence, the induction is nothing but welcoming a new employee to the organization or new member into the family.

When a new member joins an organization, she/he must introduce her/him self and must be introduced to coworkers, workplace and environment. First few days they may feel shy and nervous and worry about how well they will perform on the new job. And they feel inadequate when they compare themselves with the more experienced employees and they are concerned about how well they will behave with their colleagues. These all can be reduced in a new person by effective orientation programmes by providing information about the organization and job environment and by introducing them to co-workers.

Therefore, an induction programme achieves the following objectives,

➢ With the orientation programme the new entrant can familiarize with the job, job place, co-workers and the organization.

➢ When the new member join the organization, they may feel shy, nervous, but the induction

programme can reduce the anxiety in all new entrants.

➤ With the induction, he can know all about the organization and his particular job and he can perform actively in the new organization.

Q43. What are the components of induction programme.

Ans :

1. Informal Induction

The informal induction means totally unplanned induction. It means an introduction to the new entrants about the job and organization. This kind of induction programme is carried out by only medium and small scale sectors. Informal induction programme is of the following two types,

(i) Supervisory System

In supervisory system, the job supervisor conducts the induction programme for the new entrant about the job, department introduces to the co-workers and takes him to sections which are related to his job.

(ii) Buddy (or) Sponsor System

In buddy system, the supervisors acts as guides, i.e., they take the responsibility and introduce the new comer to an old employee. The old employee act as friend guide and philosopher to the new comer and the old employee introduces the new comer to the job and the organization and his particular job department in that section and also arrange the meeting with other employees and departments. And the old employee gives the relevant literature about rules and regulations of the organization.

2. Formal Induction

Formal Induction is a pre-planned programme, it is held with the intension of induction of the new comer into the organization. This kind of induction is very

costly so, this is usually carried out by large scale organization but not small size organization. This induction programme is designed to introduce the new entrant to all about his job, colleagues and organization.

The formal induction programme covers the following content,

(i) Brief history of the organization.

(ii) Policies and procedures of the organization.

(iii) Rules and regulation of the organization.

(iv) Top management authority.

(v) Job related, salary, working hours, OT, promotion etc.

(vi) Frienge benefits like canteen, educational, transport, medical facilities etc.

These are the formal induction programme which are carried out by the HR specialist in period of days to weeks even months.

Q44. What are the phases and benefits of orientation programme? State the measures taken for making induction successful.

Ans :

Phases of Induction Programme

A induction programme which is carefully designed consists of following three phases,

1. General Induction

The first phase of the induction programme is General Induction, generally conducted by the HR specialist. The main aim of this phase is to introduce the new employee to the organization by explaining the objectives, history, mission, vision and philosophy of the organization. The new employee can also know about his job profile, pay, promotion procedure and particular department or section. The main aim of this phase is to create friendly environment to new comer in an organization. The period of induction may take a few days or few weeks.

2. Specific Induction

The second phase of specific induction is given by supervisor's to the new employee. The function of this Specific Induction is to know everything about his new job.

The employee is introduced to his new job, work place and premises around work, introduced to his co-workers and procedures, customs, rules and regulations regarding his job. The induction may take a period of few days or even months.

3. Follow-up Induction

The third and last phase of induction is Follow-up Induction. The main objective is to check whether the new employee is adjusted himself with the work and organization, or not. These inductions are given by the supervisors to know while giving training whether they have understood or not and suggestion and feedback from the new entrant. Such feed back is useful to the supervisor while giving training and counselling for the new entrant. The duration of follow-up induction may take some weeks to few months.

These are the induction programmes which provide the following benefits to the new employee as well as to the organization.

➢ A careful and well planned induction programme objective is to reduce shyness, nervousness, anxiety of the new comer.

➢ Induction programmes helps new employee to per-form his job actively and in a friendly environment and move closer to old employees.

➢ And also useful to clear the doubts with old employees and share the feelings.

➢ The introduction of new employee to the organization as well as organization to new employee is most important thing.

The induction programme has a greater significance in a developing country like India, where the illiteracy percentage is high.

The following are the measures to be taken to make induction programme successful:

(i) First, the new employee should be introduced to the people with whom he will work superiors, subordinates, his colleagues etc.

(ii) Make the new employee clear about the general company rules, policies, working conditions, requirements etc.

(iii) Orientation should be carried out gradually.

(iv) Doubts of the new corner about the job and the organization should be clarified.

(v) Providing on-the-job training and counselling.

(vi) Developing a cordial relationship between the superior and subordinate and offer help if required.

(vii) Providing sufficient time to the new comer to get adapted to the new environment and job.

2.9 PROMOTION

Q45. Define promotion. Explain different types of promotion.

Ans : **(Imp.)**

Introduction

When there are vacancies in an organization, they can be filled up by internal or external candidates. Though the organization prefers to fill up the vacancies by the external candidates through the select *cm* procedure, the internal candidates may also apply for the post and may be tested and selected for a higher level job in the organizational hierarchy at par with external candidates. Is such upward movement of a employee a promotion Or is it purely selection? It is purely a 'selection.' If the organization prefers to fill a vacancy only by the internal candidates, it assigns that higher level job to the selected employee from within through promotional tests. Such upward movement can be said as 'promotion.'

Promotion means an improvement in pay, prestige, position and responsibilities of an employee within his/ her organization. A mere shifting of an employee to a different job which has better working

hours, better location and more pleasant working conditions does not promotion. The new job is a promotion for the employee only when it carries increased responsibilities and enhanced pay.

Definitions

i) **According to Dale Yoder defines** promotion as a "movement to a position in which responsibilities and presumably, prestige are increased".

ii) **According to In the words of Scott, Clothier, and Spriegel,** "A promotion is the transfer of an employee to a job that pays more money or that enjoys some preferred status".

iii) **According to To Edwin Flippo** "a promotion involves a change from one job to another that is better in terms of status and responsibility."

iv) **According to Pigors and Myers** consider that "a promotion is the advancement of an employee to a better job - better in terms of greater responsibilities, more prestige or "status", greater skill, and especially. Increased rate of pay or salary."

Closely related to promotion is the practice of "upgrading" which is concerned a small-scale advance in status by minor promotion within grade or horizontal promotion with small increase in pay. For instance, moving a second-class machinist up to the job of a first-class machinist, or Junior officer to officer, or clerk to section-in-charge.

Both upgrading and promotion are ways of recognizing and developing the abilities of employees within the organization, instead of filling the skilled and responsible positions from outside.

Types of Promotion

i) **Vertical Promotion**

Under this type of promotion, employee is moved to the next higher level, in the organizational hierarchy with greater responsibility, authority, pay and status.

ii) **Upgradation**

Under this type of promotion, the job is upgraded in the organizational hierarchy. Consequently, the employee gets more salary, higher authority and responsibility. For example, the job of medical officer in Railways which was in Group C is upgraded as Group B position.

iii) **Dry Promotion**

Under this promotion, the employee is moved to the next higher level in the organizational hierarchy with greater responsibility, authority and status without any increase in salary.

Q46. State the various Principles of Promotion.

Ans :

A sound promotion policy should be based on the following principles:

1. Uniformity

A promotion policy must provide for a uniform distribution of promotional opportunities throughout the organization. The ratio of internal promotions to external recruitment must be the same at various levels in all the departments otherwise morale of employees will be seriously impaired in the department notorious for its low rate of promotions.

2. Consistency

A promotion policy should enjoy consistency i.e., it should be applied irrespective of the persons concerned. Policy should be correlated to career planning so that there should not be a sudden spurt of promotion conferring premature benefits on a number of persons followed by a long period of absence of promotion.

3. Fair and Impartial

Promotion policy should be fair and impartial i.e., management should be able to remove all suspicious of arbitrariness, adhocism to suit particular individuals, nepotism etc.

4. **Planned Activity**

    Promotion should be a planned activity i.e., management should make a correct assessment of the requirements or opportunities of promotion within the organization so that there is no underestimation or overestimation. For this, promotion charts may be prepared.

5. **Definite Basis**

    There should a definite criterion for promotion. In the absence of a contract to the contrary, the employer has the right to establish any criteria for evaluation of promotability if they are reasonable, pertinent to the job and not applied in a discriminatory manner. The two criterion often used for making promotion decisions are merit and seniority.

6. **Sanction**

    All promotions should be finally sanctioned by the concerned line heads. The personnel department may only propose the names of potential candidates and send their history records to the department making the requisition to fill vacancies. In this way, the staff position of the personnel department does not intrude upon the authority of the department served. In addition subordinates are impressed favourably by their line superior's concern for their progress.

7. **Follow up**

    A sound promotion policy should provide for a suitable system of follow up, counseling and review. Say, month or two after the change, the personnel department should hold a brief interview with the promoted employee and his new superior to determine whether all is going on well. All promotions should be made for a trial period so that if the promoted employee is not found capable of handling the job he can be reverted to his former post and his former pay scale.

Q47. Explain the Advantages of Promotion.

Ans :

Promotion is one of the sources of recruitment. Promotions offer following advantages.

1. Promotions provide an opportunity to the present employees to move into jobs that provide greater personnel satisfaction and prestige.

2. Promotions offer opportunities to management to provide recognition and incentives to the better employees, to correct initial mistakes in appointments and to freeze in efficient personnel.

3. Promotions generate within an organization beneficial pressures on work performance and desired behaviour of all its members.

4. Promotions serve as an orderly, logical and prompt source of recruitment for management to fill vacancies as they arise.

5. Insiders shall have no problem in handling the new job because they are intimately connected with the organization structure and different problems. Cost of training will be much lesser.

6. A sound policy of promotion will keep the morale of the employees high.

2.10 TRANSFER

Q48. Define transfer. State the objectives of transfer.

Ans :

A transfer is a change in the job within the same organization with pay, status, responsibility remaining the same. Transfer may become necessary in the organization due to various reasons like placing the employee to a position more suitable to his interest and attitude, due to change in the organizational culture or to rectify the mistakes in the selection and placement of the employees.

Transfer refers to the shifting of employees form one job to another within the same organization where salary, responsibilities and category of the new job and the previous job are almost same. Transfer of an employee can be done in other department of the same plant or office or to the same department of plant or office located in other region/city.

Objectives

➢ Transfer can be done on the request of employee due to personal reason like family problem or health problem.

➢ Due to HR policy which states that one employee can work in department or place for specific time period

➢ Transfers are common in the organizations where the work load varies timely.

➢ If an employee is not able to do the work or job assigned effectively he can be transferred to the other job where he can use his skills properly according to his interest and abilities

➢ Departmental vacancies can be filled with transfer of employees from overstaffed department.

➢ Employees can be transferred to the position or department with the higher priority workload.

Q49. Explain the Purpose of Transfer.

Ans :

Transfers are generally affected to build up a more satisfactory work team and to achieve the following purposes;

1. To increase the effectiveness of the organization.

2. To increase versatility and competence of key positions.

3. To deal with fluctuations in work requirements.

4. To correct incompatibilities in employee relations.

5. To correct erroneous placement.

6. To relieve monotony.

7. To adjust workforce.

8. To punish employees.

Short Question and Answers

1.   Define Selection.

Ans :

After identifying the sources of human resources, searching for prospective employees and stimulating them to apply for jobs in an organization, the management has to perform the function of selecting the right employees at the right time.

The obvious guiding policy in selection is the intention to choose the best qualified and suitable job candidate for each unfilled job. The objective of the selection decision is to choose the individual who can most successfully perform the job from the pool of qualified candidates.

Meaning of Selection

Selection is "the process of screening the qualified applicants using different tools at every stage".

The hiring procedure is nit single act but it is essentially a series of methods or steps or stages by which additional information is secured about the applicant.

Definitions

(i)   According to Yoder, "selection is the process by which candidates for employment are divided. Those who will be offered employment and those who will not".

If candidates get qualified in first round, they go to next round, if they are not eliminated from the list of the applicants.

(ii)   According to Koontz-selection is the process of choosing from among the candidates from with in the organization or from outside, the most suitable person for the current or future position.

2.   Types of interviews.

Ans :

1.   Preliminary Interview

It is generally regarded as exchange of basic information between the candidate and the personnel manager about the job and organization, like job nature, salary', working conditions, benefits, etc. It is helpful to the organization to weed out unwanted hands and to the candidate to select or reject the job. Sometimes it may prove to be unsatisfactory, when the exchange of information between the candidate and the organization is not true. This interview may generally be informal and unstructured.

i)   Informal Interview

This is the interview which can be conducted at any place by any person to secure the basic and non-job related information. The interaction between the candidate and the personnel manager when the former meets the latter to enquire about the vacancies or additional particulars in connection with the employment advertisement is an example of informal interview.

ii)   Unstructured Interview

In this interview the candidate is given the freedom to tell about himself by revealing his knowledge on various items/areas, his background, expecta-tions, interests etc. Similarly, the interviewer also provides information on various items required by the candidate.

2.   Core Interview

In is normally the interaction between the candidate and the line executive or experts on various areas of job knowledge, skill, talent, etc. This interview may take various forms like:

i)   Background Information Interview

Th is interview is intended to collect the information which is not available in the application blank and to check that information provided in the application blank regarding education, place of domicile. family, health, interests,

hobbies, likes, dislikes, extracurricular activities of the applicant.

ii) Stress Interview

This interview aims at testing the candidate's job behavior and level of withstanding during the period of stress and strain. Interviewer tests the candidate by putting him under stress and strain by interrupting the applicant from answering, criticizing his opinions, asking questions pertaining to unrelated areas, taping silent for unduly long period after he has finished speaking etc. Stress during the middle portion of the interview gives effective results. Stress interview must be handled with at most care and skill. This type of interview is often invalid, as the interviewee's need for a job, his previous experience in such type of interviews may inhibit his actual behavior under such situations.

iii) Formal and Structured Interview

In this type of interview, all the formalities, procedures like fixing the value, time, panel of interviewers, opening and closing, intimating the candidates officially etc., are strictly followed in arranging and conducting the interview. The course of the interview is preplanned and structured, in advance depending on job requirements. The questions/items for discussion are structured and experts are allotted different areas and question to be asked. There will be very little room for the interviewers to deviate from the questions prepared in advance in a sequence.

iv) Pannel Interview

Interviewing of candidates by one person may not be effective as he cannot judge the candidates in different areas/skills owing to lack of knowledge and competence in multiple disciplines and areas. Hence most organizations invite a panel of experts, specialized in different areas/fields/disciplines, to

interview candidates. A Panel of experts interviews each candidate, judges his performance individually and prepares a consolidated judgment based on each expert's judgment and weight age of each factor. This type of interview is known as panel interview. This type of interview would be more effective as each candidate is appraised by an in relevant area. Experts should be cautioned against over accuracy, excessive weightage to a particular factor, domination of other experts, etc.

v) Group Discussion interview

There are two methods of conducting group discussion interviews viz., Group interview method and discussion interview method. All the candidates are brought into one room i.e., interview room and are interviewed one by one under group interview. This method helps busy executives to save valuable time and gives a fair account of the objectivity of the interview to the candidates.

Under the discussion interview method, one topic is given for discussion to the candidates who assemble in one room and they are asked to discuss the topic in detail. This type of interview helps the interviewer in appraising, certain skills of the candidates like initiative, inter-personal skills, dynamism, presentation, leading, comprehension, collaboration, etc.

Interviewees are at ease in this category of interview because of its informality and flexibility. But it may fail to cover some significant portions of the candidates, background and skills.

vi) Job and Probing Interview

This interview aims at testing the candidate's job knowledge about duties, activities, methods of doing the job, critical/problematic areas, methods of handling those areas etc.

vii) Depth Interview

In this type of interview, the candidates would be examined extensively in core areas of knowledge and skills of the job. Experts in that particular field examine the candidates by posing relevant questions as to extract critical answers from them initiating discussions regarding critical areas of the job, and by asking the candidates to explain even minute operations of the job performance. Thus the candidate is examined thoroughly in critical/ core areas in their interview.

3. Decision-Making Interview

After the candidates are examined by the experts including the line managers of the organization in the core areas of the job, the head of the department/section concerned interviews the candidates once again, mostly through informal discussion. The interviewer examines the interest of the candidate in the job, organization, reaction/adaptability to the working conditions, career planning, promotional opportunities, work adjustment and allotment etc.

3. Define Job Bandwidth

Ans :

Another approach to job design is narrow job design and broad job design. Narrow job design deals with the construction of a job with a few tasks, responsibilities etc. Broad job design deals with the construction of a job with a wide variety and range of tasks and responsibilities.

Narrow job design results in :

i)   the creation of a number of jobs at different levels

ii) multiple layers

iii) tightly held relationships and

iv) narrow authority and responsibility.

Broad job design results in :

i)   employee motivation and job satisfaction due to variety of tasks

ii) empowerment

iii) horizontal reinforcement and

iv) high productivity.

4. Job Analysis Methods.

Ans :

Each method is described below.

1. Observation

Under this method, the data is collected through directly observing the employee while at work the task per-formed, speed of performing activities, working conditions, the dangers involved, etc. The information thus obtained is documented in a standard format. This is the most suitable method for getting firsthand information related to the job. This method best fits for jobs consisting of primarily observable physical ability, short job cycle activities like draftsman, mechanic, spinner, weaver, etc. The criticisms on the part of this method are that this method is time consuming and is not suitable for jobs that involve unobservable mental activities.

2. Interviews

In this method the job analyst collects the job related information through personal interviews. Job related information can be obtained by conducting two types of interviews (i) with job holder(s) doing the same job (ii) with supervisors having thorough knowledge about the job. The data is collected and compared using a standard format wherein the interviewer asks job related questions. This method (interviewing) is suitable for the jobs where data can't be collected through direct observation. However, interview is used as a supplement to observation method. The drawbacks of this method are-it is time-consuming and costly and there are less chances of getting accurate information if the rapport between the analyst and employee is not good.

3. Questionnaire (or) Survey Method

In this method job-related data is obtained by giving questionnaire to the employees. The

questionnaire may relate to task or behaviour with dimensions like frequency, significance, difficulty and relationship with overall performance. The data thus obtained is sorted out and the relevant conclusions are drawn. Some standard questionnaires used for the purpose of job analysis are FJA (Functional Job Analysis), PAQ (Position Analysis Questionnaire), JAIF (Job Analysis Information Format).

This method (questionnaire) provides comprehensive information about a job and enables to cover large number of job holders in the shortest time. But getting answers may consume lot of time and it is costly to frame standardized questions. This method is also criticized on the grounds that when questionnaire is supplied, direct rapport between analyst and employee is not possible which may result in lack of cooperation and motivation.

5. Define Placement.

Ans :

Placement is nothing but assigning jobs to the selected candidates. It is the assignment or re-assignment of an employee to a new or different job. Placement include initial assignment of job to new employee and promotion, demotions or transfer to present employees.

According to 'Pigors and Myers ' "The determination of the job to which an accepted candidate is to be assigned, and his assignment to that job. It is a matching of what the supervisor has reason to think he can do with the job demands and what he offers in the form of payrolls, companionship with others, promotional possibilities etc".

Placement involves assigning a specific job to each one of the selected candidates. But the task is not as simple as it looks.

6. Define the term recruitment ?

Ans :

Recruitment involves attracting and obtaining as many applications as possible from eligible job seekers. In simple terms, recruitment is understood as the process of searching for and obtaining applications for jobs, from among whom the right people can be selected. Theoretically recruitment process is said to end with the receipt of applications. HRP helps determine the number and type of people a firm needs. Job analysis and job design specify the tasks and duties of jobs and the qualification expected from prospective job holders. The next logical step is to hire the right number of people of the right type to fill the jobs.

Human Resource Planning	→	Determine Recruitment and selection needs	←	Job analysis

According to Edwin B. Flippo

"Recruitment is the process of searching prospective employees and stimulating them to apply for jobs in the organization".

7. Job Analysis.

Ans :

Manpower planning is concerned with determination of quantitative and qualitative requirements of manpower for the organization.

The quantitative aspect deals with determining the total number of people required to do the work. The kind or quality of people required to do the work comes under the qualitative aspect. Detailed knowledge of the nature and requirements of jobs to be filled is essential for determining the kind of personnel required. Such knowledge can be obtained through the process of job analysis.

Job analysis is a formal and detailed examination of jobs. It is a process of gathering information about a job. It tries to "reduce to words the things that people do in human work."

Job-analysis is a detailed and systematic study of jobs to know the nature and characteristics of the people to be employed on various jobs. It involves collection of necessary facts regarding jobs and their analysis. Some of the definitions of job-analysis are given here under to understand the meaning of the term more clearly.

Definition

i) **According to Edwin B. Flippo**, "Job analysis is the process of studying and

collecting information relating to the operations and responsibilities of specific job".

ii) **According to Michael J. Jucius,** "Job analysis refers to the process of gathering information about the operations, duties and organizational aspect of jobs in order to write-up specifications or as they are called by some job descriptions".

iii) **According to Donald,** "Job analysis is a method of scientifically dissecting a job in order to determine the component elements and their influence upon the length of learning period of the worker, production and labor turnover".

8.   Process of HR Planning.

Ans :

1.   Environmental Scanning

2.   Organizational Objectives and Policies

3.   HR Demand Forecast

4.   HR Supply Forecast

5.   HR Programming

6.   HR Plan Implementation

9.   Define the term induction.

Ans :

Orientation is also called 'Induction', it means in simple words 'introduction', introduction of a new person into any group or organization.

Example

If anybody has joined in our organization, he is a new member and has to be about the particular department rules and regulations. And at the same time the department should know about him. This type of introduction is known as 'Induction'.

Definition

According to Michael Armstrong "induction is the process of receiving and welcoming an employee when he first joins a company and giving him basic information he needs to settle down quickly and happily and start work".

Hence, the induction is nothing but welcoming a new employee to the organization or new member into the family.

10.   Define interview.

Ans :

The interview is a selection technique which enables the employer to view the total individual and directly Appraise him and his behavior. It is a method by which an idea about an applicant's personality (including his intelligence, breadth of interests, and general attitudes towards life) can be obtained by a face-to-face contact.

Definition

According to Scott, "An interview is a purposeful exchange of ideas, the answering of questions and communication between two or more persons".

In other words, an interview is an attempt to secure maximum amount of information from the candidate concerning his suitability for the job under consideration.

11.   Define transfer.

Ans :

A transfer is a change in the job within the same organization with pay, status, responsibility remaining the same. Transfer may become necessary in the organization due to various reasons like placing the employee to a position more suitable to his interest and attitude, due to change in the organizational culture or to rectify the mistakes in the selection and placement of the employees.

Transfer refers to the shifting of employees form one job to another within the same organization where salary, responsibilities and category of the new job and the previous job are almost same. Transfer of an employee can be done in other department of the same plant or office or to the same department of plant or office located in other region/city.

12.   Purpose of Transfer.

Ans :

Transfers are generally affected to build up a more satisfactory work team and to achieve the following purposes;

1. To increase the effectiveness of the organization.

2. To increase versatility and competence of key positions.

3. To deal with fluctuations in work requirements.

4. To correct incompatibilities in employee relations.

5. To correct erroneous placement.

6. To relieve monotony.

7. To adjust workforce.

8. To punish employees.

13. Define job rotation.

Ans :

Job rotation refers to moving employees from job to job to add variety and reduce boredom by allowing them to perform a variety of tasks. When an activity is no longer challenging, the employee would be moved to another job at the same level that has similar skill requirements. It reduces boredom and disinterest through diversifying the employee's activities. Employees with a wider range of skills give the management more flexibility in scheduling work, adapting to changes and filling vacancies. Job rotation also has its drawbacks. Training costs are increased, work is disrupted as rotated employees take time to adjust to a new set-up, and it can demotivate intelligent and ambitious trainees who seek specific responsibilities in their chosen speciality. According to Herzberg, job rotation is merely "substituting one zero for another zero".

14. Advantages of Job Enrichment.

Ans :

1. Interesting and challenging job. When a certain amount of power is given to employees it makes the job more challenging for them, we can say that job enrichment is a method of employee empowerment.

2. Improves decision making. Through job enrichment we can improve the decision making ability of the employee by asking him to decide

3. Vation speaks of these higher order needs : e.g. Ego and esteemed needs, self-actualization etc. These needs can be achieved through job enrichment.

4. Reduces work load of superiors. Job enrichment reduces the work load of senior staff. When decisions are taken by juniors the seniors work load is reduced.

15. Job Design.

Ans :

Introduction

The term 'job design' refers to the way the tasks are combined to form a complete job. It can be defined as building the specifications of the position, contents, method, and relationships of the job so as to meet with various technological and organizational requirements as well as meet the personal needs of job holders.

Job design is the process of structuring work and designating the specific activities at individual or group levels.

Definitions

i) **According to Michael Armstrong,** "Job design is the process of deciding on the contents of a job in terms of its duties and responsibilities, on the methods to be used in carrying-out the job, in terms of techniques, systems, and procedures, and on the relationships that should exist between the job holder and his superior subordinates and colleagues".

ii) **According to Davis,** "Job design is the specification of the content, methods and relationships of jobs in order to satisfy technological and organizational requirements as well as the social and personal requirements of the job holder".

Choose the Correct Answers

1. _____ is a process of searching a prospective employee and stimulating them apply for Job in the organisation. [a]

   (a) Recruitment   (b) Selection

   (c) Placement   (d) Induction

2. Which of the following are internal recruitment technique. [c]

   (a) Private employment   (b) Advertisement

   (c) Promotion   (d) Campus Recruitment

3. Which of the following is the next step of recruitment. [a]

   (a) Selection   (b) Placement

   (c) Orientation   (d) Induction

4. Which of the factors affect the Job designing [c]

   (a) Technological factor   (b) Competitor

   (c) Behaviour factor   (d) Environment

5. HRM improves..... [a]

   (a) Productivity   (b) Production

   (c) Profits   (d) Power

6. Personnel administration includes [b]

   (a) Legal compliances   (b) Recruitment

   (c) Payroll   (d) Training

7. _____ is a process of assigning the selected candidates with the most suitable Job in terms of Job requirement. [b]

   (a) Selection   (b) Placement

   (c) Recruitment   (d) Employment

8. Training, development, remuneration are considered as a _____ aspect [a]

   (a) Personnel   (b) Welfare

   (c) Industrial   (d) Industrial Labour

9. Which of the following acts as a supportive function for the personnel objective of HRM. [a]

   (a) Training and Development   (b) Union Management Relation

   (c) HR Planning   (d) Benefits

10. The main advantage of developing a job analysis questionnaire is [c]

    (a) Consisting   (b) Cost

    (c) Saves time   (d) No advantage

Fill in the blanks

1.   Performance standards are based on _____ .

2.   Recruitment of an organization depends on _____ and _____ .

3.   The systematic collection, evaluation and organization of information about Job are _____.

4.   _____ means movement of employees from Job to Job.

5.   _____ process is said to be end with the receipt of application.

6.   Job enlargement has _____ expansion of Job.

7.   The process of finding and attracting capable applicants for employment is _____

8.   _____ is the process of matching the qualifications of applicants with Job needs and choosing the most suitable Job.

9.   HRM is responsibility in of _____ managers in an Organization.

10. Once an employee is selected and placed on an appropriate Job the process is called _____

ANSWERS

1.   Job analysis

2.   Human Resource Planning and Job analysis

3.   Job analysis

4.   Job Rotation

5.   Recruitment

6.   Horizontal

7.   Recruitment

8.   Selection

9.   Line and Staff

10. Induction

DEVELOPING AND MOTIVATING HUMAN RESOURCE:

Training - Assessing training needs - Methods and Evaluation of Training.

Development: Techniques of Management Development – Evaluating Effectiveness.

Performance Management: Concept - Performance Appraisal - Concept - Traditional and Modern Methods of Appraisal – Concepts of Potential Appraisal, Assessment Centers - Career Planning and Development

Concept of Empowerment – Participative Management: Objectives – Types– Quality Circles – Brief Introduction to forms of Workers Participation in Management in India – Work committee – Joint management council – Worker Shareholder – Worker Director

---

3.1 TRAINING

Q1. Define Training.

(OR)

What do you mean by training.

Ans :

Introduction

Training is the important subsystem of human resource development. Training is specialized function and is one of the fundamental operative functions of human resource management.

Training is a short-term process utilizing a systematic and organized procedure by which non-managerial personnel acquire technical knowledge and skills for a definite purpose. It refers to instruction is technical and mechanical operations, like operation of some machine. It is designed primarily for non-managers, it is for a short duration and it is for a specific job-related purpose.

Definitions

i) **According to Dale S Beach,** "Training is the organized procedure by which people learn knowledge and for skill for a definite purpose".

ii) **According to Planting, Cord and Efferson,** "Training is the continuous, systematic development among all levels of employees of that knowledge and their skills and attitude which contribute to their welfare and that of the company".

iii) **According to Edwin B. Flippo,** "Training is the organized procedure by which learn knowledge and skill of an employee for doing a particular job".

iv) **According to Chowdhry D.P.,** "Training is a process which enables the trainees to achieve the goals and objectives of their organizations".

In other words, training improves changes, moulds the employees knowledge, skill, behavior, aptitude, and towards the requirements of the job and organization. Training refers to the teaching and learning activities carried on for the primary purpose of helping members of an organization, to acquire and apply the knowledge, skills, abilities and attitudes needed by a particular job and organization.

Thus, training bridges the differences between job requirements and employees present specifications.

Q2. What are the objectives of training ?

Ans :

1. To develop the potential employees (both old and new), so as to fulfill the present and future requirements of the organization.

2. To make the new recruits to learn basic Knowledge, Skills and Abilities (KS A) of the job that has to be performed by them.

3. To prepare the experienced employees to take up more complex and the challenging tasks.

4. To ensure that the organization has a workforce consisting of competent and knowledgeable employees who possess the required skills to lead the organization. Such employees are made to acquire responsible positions in an organization.

5. To sharpen the skills and to broaden the area of functioning of middle level and senior level managers by providing them with different tasks so that they can become specialists.

6. To enable employees to become better performers by making them aware about the best techniques, innovative technologies, best practices for performing their tasks efficiently.

7. To make arrangements for the employees to overcome their deficiencies, thus ensuring the smooth and efficient working environment.

8. To promote a sense of responsibility, co-operation and good relationships among its employees.

   Thus, it can be said that employee training objectives play a significant role in the success of an organization.

Q3. Explain the benefits of training ?

Ans :

➢ Leads to improved profitability and/or more positive attitudes towards profit orientation

➢ Improves the job knowledge and skills at all levels of the organization

➢ Improves the morale of the workforce

➢ Helps people identify with organizational goals

➢ Helps create a better corporate image

➢ Fosters authenticity, openness and trust

➢ Improves relationship between boss and subordinate

➢ Aids in organizational development

➢ Learns from the trainee

➢ Helps prepare guidelines for work

➢ Aids in understanding and carrying out organizational policies.

➢ Provides information for future needs in all areas of the organization

➢ Organization gets more effective decision-making and problem-solving skills

➢ Aids in development for promotion from within

➢ Aids in developing leadership skills, motivation, loyalty, better attitudes, and other aspects that successful workers and managers usually display

➢ Aids in increasing productivity and/or quality of work

➢ Helps keep costs down in many areas, e.g. production, personnel, administration, etc.

➢ Develops a sense of responsibility to the organization for being competent and knowledgeable

➢ Improves labour-management relations

➢ Reduces outside consulting costs by utilizing competent internal consultation

➢ Stimulates preventive management as opposed to putting out fires

➢ Eliminates suboptimal. behaviour (such as hiding tools)

➢ Creates an appropriate climate for growth, communication

➢ Aids in improving organizational communication

➢ Helps employees adjust to change

➢ Aids in handling conflict, thereby helping to prevent stress and tension.

3.1.1 Assessing Training Needs

Q4. What is Training Needs Assessment (TNA) ?

Ans :

   "Training Needs Assessment" (TNA) is the method of determining if a training need exists and, if it does, what training is required to fill the gap. TNA seeks to identify accurately the levels of the

present situation in the target surveys, interview, observation, secondary data and/or workshop. The gap between the present status and desired status may indicate problems that in turn can be translated into a training need.

Training Needs = Desired Capability – Current Capability of the Participants

Training can reduce, if not eliminate, the gap, by equipping the participants with knowledge and skills and by encouraging them to build and enhance their capabilities. The data on the present status are vital to the evaluation or impact survey in the latter part of the training cycle. These shall serve as the baseline data. The following are some techniques for acquiring such data. These may be applied independently or in combination.

TNA is also the process of collecting information about an expressed or implied organizational need that could be met by conducting training. The need can be a performance that does not meet the current standard. It means that there is a prescribed or best way of doing a task and that variance from it is creating a problem.

Q5. Why do we need a Training Needs Assessement (TNA) ?

Ans : (May-15, Imp.)

First, identify dissatisfaction with the current situation and desire for change as similarities among the requests. Each request implies that a gap or discrepancy exists between what is and what could be or should be. A learning or performance gap between the current and desired condition is called a need. TNA aims at the following situations.

➢ Solving a current problem

➢ Avoiding a past or current problem

➢ Creating or taking advantage of a future opportunity

➢ Providing learning, development or growth

The purpose of TNA is to answer some familiar questions: why, who, how, what, and when. The following are descriptions of the questions and what analysis can be done to answer them.

Q6. Who should participate in Training Needs Assessement (TNA) ?

Ans :

Recruited and selected employees don't have knowledge, skill and abilities to perform work. So, every organisation should provide the training period to the employees. The employees needs the training for their new jobs.

Identifying training needs is a process that includes establishing areas where employees lack skills, knowledge and ability to perform their job effectively. The training needs help both the employee and the organization. According to *McGhee* and *Thayer's* model, the identification of training needs consists of the following three components,

1. Organizational analysis

2. Task analysis

3. Man analysis.

There are briefly discussed under:

1. **Organizational Analysis**

   The organizational analysis involves complete analysis of organizational structure, objectives, culture, decision-making, resource allocation and so on. Such analysis would help is identifying organizational deficiencies and helps in filling these gaps. This analysis, is established for understanding the short-term and long-term goals of the organization. Generally organizational analysis includes the following steps,

   (a) Analysis of Objectives : Organizational analysis includes both short-run and long-run goals. Long-run objectives are spread into specific objectives and strategies for each of the department. Short-run objectives are in need adaptation to the changing environment.

   (b) Resource Utilization Analysis : Once the organizational objectives are analysed, the next step includes in identifying training needs to analyse the allocation of human and other physical resources and evaluate their level of utilization.

(c) **Environmental Scanning :** This analysis involves the determination of environmental, sociocultural, economic and cultural factors affecting the organisation. It helps in identifying the controllable and uncontrollable environmental factors by the organization.

(d) **Organizational Climate Analysis :** It deals with the attitudes of members towards work, supervision, it has it own impact on the organization.

2. Task Analysis/Operational Analysis

This Task Analysis involves information about the various components of jobs and their performance. Task analysis shows that required skills and training are needed to perform the job at the required standard. Almost all jobs have an expected standard performance.

3. Man Analysis

This is the third component in the identification of employee training needs. The main aim of Man Analysis, is to focus on employee, his skills, abilities, knowledge and attitude. Among the three analysis, this is a more complex one because, it includes more difficulties when assigning human contribution. Because the reason is that, available measures to study man are much less objective and suffer from many individual variation. Generally data on production data, meeting deadlines, quality of performance, personal data such as work behaviour, late- coming etc., can be collected through records, observation, meeting with employee and other who work with him.

According to 'Dayat', a detailed study of jobs and skill analysis is absolutely necessary. The training accordingly imparted would help the employee adjust to their job requirements.

Q7. Examine the various steps in analyzing training needs.

Ans :   **(Aug.-17, Imp.)**

The Training need analysis Model is a pictorial representation of the sequential phases followed in conducting a Training Need Analysis (TNA). It consists of four main phases,

1. Trigger
2. Input
3. Process
4. Output

The following figure depicts the TNA Model.
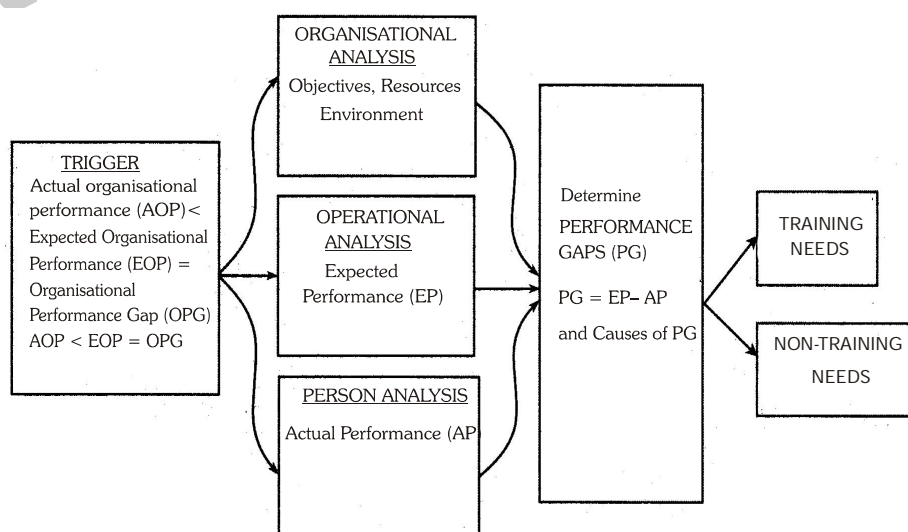
Fig. Framework for Conducting a TNA

1. Trigger

Trigger represents the first phase of TNA model. It acts as a simulation to the entire Training Need Analysis (TNA).

A trigger can be defined as the method of identifying actual or potential performance gaps in an organization. Under trigger phase, it is found that,

$EP < PP$

Where,

EP - Expected Performances

< -Lessthan

PP - Present Performances

This, $EP < PP = PG$

PG - Performance Gap

Thus, $PG = EP < PP$ acts as a trigger to the actual TNA.

2. Input

(i) Organizational Analysis

The organizational analysis involves complete analysis of organizational structure, objectives, culture, decision-making, resource allocation and so on. Such analysis would help in identifying organizational deficiencies and helps in filling the gaps. This analysis is established for understanding the short-term and long-term goals of the organization. Generally organizational analysis includes the following steps,

(a) Analysis of Objectives : Organizational analysis includes both short-run and long-run goals. Long-run objectives are spread into specific objectives and strategies for each of the department. Short-run objectives are in need adaptation to the changing environment.

(b) Resource Utilization Analysis : Once the organizational objectives are analyzed, the next step is to identify training needs and analyze the allocation of human and other physical resources and evaluate their level of utilization.

(c) Environmental Scanning : This analysis involves the determination of environmental, sociocultural, economic and cultural factors affecting the organisation. It helps in identifying the controllable and uncontrollable environmental factors by the organization.

(d) Organizational Climate Analysis : It deals with the attitudes of members towards work supervision. It has it own impact on the organization.

(ii) Task Analysis/Operational Analysis

Task analysis involves information about the various components of jobs and their performance. Task analysis shows that required skills and training are needed to perform the job at the required standard. Almost all jobs have an expected standard performance.

(iii) Man Analysis

This is the third component in the identification of employee training needs. The main aim of man analysis, is to focus on employee, his skills, abilities, knowledge and attitude. Among the three analysis, this is a more complex one because, it includes more difficulties while assigning human contribution. Generally production data, concerning the realization of deadlines, quality of performance etc., can be collected through records, observation, meeting with employee and others who work with him.

3. Process

After gathering all the required information, through input phase, it is put into process phase. This phase includes,

(i) Identifying the Performance Gaps (PG)

(ii) Causes of performance Gap

Usually, PG is calculated by

$PG = EP - AP$

Where,

PG - Performance Gap

EP - Expected Performance

AP - Actual Performance EP is the performance level expected from an employee in a particular job.

AP is the current performance level of an employee in a particular job.

4.   Output

(i)   Training Needs

The Performance Gaps (PG) that result from the employee's deficiencies of KSAs and which can be solved by providing training are called Training Needs. For these deficiencies to be filled, the KSAs which are lacking in the employee must be identified and specified clearly. The KSA's thus identified helps in developing the training objectives.

(ii)   Non-training Needs

Non-training needs are those which are not characterized as KSA deficiency and those which are characterized as deficiency but cannot be solved or filled by training. In other words, they are the deficiencies that affect the PP and cause PG, but cannot be resolved through training.

Non-training needs are those organizational attributes that do not lack in KSA's, but are responsible for PG for which training is not a solution.

Q8.   Explain in detail the output of Training need Assessment.

Ans :

Output is the third and the last phase of TNA Model. After a clear study of PG, output phase arises. Output of TNA consists of,

1.   Training Needs

2.   Non-training Needs.

1.   Training Needs

The Performance Gaps (PG) that result from the employee's deficiencies of KSAs and which can be solved by providing training are called Training Needs. For these deficiencies to be filled, the KSAs which are lacking in the employee must be identified and specified clearly. The KSA's thus identified helps in developing the training objectives.

2.   Non-training Needs

Non-training needs are those which are not characterized as KSA deficiency and those which are characterized as deficiency but cannot be solved or filled by training. In other words, they are the deficiencies that affect the PP and cause PG, but cannot be resolved through training.

Non-training needs are those organizational attributes that do not lack in KSA's, but are responsible for PG for which training is not a solution.

Non-training needs are of two types,

(i)   Non-training needs without any KSA deficiency

(ii)   Non-training needs characterized by a KSA deficiency.

(i)   Non-training needs without KSA Deficiency

The case of "Hardworking employee who always gets a reward of difficult assignments, tending to reduce her performance level by herself, is a situation which cannot be solved by training." In this situation, providing training to employee is not needed. Instead the supervisor who is habituated to give more work to the hardworking employee should be given training. Supervisor must be taught that hardworking employee must be given rewards rather than punishment. Non-training needs without KSA deficiency is arised due to following reasons,

(a)   **Inadequated Feedback :** Employees tend to perform less when they do not get any feedback positive or negative from their supervisors. In such case, not the employee but supervisors needs training.

(b)   **System Constraints :** Workplace conditions can also become a constraint for delivering desired performances. Examples of this are - Unavailability of required material on time use of outdated machinery, continuous disturbance etc. These kind of hurdles must be removed as and when identified at the workplace.

(ii)   Non-training Needs Characterized by a KSA Deficiency

This is a situation where there are KSA deficiencies, but training is not the only solution. These includes,

(a)   Job Aids : Job Aids are generally the group of instructions, figures and other information available at the workplace. Job aid guide the employee in performing complex task. The method of using Job Aids is cost effective and efficient method than compared to providing training.

(b)   Practice : An infrequently performed task can develop PG. This can be solved by practice rather than training.

Thus, both Non-training needs and training needs are to be properly addressed to fill the performance gaps (PG) and meet the EP. The following figure depicts the output of TNA.

Fig. Output of TNA

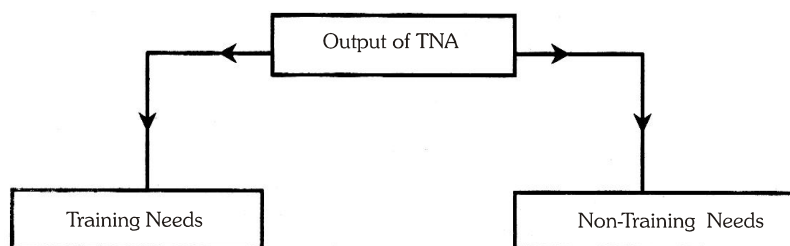### 3.1.2 Training Methods

Q9.   Narrate the various training programs in Indian enterprise.

(OR)

Explain the various methods of training.

Ans :   **(Dec.-20, May-13)**

There are two methods of training the employees,

1.   On-the-Job Training (OJT)

2.   Off-the-Job Training/Classroom training.
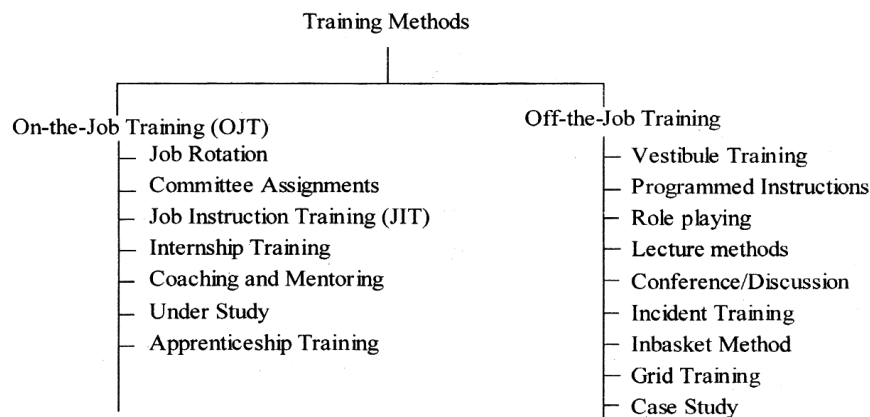
Fig. : Training Methods

1.   On-the-Job Training (OJT)

This is the most commonly used method of training the employees. In this method, the employee is placed on his regular job and taught the skills necessary to do that job under the guidance of a supervisor. On-the-Job training is advantageous by providing first hand knowledge under the actual working conditions.

The different on-the-job training methods are,

(a)   Job Rotation : Job rotation is the movement of an employee from one job to the other of same nature. This method provides an opportunity to enhance the knowledge and skills of an employee and make him competent in several jobs rather than one. Though this method is advantageous, frequent movement of employees may disturb the regular job.

(b)   Committee Assignments : In committee assignments method, a group of employees are given an actual organizational task/problem and are asked to solve it. The group members collaborate and cooperate with each other to solve the problem. This method of training develops the team work and intergroup collaborations.

(c)   Job Instruction Training (JIT) : In this method, the trainer explains the trainee the job knowledge and skills, method of performing the job and allows him to do the job. At the same time, the trainer analyzes the employee performance and provides him the feedback.

(d)   Internship Training : In this, the educational institutes and business firms come together and select a group of candidates. The selected candidates carry on regular studies for a period of time and at the same time work in office or factory to acquire the practical knowledge. This method is advanta-geous as it provides a balance between theory and practice. But it is slow and time consuming.

(e)   Coaching and Mentoring : In this method, the trainee is placed under the guidance of a supervisor. The supervisor asseses the employee performance, provides him the feedback and offers some suggestions of improvement. In this method the trainee also shares the responsibilities of the supervisor. The main drawback of this method is that the trainee do not have any freedom to express his ideas.

(f)   Under Study : Under study is a method in which an employee is trained to take in future the full responsibility of the position of his superior. This method helps an organisation to acquire an employee of equal competence as his superior and prevents the recruitment of a new unknown personnel.

(g)   Apprenticeship Training : This method of training is used in the trades, crafts and technical fields in which proficiency is required for training. Trainers are made to work under direct supervision of experts.

2.   Off-the-Job Training/Classroom Training

In this method of training, the trainee is separated from his actual job and trained for his future job performance. The different off-the-job training methods are,

(a)   Vestibule Training : In this method, training is provided by the simulation or creation of actual working conditions in a classroom. The classroom exactly represents the actual working conditions with same kind of machines, files, equipments etc. Vestibule training in general is used to train clerical and semi-skilled jobs.

(b)   Programmed Instructions : The theory or the subject-matter to be learned is presented in a series of carefully planned sequential units ranging from simple to more complex levels of instruction. The subject matter is presented in the form of multiple choice and fill in the blanks and then

trainee passes through each unit by answering these questions. This method is time consuming and expensive.

(c) **Role Playing :** Role playing is a realistic behaviour in an imaginary situation. The participant/trainee plays the role of certain characters like production manager, mechanical engineer etc. This method includes doing action and practice and is generally used to improve inter-personal skills.

(d) **Lecture Method :** Lecture method is a traditional and direct method of training. In this method, the trainer/ instructor prepares a material and delivers it to a group of trainees in the form of a lecture. The lecture prepared by the trainer should motivate the trainees and create interest in them. The lecture method is advantageous because it is direct and can be delivered to a large group of trainees at the same time. One of the major limitation of lecture method is it cannot transfer the training effectively.

(e) **Conference/Discussion :** In conference method, group of people meet and pose ideas, share the facts, test the assumptions and draw conclusions to improve the job performance. This method is mainly used to train the clerical, supervisor and professional personnel. Unlike lecture method which involves only one way communication, discussion involves dyadic communication and also provides feedback. This method is advantageous that the trainee has the opportunity to speak.

(f) **Incident Training :** Incident method was developed by Paul Pigors. The main aim of this method is to develop the trainee in areas of practical judgement, intellectual ability and social awareness.

This method involves development of an employee in a group, i.e., a group of employees who require training are selected and are trained. For training the employees, incidents are prepared based on the actual situations that happened in other organizations. Each trainee in the group is given the incident and asked to make short-term decisions. Later, the group discusses on the incident and takes decisions through group interactions.

(g) **Inbasket Training :** In this method, the trainee is given a basket or pile of papers and files related to his functional area. The trainee is then asked to study and analyze the situation and make necessary recommendations. The recommendations provided by all the trainees are compared and conclusions are made.

The advantages of inbasket method are,

➢ It is simple and economical.

➢ It helps the trainees to learn problem-solving skills.

➢ It reduces interdepartmental conflicts.

The disadvantages of inbasket method are,

➢ The solutions arrived at the participants may tend to be abstract.

➢ Trainee may find difficulty to adapt themselves to rigid situations and lack originality.

(h) **Case Study :** Case study method of training was developed at Harvard Business School. In this method, a real business problem is presented to the trainees in the form of writing. The trainees are asked to analyze the problem and suggest the alternative courses of action.

Q10. Compare and contrast on job training and off job training.

Ans :

S.No.	On - the - job Training	S.No.	Off-the -Job Training
1.	Cheaper to carry out.	1.	Required expenses like separate training rooms, specialist, resources like projectors.
2.	Training is very relevant and practical dealing with day-to-day requirements of job.	2.	Can more easily deal with groups of workers at the same time?
3.	Workers not taken away from jobs so can still be productive.	3.	Employees respond better when taken away from pressures of working environment.
4.	Employees who are new to a job role become productive as quickly as possible.	4.	Workers may be able to obtain qualifications or certificates.
5.	Supervisors can directly observe the working skills of the trainee.	5.	Trainees learn from specialists in that area of work who can provide more in-depth study.
6.	Chances of distractions are here, as there may be noise and disturbances because of working machines.	6.	There is no distraction because trainees are away from the working environment.
7.	Coaching, job rotation, apprentice are on-the-job training.	7.	Role plays, seminars, lectures, case studies are off- the-job training.

3.1.3 Evalution of Training

Q11. Define Training Evaluation. Explain the objectives of Training Evaluation.

Ans :

Evaluation of training effectiveness is the process of obtaining information or data on the effectiveness of training program conducted and assessing the value of training in the light of that information. Evaluation involves controlling and correcting the training program.

Evaluation means appraisal or assessment. In terms of training it is a activity of assessing the impact of the training as compared to the objectives that were set for achievement through the program, evaluation is done by obtaining feedback from the trainees, trainers and the line managers of the concerned departments. Perspectives of colleagues can also be considered to obtain 360 degree evaluation.

Evaluation measures can be undertaken before the start of training, at the start of training, during the training and at the end of training.

Training evaluation is the assessment of the total value of the training system, training course or program in social as well as financial term. The term is also used in general judgmental sense of the continuous monitoring of a program or of the training function as the whole.

Objectives of Training Evaluation

Evaluation is a systematic process to determine the worth, value or meaning of an activity or process. In broader sense evaluation is undertaken to improve training processes or to decide the future of a program, these broad purposes can be divided as following objectives.

1. To identify the program's strengths and weaknesses.

2. To assess whether content, organization and administration of the program contributes to learning and on the job utility of the content.

3. To identify which trainees benefited most or least from the program.

4. To determine the financial benefits and costs of the program.

5. To gather data to assist in marketing training programs.

6. To compare the cost and benefits of training vs non training investments.

7. To compare the cost and benefits of different training programs to choose the best program.

Q12. State the various reasons for Training Evaluation.

Ans :

There are various reasons for evaluating training, they are as follows:

1. Evaluation is important when the organization is not aware of the possible outcome of the training.

2. To justify the expenditure on future training programs. Evaluation enables the training manager or HR department to justify the expenditure on future training programs.

3. To measure effectiveness of approaches and techniques. Evaluation helps to assess the effectiveness of different approaches and techniques.

4. Evaluation provides feedback to trainers. It provides feedback regarding the performance and methods employed by the trainers.

5. Motivational for learners, evaluation can be motivational for learners as they know that they can give their opinions and secondly in many cases the data is used for performance evaluation and

decisions regarding compensation and promotion.

6. It measures the degree of objectives achieved. It indicates to what extent the objectives have been met and whether and further training is needed for the individual or the group.

Q13. Explain the Scope of Training Evaluation.

Ans :

It is useful to look at evaluation in three related but distinct phases.

1. Immediate

It concerns with changes in knowledge, skills or behavior immediately after a training experience. In other words it attempts to asses whether or not training has been effective in communicating the message.

2. Intermediate

This refers to evidence that knowledge, skill or behavior which has been learned is being put into use on the job. In other words can the trainee, managers and colleagues identify changes in behavior, skill and attitude as a result of attending training.

3. Long Term

This refers to the long term effectiveness of the individual, the unit and as well as the organization. This ultimate evaluation is difficult and only possible if the training in the first instance has been related to the real corporate strategy and business needs of the organization.

Q14. State the Process of Evaluating Training Programs.

Ans : **(May-14)**

The training program should be evaluated to prepare a comprehensive training program. It is a continuous process which has the following steps :

1. Development Of Evaluation Criteria

For a successful evaluation of training programs, an effective evaluation criterion has

to be developed. The evaluation criterion serves as a standard for measuring training effectiveness. They can be in terms of reaction, learning, behavior and result.

2. Pre-test Trainees

This is a mechanism arranged before implementing the training program as to find out the behavioral reactions of the trainees. Once the criterion is developed, a pretest is conducted in order to find out the existing level of knowledge, interpersonal skill and abilities of the participants.

3. Monitor Training

This is concerned with the process of monitoring the training programs while implementing the programs for providing knowledge and behavioral skills to the trainees. It is performed to identify whether the training program has been implemented properly or not. This also helps to know the sufficiency of training programs.

4. Evaluation

Evaluation is concerned with the final assessment of result obtained from the implementation of training program. It is conducted after the completion of training activities in order to find out their response about training programs.

5. Feedback

Feedback refers to a mechanism which provides information on an overall position of training program. The feedback mechanism helps HR experts to know about the success or failure of the training. This also provides a guideline for the future determination of training needs.

Q15. Explain the Methods for Evaluating Training Programmes.

Ans :

1. Observation method

Observation method is done by closely observed during the training programme. Performance in practical work situation, participation in discussion, role play, timing ,

presentation method. The errors are carefully observed and recorded.

2. Test-retest method

In this method participants are given a test to establish their level of knowledge before they enter the training programme. After the completion of training, they retake the test. The change in test scores indicate the change in the level of knowledge resulting from training.

3. Pre-post performance method

The actual job of each participants is evaluated and rated prior to training. After the training the participant's job performance is reevaluated. Changes in job performance is attributed to training.

4. Experimental control group method

Two groups are formed. One group is control group whose members work without undergoing training. Another group is experimental group whose member undergo training. Two groups are evaluated at the end of the training. If the performance of the experimental group improves, training is regarded effective.

5. Training surveys

Direct questioning to trainees to get reaction, generally after the end of training participants are asked to fill-up form containing- physical facilities, achievement of training objectives, contents, trainer effectiveness, suggestions for improvement etc.

6. Cost effectiveness analysis

It assess total value of training benefits against total cost of training. Training is effective if benefit exceeds costs.

Q16. Explain the Criteria for Evaluating Training Effectiveness.

Ans :

Evaluation of training effectiveness is one of the fundamental aspects of training and develop-ment. Without proper evaluation of the effective-ness of training and development activities, it will

be impossible to determine how well the program will achieve the stated target. The following criterion needs to be developed for the evaluation of training effectiveness:

1.   Reaction of The Participants

It is related with the feeling of the participants about the training and training methods. The reaction on such training content, process, method, etc. is measured at the end of each training activity. It brings all the participants upon a level of knowledge and experience. It is subjective rather than objective, because every participant is free to react on his/her own way.

2.   Changes In Participant's Knowledge And Skills

The change in participant's knowledge and skills brought about by the implementation of training program is very important in order to evaluate the effectiveness of training. If the participants are imparted with specific knowledge and skills, the training is said to be effective.

3.   Change In Participant's Attitude

Attitude is the belief or perception of an individual regarding a particular subject matter. This is another important criterion of evaluating training effectiveness. The changes in attitude and belief of employees will result in more desirable performance and behavior on actual workstation. Thus, managers are always concerned in bringing the change in employee's attitudes, beliefs and perception through the means of behavioral training.

4.   Change In Job Performance

It is another useful criterion of evaluating training effectiveness. When an individual shows a different method of performing the job after attending a training program, it is said that the training has been effective.

5.   Organizational Performance

This criterion indicates the improvement on overall performance of the organizational activities. It is concerned with improvements in job performance in terms of productivity and quality. The training should fulfill the organizational need such as reduced turnover, high productivity, quality output, improved labor relation etc. Hence, the training program should be organized basing on these aspects of organizational performance. The training seems to be effective only if it achieves its stated goals and objectives.

Q17. Explain the concept of training evaluation with the help of Kirkpatrick's model.

Ans :   **(Imp.)**

In today's highly competitive world, human resources have become the most valuable resources of an organization. Because of this fact, most of the companies are investing heavily on the development of their Human Resources.

Human Resource Development (HRD) "is the process of developing the skills, knowledge, competencies and capabilities of the workforce using HR interventions like training, workshops, developmental programs and so on. The top management must estimate the Return On Investment (ROI) for financing such training programs and also for determining their direct benefits to the organization. This could be done using Human Resource Evaluation models by HRM experts. Human Resource is described as "the process of collection of training information for making it more effective. It also includes changing the modes, methods and values of a training program".

An evaluation model provides information through which an HRD program can be effectively evaluated. It provides answers to the questions such as Is the training effective? Are we training the right employees? Is the training worth?

Over a period of time, many different evaluation models have been developed (as shown in the table below). However, the best model for HRD evaluation had been proposed by Donald Kirkpatricks.

Different Models of Evaluation

S.No.	Models	Number of Levels	Evaluation Criteria
1.	Kirkpatricks	4	Reaction, learning, job behaviour and results.
2.	Holton	5	Secondary influence, motivation, outcome ability, environmental factors.
3.	Phillip	5	Reaction, planned action, applied learning results, R.O.I.
4.	C.I.P.P	4	Context, input, process and product.

We will discuss, Kirkpatrick's HR evaluation model in detail as all other models were the alternations/modifications of a basic framework of Kirkpatrick's model.

Kirkpatrick's HRD Evaluation Model

Donald kirkpatricks has suggested a four step evaluation model.

According to him, training frameworks can be evaluated based on four criteria as follows,

Levels		Criteria
1.	Level I	Reaction
2.	Level II	Learning
3.	Level III	Job behaviour
4.	Level IV	Results

1.   Reaction (Level I)

At this level, only employees reactions or perceptions about the training programmes and its effectiveness can be considered. Employee's reactions constitute important information as their positive reactions make even the other employees become a part of future programmes. Similarly, their negative reactions restrict some of their colleagues to attend such training programmes.

The main drawback of this step is that it is very difficult to evaluate or to assess the complete effectiveness of the programme whether it has successfully met its objectives or not.

2.   Learning (Level II)

At this level, training programmes are evaluated to determine whether the HRD objectives have been learnt by the trainees. It is an important perspective which needs to be satisfied. Learping constitute an entirely different method of assessing the participants's reaction.

3.   Job Behaviour (Level III)

At this level, an evaluator needs to assess whether there is a change in the behaviour of employees or not. This evaluation represents the success of any training programme. Such evaluation can be done by observing the on-job behvaiour of an employee or by assessing the organizational records. If an employee/trainee is unable to apply his training experience, knowledge and skills to the job, then the entire training programme may go in vain without bringing any change in either employee's or organizations effectiveness.

4.   Results (Level IV)

It is the most critical step of Kirkpatrick's evaluation framework. At this level, effectiveness of training programmes are evaluated on the basis of organization's results: It must considered the following aspects,

(a) Level of improvement in the effectiveness of organization after training

(b) Any increase or improvement in the efficiency/profitability of an organization

(c) Economic and operating data can be collected and analyzed

(d) Is there any improvement in the service provided to its clients or customers after the training programmes.

Kirkpatrick's framework plays a vital role in assessing different consequences of training and reminding the evaluator that HRD efforts have multiple objectives.

3.2 DEVELOPMENT

Q18. Define development.

Ans :

Development is a long-term educational process utilizing a systematic and organized procedure by which managerial personnel get conceptual and theoretical knowledge, In other words, it refers not to technical knowledge and skills in operation hut to philosophical and theoretical educational concepts, It involves broader education and its purpose is long-term development.

Q19. Define management development. Explain the need for management development.

Ans :

Definition

i) **According to Koontz and Donnell,** "Manager Development concerns the means by which a person cultivates those skills which application will improve the efficiency and effectiveness with which the anticipated results of a particular organizational segment are achieved".

ii) **According to Flippo,** "Management development includes the processes by which managers and executives acquire not only skills and competency in their present jobs but also capacities for future managerial tasks".

iii) **According to Dale S. Beach,** "Management development is a systematic process of training and growth by which individuals gain and apply knowledge, skills, insights and attitudes to manage orientation effectively".

A formal definition of training and development is "it is any attempt to improve current or future employee performance by increasing an employee's ability to perform through learning, usually by changing the employee's attitude or increasing his or her skills and knowledge." The need for training and development is determined by the employee's performance deficiency, computed as follows :

Training and development need = Standard performance - Actual performance

Training and development programs are necessary in any organization for improving the quality of work of thee employees at all levels, particularly in a world of fast changing technology, changing values, and environment.

The purpose of both is similar. The main difference between the two is in respect to the levels of employee for whom these are meant, and the contents and techniques employed.
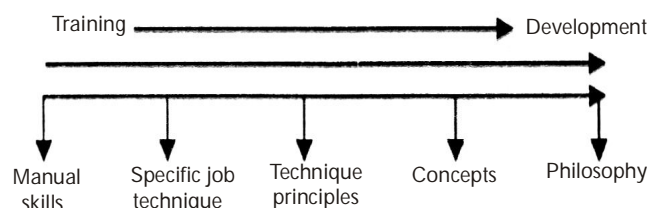
Fig: Training-Development Continuum

Need for Management Development

A business organization has to develop the potential if all those who are in management positions or who are fresh from management institutions and have the potential for development, this development is necessary because of the following reasons:

1) Society is facing a rapid rate of technological and social change. Management personnel need to be developed as they have to tackle problems arising out of introduction of automation, intense market competition, growth of new markets, enlarged labor participation in management and greater interest being taken by the public and the government in various activities of business.

2) Business and industrial leaders are increasingly recognizing their social and public responsibilities which call for a much broader outlook on the part of management.

3) Management has to be developed for handing problems arising out of increasing size and complexity of the organizations.

4) Management labor relations are becoming increasingly complex.

5) To understand and adjust to changes in socio-economic forces, including changes in public policy and concepts of social justice, industrial democracy, problems of ecology (smog or pollution), ekistics (the problem of human settlements), ergonomics (the problem of working environment) and cultural anthropology (the problem of fitting machines to men).

Q20. Explain the process of Management Development.

Ans :

The following are the steps or ingredients of management development programme,

1. Examining the present and developmental needs of an organization.
2. Evaluating the talent of existing management.
3. Inventory of management manpower.
4. Planning of individual development programme.
5. Creation of development programme and
6. Evaluation of the programme.

1. Examining the present and future developmental needs of an organization

In this step, the decision to introduce a management development programme is taken. After taking this decision, the present as well as the future developmental needs of an organization must be analyzed. The firm must have the knowledge about the number and the type of managers needed for fulfilling such requirements. The organizational structure must be analyzed by considering the future organizational plans as it helps in determining what the organization needs with regard to its functions, departments and executive positions. After gathering this information, job descriptions and specifications for all the management positions can be prepared. This in turn helps in providing the information about the type of education, experience training, special knowledge, skills and personal traits needed for performing different tasks. Once, job specifications, job descriptions are made, top management must formulate a policy by comparing the existing talents with those that have been developed through training programmes. This policy helps the firm whether to recruit the employee from external sources or from internal sources.

2. Evaluating the Talent of Existing Management

For comparing the present talent with the projected required talent, a qualitative assessment of the present management talent must be done. This helps in estimating the areas where the potential development is required and they must be added to the programme for making comparison with the projected talent.

3. Inventory of the Management Manpower

The inventory of management manpower helps in providing a detailed information about all executives present at different managerial levels. It includes preparation of a card consisting of the details of an executive such as name age, length of service, education, work experience, training courses completed, health record, performance

appraisal data etc.,. Based on the information provided by such cards, the individuals are selected for the management development programme. The analysis of such information helps in identifying the strengths and weakness of different managerial functions with respect to the future organizational needs.

4. **Planning of Individual Development programme**

The results of performance appraisal help the executives to identify the strengths and weakness of their subordinates and in turn an executive plans for the individual development programmes. As different individuals are characterized by different physical, intellectual and emotional attributes, a separate developmental plan must be developed for each individual.

5. **Creation of Developmental Programmes**

HR department is responsible for providing effective developmental opportunities to its employees. It recognizes the present level of skills, knowledge etc., of different executives and compares them with their respective job requirements. It determines the develop- mental needs and on that basis, it creates specific development programmes such as leadership courses, management games and sensitivity training. Due to the emergence of rapid changes and developments in management framework, the HR department should suggest some individual and executive development programmes.

6. **Evaluation of the Programme**

As the organization spends high amount of money, time and efforts for conducting management development programmes, it is very essential to evaluate the programme. When the objectives of the programme are attained, then the programme is regarded as a "successful programme," However, it is very difficult to measure the changes or impact of programme on the objectives as the impact of some programmes can be noted only in the long run, whereas the impact of some other programmes can be noted in the short run.

All such programmes can be evaluated against the specific developmental needs for whose attainment they are established.

3.2.1 Technique of Management Development

Q21. Explain the various Technique of Management Development.

Ans :
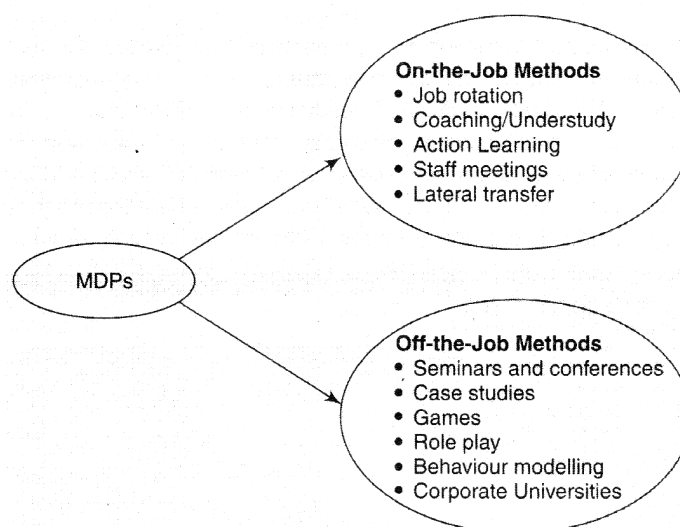
Fig. : Management Development Programmes

1.   On the job methods

(i)   Job Rotation

Job rotation essentially involves moving management trainees from department to department to learn different functions of the organization. Management trainees are typical college graduates and job rotation is of great help for them to understand the basics of business.

(ii)   Coaching

This involves a continuing flow of instructions, comments and suggestions from manager to the subordinates. Often, a trainee works directly with a senior manager who is responsible for coaching the junior. Normally, the understudy relieves the executive of certain responsibilities, giving the trainee a chance to learn the job.

A variation to the usual coaching is executive coaching. Executive coaching is organized to help out a star performer who has risen to the top and suddenly finds himself/herself trapped amidst official chores and finds little time to attend to personal things. He or she has no time for introspection. Such individuals need some one to hold up a mirror, make them see clearly what their strengths are and where they are lacking The most nagging problem with such employees is their inability to balance work with life. In the life of an executive seven segments are visible – family, profession, health, social, financial, spiritual and mental. An executive who succeeds in striking a balance among the seven is a successful individual as a person and as an executive. But overviewed by the professional demands, most executives forget other dimensions.

Executive coaching, still in its infancy, helps executives achieve excellent balance among the seven dimensions. It is being practised in multi-national subsidiaries in India.

(iii)   Action Learning

Action learning gives managers release time to work full-time on projects with others in the organization. As an alternative, managers may use release time to work full-time analysing and solving problems in departments other than their own. In some cases, action learning is combined with classroom instruction, discussions and conferences.

(iv)   Staff Meetings

Staff meetings facilitate participants to become more familiar with problems and events occurring outside their immediate area by exposing them to the ideas and thinking of other managers.

(v)   Lateral Transfer

Lateral transfer involves horizontal movement through different departments, along with upward movement in the organization.

2.   Off the Job methods

(i)   Seminars and Conferences

Seminars and conferences facilitate meeting together of groups of people to seek mutual development. Such programmes can be used to communicate ideas, policies or procedures. Issues can be discussed and debated, outcomes notwithstanding.

The most popular programme that is conducted in seminars is the Leadership Grid. The seminars focus on two dimensions of effective leadership: concern for people and concern for production. These two dimensions are represented in the grid shown in Fig. Developed by Blake and Mouton, the leadership grid uses a combination of seminars, discussion and personal reflection and helps managers achieve "9,9" leadership style. By participating in seminars, managers and supervisors learn to identify necessary personal and organizational changes to become more effective in their interpersonal relationships and their work groups.
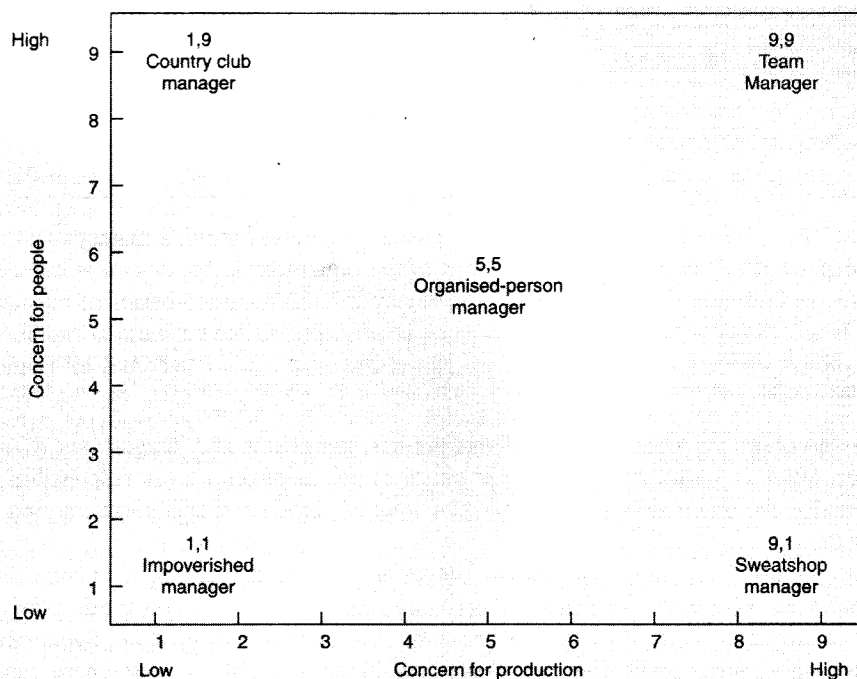
Fig. : Managerial Grid

(ii) Case Studies

This is the most useful technique of management development. Case study uses a written description of a real (or simulated) decision-making situation in an organization. Managers are asked to study the case to identify the problems, analyse them for their significance, propose solutions, choose the best solution and implement it. More learning will take place if there is an interaction between the managers and the instructor. The instructor's role is that of a catalyst and facilitator. An effective instructor is able to involve every participant in problem-solving.

Case study method can be most effective where

1. Analytic, problem-solving and critical thinking skills are most important.

2. The KSAs are complex and participants need time to master them.

3. Active participation is desired.

4. The process of learning (questioning, interpreting, etc.) is as important as the content.

5. Team problem-solving and interaction are possible.

When using case studies:

➢ Be clear about learning objectives, and list possible ways to achieve the objectives.

➢ Decide which objectives would be best served by the case method.

➢ Identify available cases that might work, or consider developing own.

➢ Set-up the activity including the case material, the room and the schedule.

➢ Follow the principles of effective group dynamics.

➢ Provide a chance for all learners to take part and try to keep the groups small.

> Stop for process checks and be ready to intervene if group dynamics get out of hand.

> Allow for different learning styles.

> Clarify the trainer's role.

> Bridge the gap between theory and practice.

(iii) Management Games

Business games are becoming highly popular in developing managers and supervisors. These games are simulations, computer based or non-computer based, that attempt to duplicate selected factors in a particular business situation, which the participants manipulate. Business games involve two or more hypothetical organisations competing in a given market. The participants divide into five or six person groups and play roles such as director, vice-president, or marketing manager. They make decisions affecting price levels, production volumes and inventory levels. Often, a computer programme manipulates their decisions, with the results simulating those of an actual business situation. Participants are able to see how their decisions affect other groups or *vice versa.*

Most popular management games include Looking Glass, Simmons Simulator and Financial Services. Games offer specific benefits as training techniques. There is integration of several interacting decisions, the ability to experiment with decisions, the provision of feedback on decisions, and the requirement that decisions be made with inadequate data, which simulate reality. People learn best by being involved, and the games can gain such participation. The groups usually elect their own officers and organise themselves. This can develop leadership skills and foster cooperation and teamwork. The criticisms of most games concern their limitation of novelty or reactivity in decision making, the cost of designing and

administration, the unreality of some of the models, and the disturbing tendency of many participants to look for the key to winning the game instead of concentrating on making good decision.

(iv) Role Playing

Many organisations use the role playing technique to train supervisors and managers In the role playing technique, participants are presented with an organizational situation, assigned a role or character in the situation, and asked to enact the role with one or more other trainees. The role play should offer an opportunity for self-discovery and learning, for example, a management development programme could include a role play situation highlighting an interpersonal conflict between a manager and a subordinate. Management trainees would have an opportunity to role play both the manger and the subordinate role, in order to better understand some of. the dynamics of this situation, as well as practise interpersonal skills. The significance of role play is enhanced by conducting a feedback session following the role plan, in which the trainer and the trainees review performance of each player. In many organisations role plays are videotaped and preserved.

The success of role playing depends on how convincingly each trainee enacts his or her role. If done well, role playing can help a manager become aware of and be more sensitive to the feelings of others.

(v) Behaviour Modelling

Behaviour modelling seeks to improve interpersonal skills among the trainees. The alternative expressions used for this model include interaction management or imitating model. The key to behviour modelling is learning through observation or imagination,

and is modelled on social learning theory. The famous social learning theory posits that much of learning occurs by observing others. In organisations, employees learn all kinds of behaviours (work related or otherwise), from observing supervisors, managers, union leaders, and co-workers who serve as role models. Role models wield tremendous influence on individual behaviour.

(vi) Corporate Universities

Organisations often collaborate with universities. Managers are sponsored to undergo a course in universities in general management or in different functional areas. A step ahead is to establish a B-school by themselves on the lines of the International Business School (IBS, Hyderabad). Managers and supervisors are sponsored to undergo courses and improve their academic credentials and enhance learning.

3.2.2 Evaluating Effectiveness

Q22. Explain the Evaluating Effectiveness of training and development.

Ans : **(May-16)**

Measuring the effectiveness of training and development is one of the manager's more difficult Hasks, in many instances, an evaluation of the programme by the trainee is the prime source of information. This point is not to be ignored, but it is clear that a wide discrepancy often exists between trainee acceptance and trainee performance on the job. Some suggested control points are listed below.

(i) Productivity

Where it is adaptable to the problem, specific information concerning productivity after training is the best control point for a training programme. However, the objectives of training are more intangible. For example, how does one measure the effectiveness of a human relations training programme for first-line supervision? This is highly subjective area, but even here managers should attempt to deal with concrete results by either observing the trainee in action or receiving reports from others with whom he comes in contact.

(ii) Quality losses

This index is closely related to the productivity record, emphasizing quality in addition to quantity. Trouble with quality control can issue from other sources besides training, but quality losses can provide a clue to the adequacy of training.

(iii) Adequacy of talent reservoir

An index that may be helpful in judging the adequacy of the talent reservoir is the number of higher-level positions that were filled from within the organisation. Within particular development programmes, would include the percentage of participants completing the course, costs per person-hour, and percentage of key personnel who are currently involved in organised development. Certainly, the developmental history of each key individual should also be reviewed from time to time.

(iv) Unit efficiency

Costs of training per employee-hour of instruction can be computed and compared among courses and between in-house training versus outside consultant training.

Q23. Compare and contrast training and development.

Ans :   **(May-11, Imp.)**

S.No	Basic	Training	Development
1)	**Nature**	Training focuses on technical, mechanical oriented operations.	Development focuses on theoretical skill and conceptual ideas
2)	**Emphasis**	Training is concerned with specific job skills and behavior.	Development is concerned with related enhancement of general knowledge and understanding of non-technical organization functions.
3)	**Relevance**	Training is mostly for non- managers	The development is for managers and executives.
4)	**Focus**	Training focuses on current jobs.	Development prepares for future jobs.
5)	**Goals**	Training focuses on short-term gains	Development focuses long-term accruals
6)	**Orientation**	The training is job-oriented process and is vocational in nature.	The development is general in nature and strives to inclucate initiative, enterprise, creativity, dedication and loyalty amongst executives
7)	**Process**	Training is one-short deal	Development is a continuous on-going process
8)	**Growth Opportunity**	Training may result in enhancement of a particular job skill.	Development may result in personal growth and development of overall personality.
9)	**Motivation**	Training is the result of organizational initiative and hence motivation is extrinsic	In development the motivation is intrinsic
10)	**Classification**	Training canbe classified into i) On - the job training ii) Off - the job training	No such classification is possible
11)	**Voluntary/ Imposed**	Training is usually imposed	Development activities, such as those supplied management development programmes, are generally voluntary.
12)	**Relationship with Career Development**	The staff members may have no clear perception of the relationship between learning and career development.	Here, the staff members have experience and knowledge; a clear, direct relationship between self-development and career success.
13)	**Evaluation**	Evaluation for training is considered to be essential	No evaluation for development is possible.

Rahul Publications

3.3 CONCEPT OF PERFORMANCE MANAGEMENT

Q24. Define Performance.

Ans :

According to Moon (1996), Performance is a multidimensional construct, the measurement of which varies depending on a variety of factors that comprise it. According to, Macphearson and Mwita, 'Performance' refers to outcomes of work because they provide the strongest linkage to the strategic goals of the institution, customer satisfaction and economic contributions Performance is the measure of efficiency. It is an efficiency relationship between inputs and outputs. It indicates a reduction in input costs.

According to Armstrong and Baron, "Performance management is the strategic and integrated approach to deliver sustained success to the organizations by improving performance of the people who work in them and by developing the capabilities of teams and individual contributors".

Q25. Define performance Management state the features of Performance Management.

Ans : (May-11)

Performance Management

According to Armstrong and Baron, "Performance management is the strategic and integrated approach to deliver sustained success to the organizations by improving performance of the people who work in them and by developing the capabilities of teams and individual contributors".

Features of Performance Management

Following are the features of performance management,

1. Performance management focuses mainly on shared organizational objectives and principles.

2. Top level management takes up the responsibility of performance management rather than HR manager and other staff members.

3. Management needs to make performance plans for all the employees of the organization.

4. Performance management is more specific and precised.

Q26. What are the objectives of performance management ?

Ans :

Some of the objectives of performance management are,

1. Motivating the employees by rewarding them as per their performance at work. Example: Salary enhancement, rewards and recognition etc.

2. To provide performance related information to employees and managers which may be used for training/appraisal purposes.

3. To design developmental programs which help employees to improve their work performance.

4. Align individual objectives with the organizational objectives and to motivate employees to develop corporate values.

5. An important objective of performance management is to assist employee to identify their goals and help them to develop their job related KSA's (Knowledge, Skills and Abilities)

3.3.1 Performance Appraisal

Q27. Define performance appraisal.

Ans : (May-13, May-12)

Introduction

The work performed by the different employees differ in many aspects due to the difference in their backgrounds, experiences, knowledge, skills, abilities and aptitudes. Such differences determine the need of training and development activities. So, it is necessary for management to identify such differences so that employees having better job performance ability, skills and knowledge can be rewarded in one hand, and the wrong placements of the employees may

be checked through transfer or punishments on other hand. In this regard, performance appraisal provides a measure in order to know the level of performance so that the employee may improve his/her performance.

Meaning of Performance Appraisal

Performance appraisal is a process of identifying, measuring and managing employee's performance in order to enhance organizational efficiency and effectiveness. It is a merit rating that denotes the appraisal of the performance of the employees in an organization. Performance appraisal systematically evaluates the personality and performance of each employee so that the productivity can be measured in terms of efficiency and effectiveness. The primary purpose of performance appraisal is to facilitate the orderly determination of an employee's worth in comparison to his/her fellow employees and expected level of performance. It provides information relating to various aspects of an individual upon which promotion, transfer and salary decisions can be made. It also provides an opportunity to review employee's work related behavior.

More precisely, performance appraisal can be defined as a systematic evaluation of an employee's current, or past performance as well as future potentials by supervisors or those familiar with his/her performance. It defines an employee's job related behaviors and outcomes which help reward, motivate, and empower employees at work. It also helps to identify future potentialities of an individual.

Definition of Performance Appraisal

i)   **According to Dale S. Beach** Performance appraisal as the system of evaluation of the individual with regard to his/her performance on the job and his/her potential for development.

ii) **According to Edwin B. Flippo** Performance appraisal is a systematic, periodic and an impartial rating of employee's excellence in matter pertaining to his/her present job and his/her potential for a better job.

Q28. What are the characteristics of performance appraisal ?

Ans :

The following are the characteristics of Performance Appraisal.

1.   **A Process**

Performance appraisal is not a one-act play. It is rather a process that involves several acts or steps.

2.   **Systematic Assessment**

Performance appraisal is a systematic assessment of an employee's strengths and weakness in the context of the given job.

3.   **Main Objective**

The main objective of it is to know how well an employee is going for the organization and what needs to be improved in him.

4.   **Scientific Evaluation**

It is an objective, unbiased and scientific evaluation through similar measure and procedures for all employees in a formal manner.

5.   **Periodic Evaluation**

Although informal appraisals tend to take place in an unscheduled manner (on continuous) basis with the enterprises a supervisors evaluate their subordinates work and as subordinates appraise each other rand supervisors on a daily basis, yet the systematic (i.e., formal) appraisal of an individual employee is likely to occur at certain intervals throughout that person's history of employment (say quarterly, six monthly, annually, etc.)

6.   **Continuous Process**

In addition to being periodic performance usually is an ongoing process. It means that appraisals are regularly scheduled and are not dumped on the employee on whimsical dates without relevance. The process has not been broken in person's history of employment however, the periodicity of appraisal may be changed as per needs of the situation.

Q29. Explain the purpose of performance appraisal ?

Ans :

The following are the main purposes of performance appraisal.

1. Appraisal Procedure

It provides a common and unified measure of performance appraisal, so that all employee are evaluated in the same manner. It gives an in discriminatory rating of all the employees.

2. Decision Making

Performance appraisal of the employees is extremely useful in the decision making process of the organization. In selection, training, promotion, pay increment and in transfer, performance appraisal is very useful tool.

3. Work Performance Records

Performance appraisal gives us a complete information in the form of records regarding every employee. In the case of industrial disputes even arbitrator accepts these records in the course of grievance handling procedure.

4. Employees Development

Performance appraisal guides the employees in removing their defects and improving their working. The weaknesses of the employee recorded in the performance appraisal provide the basis for an individual development programme. If properly recorded and used, the performance appraisal gives the fair opportunities to employees to correct and rectify their mistakes.

5. Enables Supervisors to be More Alert and Competent

Performance appraisal enables supervisor to be more alert and competent and to improve the quality of supervision by giving him a complete record of employee's performance. He can guide an employee, where he is prone to commit mistakes.

6. Merit Rating

Merit rating is another name of performance appraisal, it gives supervisors a more effective tool for rating their personnel. It enables them to make more careful analysis of employee's performance and make them more productive and useful.

Q30. Explain the objectives of performance appraisal.

Ans :

Performance appraisal could be taken either for evaluating the performance of employees or for developing them. The evaluation is of two types: telling the employee where he stands and using the data for personnel decidable concerning pay, promotions, etc. The developmental objectives focus on finding individual and organizational strengths and weaknesses; developing healthy superior-subordinate relations; and offering appropriate counselling/coaching to the employee with a view to develop his potential in future.

Appraisal of employees serves several useful purposes.

(a) Compensation Decisions

It can serve as a basis for pay raises. Managers need performance appraisal to identify employees who are performing at or above expected levels. This approach to compensation is at the heart of the idea that raises should be given for merit rather than for seniority. Under merit systems, employee receives raises based on performance.

(b) Promotion decisions

It can serve as a useful basis for job change or promotion. When merit is the basis for reward, the person doing the best job receives

the promotion. If relevant work aspects are measured properly, it helps in minimizing feelings of frustration of those who are not promoted.

(c) Training and development programmes

It can serve as a guide for formulating a suitable training and development programme. Performance appraisal can inform employees about their progress and tell them what skills they need to develop to become eligible for pay raises or promotions or both.

(d) Feedback

Performance appraisal enables the employee to know how well he is doing on the job. It tells him what he can do to improve his present performance and go up the 'organizational ladder'.

(e) Personal development

Performance appraisal can help reveal the causes of good and poor employee performance. Through discussions with individual employees, a line manager can find out why they perform as they do and what steps can be initiated to improve their performance.

Q31. Outline the process of performance appraisal.

Ans :

Performance appraisal is planned, developed and implemented through a series of steps:

1) Job Analysis, Job Description and Job Specification:

Performance appraisal is a process not to be undertaken in isolation of various human resources functions. It begins with job analysis, job description and job specification. These help in establishing the standard perfor-mance.

2) Establishing Standards of Performance

Appraisal system require performance standards, which serve as benchmarks against which performance is measured. The standards set for performance must be clearly defined and unambiguous. They should be attainable by a normal employee. To be useful, standards should relate to the desired result of each job. Performance standards must be clear to both the appraiser and appraise. The performance standards or goals must be developed with the supervisors to ensure that all the relevant factors have been included. Where the output can be measured, the personal characteristics, which contribute to employee performance, must be determined.

Goals must be written down. They must be measurable within certain time and cost considerations.

3) Communicating Performance Standards to Employees

Performance appraisal involves at least two parties; the appraiser who does the appraisal and the appraisee whose performance is being evaluated. The performance standards specified in the second step above are to be communicated and explained to the employees (both appraiser and appraisee) so that they come to know what is expected of them.

Feedback should also be taken to eliminate any confusion or misunderstanding. Feedback enables the manager to know that the information has reached the employees. If necessary the standards may be revised or modified in the light of feedback obtained from the employees and evaluators. According to DeCenzo and Robbins, "too many jobs have vague performance standards and the problem is compounded when these standards are set in isolation and do not involve the employee".

```
┌─────────────────────────────────────┐
│         Job Analysis                 │
│ Job Description and Job specification │
└─────────────────────────────────────┘
                  │
                  ▼
┌─────────────────────────────────────┐
│      Establishing Standards of       │
│           Performance                │
└─────────────────────────────────────┘
                  │
                  ▼
┌─────────────────────────────────────┐
│     Communicating Performance        │
│      Standards to Employers          │
└─────────────────────────────────────┘
                  │
                  ▼
┌─────────────────────────────────────┐
│     Measuring  Actual Performance    │
└─────────────────────────────────────┘
                  │
                  ▼
┌─────────────────────────────────────┐
│ Comparing Actual Performance with    │
│    Standards and Discussing with     │
│            Employees                 │
└─────────────────────────────────────┘
                  │
                  ▼
┌─────────────────────────────────────┐
│   Initiating  Corrective Action, if  │
│            Necessary                 │
└─────────────────────────────────────┘
```
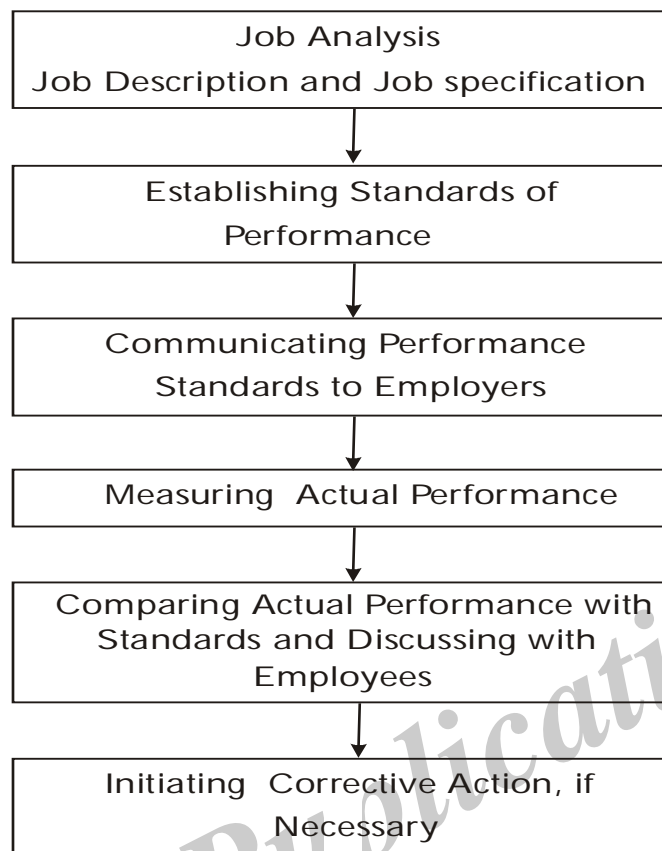
4)   **Measuring Actual Performance**

After the performance standards are set and accepted, the next step is to measure the actual performance. This requires choosing the right technique of measurement, identifying the internal and external factors influencing performance and collecting information on results achieved.

It can be affected through personal observation, written and oral reports from supervisors. The performance of different employees should be so measured that it is comparable. Performance measures must be easy to use, be reliable and report on the critical behaviors that determine performance.

5)   **Comparing the Actual Performance with Standards**

In this step employees actual performance is compared with the standards. By comparing some deviations in employee performance can be known.

6)   **Communicating the Appraisal with Employees**

The results of the appraisal are communicated to the employees. This makes an employee know his strengths and weaknesses and has a great impact on his/ her performance.

7)   **Taking Corrective Actions**

After communicating the appraisal to the employee, steps required to improve employee performance are identified and taken. Employee performance can be improved by providing training, coaching, counselling etc.

Q32. Compare and contrast Performance Management and Performance Appraisal.

Ans :

Some of the differences between Performance Management and Performance Appraisal are discussed below,

Performance Management	Performance Appraisal
1. Performance management is an ongoing process.	1. Performance appraisal takes place for a limited period of time.
2. Performance management has wider scope and includes performance appraisal as one of its activity.	2. Performance appraisal is one of the elements of performance management system.
3. Absence of appraisal makes performance management task impossible.	3. Appraisal system can work without performance management system.
4. Appraisal data plays an important role in performance management.	4. Various methods and techniques are used in apprasising employee's performance.
5. Performance management is a positive system and does not lead to any negative effect on employees performances.	5. Sometimes, performance appraisal system may negatively affect employee's performance.
6. Performance management process is flexible and varying in nature.	6. Appraisal process is highly rigid and inflexible,
7. In performance management, performance is considered as a responsibility of both supervisor and supervisee.	7. In appraisal system, supervisee is made responsible for the performance.
8. Personal bias has no place in performance management system.	8. The chances of personal bias in appraisal process are more.
9. Performance management system is also called as integrated performance management system and introduced as a measure to performance appraisal problems.	9. Performance appraisal is the traditional system and was popular before the introduction of performance management system.
10. The managers of performance management system are highly skilled persons.	10. The task of performance appraisal is handed over to the persons having no knowledge regarding a particular task.

Q33. What are the advantages of performance appraisal ?

Ans :

It is said that performance appraisal is an investment for the company which can be justified by following advantages :

1.   Promotion

Performance Appraisal helps the supervisors to chalk out the promotion programmes for efficient employees. In this regards, inefficient workers can be dismissed or demoted in case.

2. Compensation

Performance Appraisal helps in chalking out compensation packages for employees. Merit rating is possible through performance appraisal. Performance Appraisal tries to give worth to a performance. Compensation packages which includes bonus, high salary rates, extra benefits, allowances and prerequisites are dependent on performance appraisal. The criteria should be merit rather than seniority.

3. Employees Development

The systematic procedure of performance appraisal helps the supervisors to frame training policies and programmes. It helps to analyses strengths and weaknesses of employees so that new jobs can be designed for efficient employees. It also helps in framing future development programmes.

4. Selection Validation

Performance Appraisal helps the supervisors to understand the validity and importance of the selection procedure. The supervisors come to know the validity and thereby the strengths and weaknesses of selection procedure. Future changes in selection methods can be made in this regard.

5. Communication

For an organization, effective communication between employees and employers is very important. Through performance appraisal, communication can be sought for in the following ways:

(a) Through performance appraisal, the employers can understand and accept skills of subordinates.

(b) The subordinates can also understand and create a trust and confidence in superiors.

(c) It also helps in maintaining cordial and congenial labour management relationship.

(d) It develops the spirit of work and boosts the morale of employees.

All the above factors ensure effective communication.

6. Motivation

Performance appraisal serves as a motivation tool. Through evaluating performance of employees, a person's efficiency can be determined if the targets are achieved. This very well motivates a person for better job and helps him to improve his performance in the future.

Q34. What are the problems/errors in performance appraisal ?

Ans :   **(May-11)**

Since performance appraisal is conducted by human beings, it is subjected to a number of errors, biases, weaknesses and pitfalls.

1. The halo effect

The halo effect is introduced when an overall impression of an individual is judged on the basis of a single trait. A high rating on one trait leads automatically to high rating on all other trait. Also, a very high rating may be given to protect an employee for whom there may be personal sympathy.

2. Constant error

This error is a reflection on the trait of the rater. Some raters are, by nature, too liberal, others too strict and some tend towards rating most people in the middle.

3. Recency of events

There is a tendency of many evaluators to give much more weight to the recent behaviour of the candidate than the past behaviour. This is based on the reflection that the future trend is established by the mere recent behaviour.

4. The central tendency

It is the most commonly found error. It is the tendency of most raters to give average ratings to all or the center of the scale. This may be due to the fact that a very high rating or a very low rating could invite questions, criticisms or explanations.

Accordingly, an average rating is safer. It could also be due to the fact that the rather lacks sufficient knowledge about the applicant and hence, does not want to commit himself one way to another.

5.   Errors of variable standards

It is quite possible that organisations follow different standards of performance. Some divisional heads may require much higher quality of performance than others.

6.   Other miscellaneous biases

There may be some built - in biases in the minds of the rater, based upon his own perception of things, people and performances. A person may be rated higher because he is a 'nice' person or because of his seniority.

3.4 TECHNIQUES OF PERFORMANCE APPRAISAL

Q35. Explain the various Techniques of Performance Appraisal.

(OR)

Explain the modern methods of performance appraisal.

Ans :   **(May-19, May-16, May-15, May-12, Imp.)**

A number of performance appraisal methods are available to measure and appraise employees performance. Each organisation follows its own method of appraisal but each method with its strengths and weaknesses may be suitable for one organisation and non-suitable for another. As such there is no single method which is accepted and used by all the organisations. All the appraisal methods are classified differently by different authors. But the most used classification is divided into two categories.

(i)   Traditional methods

(ii)   Modem methods.

Traditional methods lay emphasis on rating the individual's personality traits, whereas modern methods are more objective and lay emphasis on evaluating the work results.

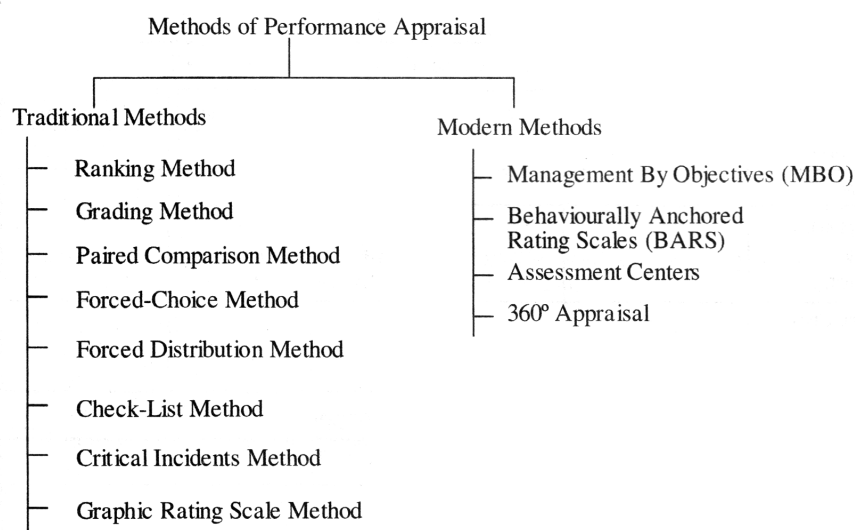The different methods in each of the two categories are,

Fig. : Performance Appraisal Methods

(i) Traditional Methods

1. Ranking Method

It is the oldest and the simplest method of performance appraisal. It is systematic in nature. In this method each individual employee is compared with all others and is placed in simple rank order of worth. The employees are ranked from the highest to the lowest or from the best to worst. The main limitations of this method are,

(a) It does not specify how much one individual is better than the other.

(b) This method is difficult when there are large number of employees.

2. Grading Method

In this method certain well-defined grades are established in advance. Generally, three different grades are used, outstanding, satisfactory and unsatisfactory. Employee performance is compared with the defined grades and each employee is allotted a grade that best describes his/her performance. The main limitation of this method is that the rater may rate most of the employees on the higher side of their performance.

3. Paired Comparison Method

In this method, each individual employee is compared with other employees on one-on-one basis, i.e., usually based on one trait only. The rater is given a bunch of slips each containing a pair of names, the rater ticks against the employee whom he considers the better of the two. The number of times this employee is compared as better, determines his/her final ranking.

4. Forced-choice Method

J. P. Guilford developed this method. This method contains a series of statements and the rater rates how effectively a statement describes each individual being evaluated. The main limitation of this method is that it takes a lot of time and effort to construct several evaluating statements.

5. Forced Distribution Method

Tiffen developed this method. In this method, it is assumed that employee performance level confirms to a normal statistical distribution.

The advantages of this method are,

(a) It is simple to understand and easy to apply

(b) It is useful for rating large number of employees

(c) It tends to eliminate and reduce bias.

The main drawback of this method is that if all distribution grades improve similarly, no single grade would get a higher rating.

6. Checklist Method

In this method, a series of questions with their answers 'Yes' or 'No' are prepared by the HR department and are given to the rater to tick appropriate answer relevant to the appraisee. Each question carries a weightage in relationship to their importance. After the checklist is completed, HR department prepares the final scores for all appraises based on all questions. The main drawback of this method is that it is difficult to assemble, analyse and weigh a number of statements about employee characteristics and contributions.

7. Critical Incidents Method

In this method, the rater lays emphasis on those key behaviours that make the difference between performing a job in net worthy manner. In this method the employee's performance is appraised in three basic steps.

(i) Preparing a list of net worthy on-the-job behaviour of specific incidents.

(ii) Group of experts assign weightage to these incidents, depending on their degree of desirability to perform a job.

(iii) Finally constructing a CheckList indicating incidents describing workers as 'good' or 'bad'. Then, the check-list is given to the rater to evaluate the workers.

The advantage of this method is that it focuses on behaviour and judges performance rather than personality. The main drawback of this method is, it is time-consuming and burdensome for evaluators to regularly write down the critical incidents.

8. Graphic Rating Scale Method

This method is the most popular and simplest technique of performance appraisal. This method is also known as 'linear rating scale'. This method uses a printed appraisal form listing traits, range of job performance characteristics for appraising each employee.

(ii) Modern Methods

1. Management by Objectives (MBO)

Management by objectives method was developed by *Peter F. Drucker* in 1954. According to him MBO is a process whereby the superior and subordinate managers of an organisation jointly identify its common goals, define each individual's major areas of responsibility in terms of results expected from him and use these measures as guides for operating the unit and assessing the contributions of each of its members. An MBO programme mainly involves four steps. Goal setting. Performance standard, Comparison and Periodic review. The MBO method suffers from the limitation that it is time-consuming.

2. Behaviourally Anchored Rating Scales (BARS)

Developed during 1960s, Behaviourally Anchored Rating Scales are descriptions of various degrees of behaviour with regard to a specific performance dimen-sion. It combines the functions of narratives, critical incidents and quantified ratings by anchoring a quantified scale with specific behavioural examples of good or poor performance.

The following are the steps followed in developing Behaviourally Anchored Rating Scales (BARS).

➢ Generating the critical incidents

➢ Developing performance dimensions

➢ Reallocating the incidents

➢ Scaling the incidents

➢ Finally, developing the BARS instrument.

The advantages of BARS method when compared to traditional methods is that it is accurate, has clear standards, better feedback and consistency in evaluation.

3. Assessment Centres

The concept of an assessment centre is of recent origin in India. The assessment centres are mainly used for evaluating the performance and potential of executives and supervisors. In this method, the executives and supervisors come together to participate in a well-designed, stimulated exercises. They are assessed by the senior managers, psychologists and HR specialists for 2-3 days. After recording the employee's behaviour, the raters communicate the information with them. At the end of the process, feedback in terms of strengths and weaknesses is also provided to the employees.

4. 360-Degree Appraisal

The 360-degree appraisal method was first developed and used by General Electric Company of USA in 1992. Today, the Indian companies like Wipro Corporation, Infosys, Reliance Industries, Thermax etc., follow this method. In this method, an employee is appraised by his supervisors, subordinates, peers and customers with whom he interacts in the course of his job performance. All these appraisers provide feedback on the employee by completing a survey questionnaire designed for this purpose. All the information so gathered is then compiled through the computerized system to prepare individualized reports. These reports are then presented to the employees who were rated.

Q36. Differentiate traditional and modern methods of performance appraisal.

Ans :   **(May-16)**

Categories	Traditional Appraisals	Modem, Appraisals
Guiding Values	Individualistic, Controloriented,	Documentary Systematic, Developmental, Problem solving
Leadership Styles	Directional, Evaluative	Fatilitative, Coaching
Frequency	Occasional	Frequent
Formalities	High	Low
Rewards	Individualistic	Grouped, Organizational

3.4.1 Assessment Centers

Q37. Explain other methods of performance appraisal.

(OR)

Define assessment center.

Ans :

1.   Group appraisal

In this method, an employee is appraised by a group of appraisers. This group consists of the immediate supervisor of the employee, other supervisors who have close contact with the employee's work, manager or head of the department and consultants. The head of the department or manager may be the Chairman of the group and the immediate supervisor may act as the Coordinator for the group activities. This group uses any one of multiple techniques discussed earlier. The immediate supervisor enlightens other members about the job characteristics, demands, standards of performance, etc. Then the group appraises the performance of the employee, compares the actual performance with standards, finds out the deviations, discusses the reasons therefor, suggests ways for improvement of performance, prepares an action plan, studies the need for change in the job analysis and standards and recommends changes, if necessary.

This method eliminates 'personal bias' to a large extent, as performance is evaluated by multiple raters. But it is a very time consuming process?

2.   Human Resource Accounting

HRA is a sophisticated way to measure (in financial terms) the effectiveness of personnel management activities and the use of people in an organisation. It is the process of accounting for people as an organizational resource. It tries to place a value on organizational human resources as assets and not as expenses. The HRA process shows the investment the organisation makes in its people and how the value of these people changes over time. The acquisition cost of employees is compared to the replacement cost from time to time. The value of employees is increased by investments made by the company to improve the quality of its human resources such as training, development, and skills acquired by employees over a period of time through experience, etc. When qualified, competent people leave an organisation, the value of human assets goes down. In this method, employee performance is evaluated in terms of costs and contributions of employees. Human resource costs include expenditure incurred by the company in hiring, training, compensating and developing people. The contributions of human resources is the money value of labour productivity. The cost of human resources may be taken as the standard. Employee performance can be measured in terms of employee contribution to the organisation.

3. Assessment centre

This method of appraising was first applied in German Army in 1930. Later business and industrial houses started using this method. This is not a technique of performance appraisal by itself. In fact it is a system or organisation, where assessment of several individuals is done by various experts using various techniques. These techniques include the methods discussed before in addition to in-basket, role playing, case studies, simulation exercises, structured in sight, transactional analysis, etc.

In this approach, individuals from various departments are brought together to spend two or three days working on individual or group assignments similar to the ones they would be handling when promoted. Observers rank the performance of each and every participant in order of merit. Since assessment centres are basically meant for evaluating the potential of candidates to be considered for promotion, training or development, they offer an excellent means for conducting evaluation processes in an objective way. All assesses get an equal opportunity to show their talents and capabilities and secure promotion based on merit. Since evaluators know the position requirements intimately and are trained to perform the evaluation process in an objective manner, the performance ratings may find favour with a majority of the employees. A considerable amount of research evidence is available to support the contention that people chosen by this method prove better than those chosen by other methods. The centre enables individuals working in low status departments to compete with people from well-known departments and enlarge their promotion chances. Such opportunities, when created on a regular basis, will go a long way in improving the morale of promising candidates working in 'less important' positions.

4. Field review method

Where subjective performance measures are used, there is scope for rater's biases influencing the evaluation process. To avoid this, some employees use the field review method. In this method, a trained, skilled representative of the HR department goes into the 'field' and assists line supervisors with their ratings of their respective subordinates. The HR specialist requests from the immediate supervisor specific information about the employees performance. Based on this information, the expert prepares a report which is sent to the supervisor for review, changes, approval and discussion with the employee who is being rated. The ratings are done on standardised forms.

Since an expert is handling the appraisal process, in consultation with the supervisor, the ratings are more reliable. However, the use of HR experts makes this approach costly and impractical for many organisations.

3.5 CONCEPTS OF POTENTIAL APPRAISAL

Q38. Define potential appraisal. Explain the steps involved in potential appraisal.

Ans :

The potential appraisal refers to the appraisal i.e. identification of the hidden talents and skills of a person. The person might or might not be aware of them. Potential appraisal is a future – oriented appraisal whose main objective is to identify and evaluate the potential of the employees to assume higher positions and responsibilities in the organizational hierarchy. Many organisations consider and use potential appraisal as a part of the performance appraisal processes.

The purposes of a potential review are :

1. to inform employees of their future prospects;

2. to enable the organisation to draft a management succession programme;

3. to update training and recruitment activities;

4. to advise employees about the work to be done to enhance .their career opportunities

Potential appraisal helps to identify what can happen in future so that it can be guided and directed towards the achievement of individual and organizational growth and goals. Therefore, potential should be included as a part of the Performance appraisal in organisations.

Facts

The Potential for Improving Performance(PIP), measures the performance of the average worker versus the best person performing a particular task. Large differences suggest that performance can be improved by bringing average performance up closer to the best performance. Small differences suggest little potential for improvement

Steps in a Potential Appraisal System

1. **Role Description:** A good potential appraisal system would be based on clarity of roles and functions associated with the different roles in an organisation. This requires extensive job descriptions to be made available for each job. These job descriptions should spell out the various functions involved in performing the job.

2. **Qualities Required:** Besides job descriptions, it is necessary to have a detailed list of qualities required to perform each of these functions. These qualities may be broadly divided into four categories -

   1) technical knowledge and skills,

   2) managerial capabilities and qualities,

   3) behavioural capabilities, and

   4) conceptual capabilities.

3. **Indicators of Qualities:** A good potential appraisal system besides listing down the functions and qualities would also have various mechanisms for judging these qualities in a given individual. Some of the mechanisms for judging these qualities are

   a) rating by others,

   b) psychological tests,

   c) simulation games and exercises,

   d) performance appraisal records.

4. **Organising the System:** Once the functions, the qualities required to perform these functions, indicators of these qualities, and mechanisms for generating these indicators are clear, the organisation is in a sound position to establish and operate the potential appraisal system. Such establishment requires clarity in organisational policies and systematisation of its efforts.

5. **Feedback:** If the organisation believes in the development of human resources it should attempt to generate a climate of openness. Such a climate is required for helping the employees to understand their strengths and weaknesses and to create opportunities for development. A good potential appraisal system should provide an opportunity for every employee to know the results of assessment. He should be helped to understand the qualities actually required for performing the role for which he thinks he has the potential, the mechanisms used by the organisation to appraise his potential, and the results of such an appraisal.

A good potential appraisal system provides opportunities continuously for the employee to know his strengths and weaknesses. These are done through periodic counseling and guidance sessions by either the personnel department or the managers concerned. This should enable the employee to develop realistic self-perceptions and plan his own career and development.

3.6 CAREER PLANNING AND DEVELOPMENT

Q39. Define Career Planning. What are the characteristics of Career Planning?

Ans :   **(May-17)**

Meaning

Career Planning is the systematic process by which one selects career goals and the path to these goals. From the organization's viewpoint, it means helping the employees to plan their career in terms of their capacities within the context of organization's needs. It involves designing an organizational system of career movement and growth opportunities for employees from the employment stage to the

retirement stage. Individuals who can fill planned future positions are identified and prepared to take up these positions. It is a managerial technique for mapping out the entire career of young employees. It requires discovery, development, planned employment and re-employment of talents.

Career planning is the deliberate process through which a person becomes aware of personal skills, interests, knowledge, motivations, characteristics, career-related attributes, and the lifelong series of stages that contribute to his or her career fulfillment.

Definitions

i)   **According to Edwin B. Flippo, "A** career as a sequence of separate but related work activities that provide continuity, order and meaning in a person's life".

ii)   **According to Douglas T. Hall,** "An individually perceived sequence of attitudes and behaviors associated with work related experiences and activities over the span of the person's life".

iii) **According to Schermerhorn, Hunt and Osborn,** "Career planning is a process of systematically matching career goals and individual capabilities with opportunities for their fulfillment".

iv)   **According to Schwind, Das and Wagar,** "Career planning is the process of enhancing an employee's future value".

Characteristics of Career Planning

The main characteristics of career planning are:

1)   Participative Process

Career planning is a participative process and under it, job assignments are based on merit alone. This helps to improve employee morale and productivity.

2)   Involve Survey of Employee's Abilities and Attitudes

Career planning involves a survey of employee's abilities and attitudes. It becomes possible, therefore, to group together people talking on a similar wavelength and place them under supervisors who are responsive

to that wavelength. This results in more homogenous or cohesive work teams. The organization can identify the employee who can be promoted from within.

3)   Developmental Process

Career planning is a process of developing human resources rather than an event. It is not an end in Useful but a means of managing people to obtain optimum results.

4)   Continuous Process

Career planning is a continuous process due to an ever changing environment.

5)   Pervasive Process

Basically, career planning is an individual's responsibility. But it is the responsibility of an organization to provide guidance and counseling to its employees in planning their careers and in developing and utilizing their knowledge and skills. Goals of employees should be integrated with the organizational goals.

Q40. Explain the objectives of career planning.

Ans :

Career planning seeks to achieve the following aims:

1)   To Attract and Retain the Right Type of Persons

Career planning helps to retain hard-working and talented employees. Workforce becomes more stable due to low employee turnover. The very fact that the organization provides opportunity for promotion and career progress increases the loyalty of employees. This helps to reduce the cost of hiring new people. Moreover, a unique corporate culture can develop and thrive, when people grow inside the organization.

2)   To Develop an Awareness of Each Employee's Uniqueness

Career planning maps out careers of employees suitable to their ability, and their willingness to be trained and developed for higher positions.

3) **To Provide Guidance and Encourage Employees**

Career planning provides guidance and encourages employees to fulfill their potentials. It also identifies personal interests, abilities, strengths and weaknesses and how they relate to careers.

4) **To Anticipate Future Vacancies**

Career planning anticipates the future vacancies that may arise due to retirement, resignation, death, etc., at managerial level. Therefore, it provides a fairly reliable guide for manpower forecasting. A forward career plan helps to avoid dislocation in managerial positions.

5) **To Facilitate Expansion and Growth of Enterprise**

Career planning facilitates expansion and growth of the enterprise. The employees, required to fill job vacancies in future, can be identified and developed in time. Through systematic career planning, jobs enlargement can be introduced to meet future needs arising from job design and technological changes. It also helps to achieve higher productivity and organizational development.

6) **To Utilize Managerial Talent Available at all Levels within the Organization**

Career planning ensures better use of human resources through more satisfied and productive employees. It also ensures that promising persons get experiences that will equip them to reach responsibility for which they are able.

7) **To Integrate Individual and Organizational Needs**

The basic aim of career planning is integration of individual and organizational needs. Career Planning identifies positive characteristics about employees, which can harnessed for organizational development. It helps in understanding of the relationship between personality and occupational/professional goals and how they can be aligned to organizational mission and objectives.

8) **To Improve Employee Morale and Motivation**

Career planning improves employee morale and motivation by matching skills to job requirements and by providing opportunities for promotion.

Q41. Outline the process of career planning.

Ans :

Career planning is not event or an end in itself but is a process of human resource development. Being a process, career planning involves certain steps as shown in figure :
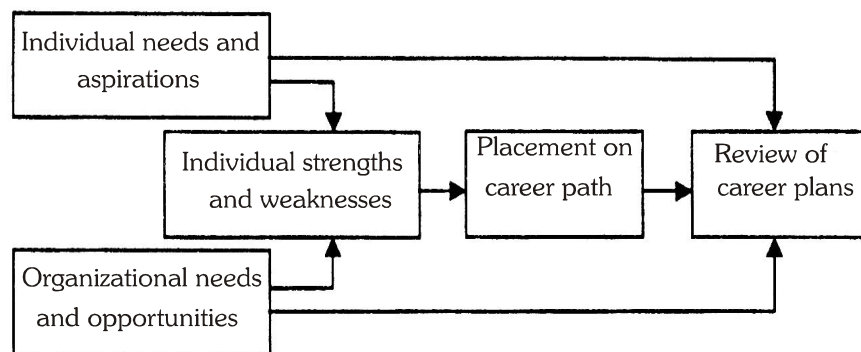

Fig . Career Planning Process

From it can be seen that career planning process involves the following steps :

1) Identification of individual needs and aspirations.

2) Identification of organizational needs and opportunities.

3) Assessment of individual strengths and weaknesses.

4) Placement on career path.

5) Review of career plans.

Let us see what functions are involved in each of these steps:

1) Identification of Individual Needs and Aspirations

When an individual joins an organization as an employee, he does it to satisfy his own needs and fulfill his aspirations. From the individual side, generally, personalizing process works with a much greater force. The personalizing process is defined as the process through which an. individual actualizes himself by making the organization as its agent. By actualizing, here, means fulfilling the goals life, that is, fulfilling needs and aspirations which may be expressed in many forms, such as earning more money, achieving status viewed highly by the society, challenging jobs, higher responsibility, career progression, and so on. Career planning meant for an individual should aim at providing such a satisfaction. Therefore, identification of these needs and aspirations may be taken as a starting point from the view of an individual.

2) Identification of Organizational Needs and Opportunities

When individuals emphasize personalizing process, an organization emphasizes socializing process. Socializing process is that by which an organization makes individuals agents for achieving its own objectives. Thus, while going through career planning process, the organization is concerned with own needs and the opportunities that it can provide to individual employees.

If an organization prepares its long-term human resource plan, it will come to know what kind of opportunities it can provide to employees. Therefore, the organization may not be in a position to provide career desired and demanded by every individual in the organization. This phenomenon may be delirious to both the organization and individuals. However, much impact of this phenomenon can be overcome at the stage of employee recruitment and selection where emphasis can be placed on matching between individual needs and aspirations and organizational needs and opportunities. The nature of organizational jobs are changing fast in which people have to match jobs with their multi-skilling rather than matching jobs with individuals.

3) Assessment of Individual Strengths and Weaknesses

Before finalizing career plan for an individual and placing him on career path, it is necessary to assess his strengths and weaknesses. Every individual has certain strengths and weaknesses. Strength is a feature of an individual that helps him in achieving his life's goals (in the context of work-life, career goals). A weakness is a feature that produces hindrance in achieving life's goals. A paradox with the most people is that their own aspirations do not match with their own strengths; often aspirations are over-emphasized in relation to strengths. Therefore, there is a need for objective assessment of individual strengths and weaknesses in the light of organizational needs and opportunities. While assessing strengths, it should be borne in mind that strengths are not fixed features but go on changing over the period of time because of continuous learning. Therefore, strengths should be assessed both in terms of present and potential.

4) Placement on Career Path

The next step of career planning process is to place an individual on a chosen career path. A career path is the logical possible sequence of positions that could be held by an

individual based on how he performs in the organization.

Career path consists of two elements line and ladder. Line is the field of specialty in which an individual is placed like production, marketing, finance, human resource, etc. Within each line, there are various positions arranged in hierarchical order. Placing an individual on a career path indicates how the individual will progress to those positions. This placing is essentially determined by the alignment of individual needs, his strengths and weaknesses, and organizational opportunities. Thus, a career plan emerges for each employee of the organization.

5)   Review of Career Plans

Career plans, emerging out of career planning exercise, have long-term orientation. A career plan is developed based on assumptions about how the environment relevant to human resource management will behave in future. However, whatever the techniques for forecasting HRM environment are used, such a forecast may not always match with the actual environmental happenings. With the result, the career plans may be disturbed. Therefore, there must be in-built system of reviewing the career plans periodically in the career planning itself. A periodic review of career plans is necessary to know whether the career plans are contributing to the effective utilization of human resources by matching employee needs and job needs.

Q42. Explain the benefits and limitations of carrer planning.

Ans :   **(May-17, Imp.)**

1)   Career Planning Benefits to Employees

A properly designed and implemented system of career planning can provide the following benefits to employees:

i)   Explicit Career Path : Career planning helps an employee to know the career opportunities available in an organization. A person comes to know in advance the level to which he can rise and the potential and aptitude he has. This knowledge enables the employee to select the career most suitable to his potential and aptitude. It also encourages him to avail the training and development facilities in the organization so as to improve his ability to handle new and higher assignments.

ii)   Focused Self-Development : Contrary to popular belief that an organization develops its employees, the fact is that employees develop themselves more through self-development methods. Once an individual is clear about his career path, he can make concerted efforts to develop himself by using a variety of methods. This self-development, based on explicit career path, takes the individual to a much greater height than what could have been possible otherwise.

iii)   Increased Productivity : Career unrest, particularly in the form of career content unrest, that is, dissatisfaction with work content of the chosen career is a major source of decreased productivity. On the other hand, positive work content of the chosen career is a major source of increased productivity' because work content is an intrinsic factor, and an intrinsic factor is valued more by people than an extrinsic factor. They derive meaning out of what they do. On accomplishing the work, people develop a feeling that they have achieved something meaningful for themselves, organization, and society. This feeling leads to higher motivation to work, increased potential for self-development, and ultimately increased productivity. Through proper career planning, an individual can ensure a work content that he likes.

2)   Career Planning Benefits to Organization

i)   Assured Availability of Talent : Successful organizations put emphasis on growing new managers internally by promotion from within. For, growing managers internally, it is essential that there is a well-worked out career path for every manager and every manager is developed to proceed effectively on this career path. From this point of view, organization-wide career planning becomes a pre-requisite. Changing human resource requirements over the intermediate and long term should be identified when the organization sets its long-term goals. Working with individual employees to help them align the needs and aspirations with those of the organization increases the probability that the right people will be available to meet the organization's changing human resource requirements.

ii)   Attracting and Retaining Talent : Talented people are always scarce and they can be attracted and retained in the organization only when the organization ensures them a bright future. This can be done, to a very great extent, by effective career planning. An organization with well-designed career plans has a better image in the job market. Therefore, it can attract competent employees. The new entrant understands that he is entering a career- not a job in an organization that cares for his talents and aspirations. As more individuals seek jobs that offer challenge, responsibility, and opportunity for advancement, effective career planning becomes increasingly necessary. Not only career planning helps in attracting talented people, it helps in retaining these people by matching personal and work requirements.

iii) Promoting Organizational Image : Every year, some kind of survey is conducted by professional associations to identify the best employer in a country or in a geographical region. In this survey, high weightage is given to "matching individual and job requirements". The phenomenon of matching individual and job requirements emerges out of effective career planning. In fact, employees are one of the best media to project the image of an organization. If their career is planned well, they will project good image of the organization. In alternative case, a bad image is created.

iv)   Protecting Interests of Special Groups of Employees : An organization, being a social entity, is responsible for the society at large. Therefore, it has to take care of those social groups which are in dis-advantageous position like women, weaker section of the society, physically handicapped, ex-service men, and so on. There is a social necessity to bring these groups at par with others. From the organizational side, this can start at human resource planning followed by career planning and development.

Limitations

Inspite of planning the career in a systematic way, there are chances of employees facing certain career problems which are as follows,

1.   Families with Dual Career

With an increase in the career orientation, there is an increase in the number of female employees leading to an increase in career families. The main problem arises when one of the member of a 'dual-career' couple is offered a transfer. This is one of the complex problem faced by the organizations and consequently the other employees will be at a disadvantage.

2.   Low Ceiling Careers

Inspite of proper career planning and development in a firm, there is no scope for much advancement in some careers and there is no chance of the employees getting promotions in their jobs.

3. Decline in Career Opportunities

Due to the impact of technological or economic factors, there is a decline in certain categories of career opportunities. Career shift is the only solution for such problems.

Example: Due to the technological advancement in the computerization, there is a decline in career opportunities for statisticians. The statisticians can overcome this problem by procuring skills in the field of computer operation.

4. Different Types of Issues

Employees deal with different types of issues. The interaction of career related issues with the issues of different life stages of the employee, his family and his relatively changing needs, will make career issues elaborate and confusing.

5. Downsizing Delayering

A firm can be restructured by delayering and downsizing. There are different factors which compel the business firms to restructure. These factors are, Business Process Reengineering, Technological Changes and Business Environment factors. Downsizing leads to fixing some employees and reducing some other employees. For carrying out downsizing, it is very essential for the organization to offer training and create an appropriate job sharing environment.

Q43. Define career development ? What are the characteristics of career development.

Ans : (May-14)

Meaning

Career development involves making decisions about an occupation/profession and engaging in activities to attain career goals. Career development has been defined as the interaction of psychological, sociological, economic, physical and chance factors that shape the sequence of jobs, occupations/ professions or careers that a person may engage in throughout a lifetime.

Career development is a major aspect of human development. It includes one's entire life span and concerns the whole person. Career development involves a person's past, present, and future work roles. It is linked to a person's self-concept, family life, and all aspects of one's environmental and cultural conditions.

Definitions

i) According to Pietrofesa and Splete "Career Development is an on-going process that occurs over the life span; includes home, school, and community experiences".

ii) According to Gysbers and Moore "Career Development is self-development over the life span through the integration of the roles, settings, and events of a person's life".

iii) According to Reardon, Lenz, Sampson, and Peterson Sears "Career Development is total constellation of economic, sociological, psychological, educational, physical, and chance factors that combine to shape one's career".

Thus, Career Development is an ongoing and formalized effort that focuses on developing enriched and more capable employees.

Characteristics of Career Development

1) It is an ongoing process.

2) It develops and shares transferability of skills and competencies.

3) It aligns individual goals with organizational goals for increased satisfaction of employees.

4) It helps individual to develop skills and competencies required to fulfill present and future leadership roles within an organisation.

5) It strengthens professionally work culture in the organisation.

Q44. Explain the importance of career development to individual and organisation.

OR

How is career development important to the individual and the organisation?

Ans : (Imp.)

Career development generates many positive results for an organisation as well. Following points highlight the value of career development for an organisation.

1. Provides the Talent Needed

Staff requirement changes should be identified for both intermediate and long-term time frame. Human resource managers can work with individual employees and align their goals with the organisations. It ensures that the right kind of employees are retained to suit the changing staffing requirements of the organisation.

2. Helps in Attracting and Retaining Talented Employees

Aspiring and outstanding individuals have plenty of opportunities. But they look for organisations that show concern for employee's future. Through career development, organisations can attract such competing and potential individuals for recruitment.

Existing outstanding employees can also be retained by offering career advice to them and help them achieve their goals. With changes in social values, very few individuals serve their work with personal interests and commitments. When organisations offer opportunities for advancement, employees tend to be more committed and loyal to the organisations. Hence career development helps in reducing employee turnover.

3. Opportunities for Minority and Women as Per Legislation

Legislation requirement for equal employment opportunities to minority and women workforce can be gained through career development. Government often insists that organisations also show concern for employees' career development and offer career guidance to them. Meeting these requirements proves helpful in case of disputes related to gender bias or minority discrimination.

4. Contributes to Realistic Employee Expectations

With rise in literacy levels, individuals become more aspiring. On the contrary, companies are continuously making efforts to reduce costs and hence opportunities. This gap in employee aspirations and available opportunities results in employees' frustration. Proper career counselling helps employees make realistic career goals. When employees have realistic expectations, it results in better job satisfaction and reduced frustration.

5. Enhanced Cultural Diversity

Today's workforce is more diverse in culture, region, religion, race and nationality. With globalization, these diversities increases day-by-day. The cultural diversities tend to hamper employment opportunities within an organisation. With effective organisational career development, employees can gain access to all levels of an organisation.

6. Organisational Goodwill

When employees are satisfied and know that their organisation is concerned about their careers, they respond in kind. These employees produce a positive image of their organisation in an industry, thereby, contributing to the organisational goodwill.

Needless to say, career development is important for individuals too. Changing meanings of a successful career signify the value of individual career development. Career success is not restricted to handsome salaries and higher position on hierarchical level. Today's employees are dynamic and look for more than financial security. They need 'psychic income', i.e., the work should be challenging, interesting and meaningful. From an individual's perspective, careers are classified into two dimensions -internal and external careers.

External Career

It refers to the characteristics of an organisation or occupation. For example consider a career within an organisation junior accountant, accounts manager, company secretary and CFO. External career is realistic and objective.

Internal Career

It comprises of an individual's perceptions or attributes of a career. Internal dimensions in a career include subjective factors such as:

➢ Building up external success indicators like individual office and company, flat and car etc.

➢ Individual definitions of an occupation - characterising an occupation as good or bad like IT engineers have good careers while electricians get jobs.

➢ Long-term commitment to an occupation - opinions like once a soldier, always a soldier.

➢ A series of work related positions.

➢ Work related attitudes and behaviours like call centre employees are late sleepers.

Understanding this two dimensional perspective of an individual's career is important in career development. Human resource managers should realise that it is internal dimension that influences an individual's behaviour and attitudes. When an employee complains about work or shows high motivation, it is due to his/her subjective perceptions of their career that influence their expectations. So, for developing careers, organisations should also pay attention to how an employee perceives a career. While an organisation should consider employees' aspirations, it should ensure that their aspirations are realistic.

Q45. Describe the various roles in career development.

Ans :

Roles in Career Development

Roles of two parties are crucial in career development :

i) Employer's Role

Employer's role should be proactive. The manager should wake up, encourage, facilitate and reward an employee in his or her career advancement. We use the words 'wake up' deliberately. This is so because the tendency with most employees is to slog on given jobs. In other words, they lack ambition. Such employees need to be enlightened about the need for advancement in one's career. Specifically, employer's role in career management shall be on the lines shown below

     ➢ Job postings

     ➢ Formal education/tuition reimbursement

     ➢ Performance appraisal for career planning

     ➢ Counselling by manager

➢ Lateral moves/job rotations

➢ Counselling by HR

➢ Pre-retirement programmes

➢ Succession planning

➢ Formal mentoring

➢ Common career paths

➢ Dual ladder career paths

➢ Career booklets/pamphlets

➢ Written individual career plans

➢ Career workshops

➢ Assessment centres

➢ Upward appraisal

➢ Appraisal committees

➢ Training programmes for managers

➢ Orientation/induction programmes

➢ Special needs (high fliers)

➢ Special needs (dual career couples)

➢ Diversity management

➢ Expatriation/repatriation

ii) Employee's role

Employees cannot remain passive spectators in their own advancement. They too have a role to play. In today's organisations, employees are responsible for initiating and maintaining their own careers. It is upto each individual to identify his or her own knowledge, skills, abilities, interests and values and seek out information about career options in order to set goals and develop career plans. Specifically, individual's responsibility shall be on the following lines:

➢ Assessing one's own KSA's

➢ Seek out information about career options

➢ Make use of development opportunities provided in the organisation

➢ Establish goals and career plans

➢ Accept that career planning and development are one's own responsibility.

Q46. Explain briefly about career develop-ments initiatives.

Ans :

Organisations devise and implement several initiatives in order to develop their employees' careers. More significant of them are career planning workshops, career counselling, mentoring, sabbaticals, personal development plans, and career workbooks.

i)   Career Planning Workshops

Structured workshops are available to guide employees individually through systematic self-assessment of values, interest, abilities, goals and personal development plans. During workshops, employees are made to define and match their specific career objectives with the needs of the company. Generally, these workshops are designed to guide individuals to figure out their strengths and weaknesses, job and career opportunities, and necessary steps for reaching their goals. Suggested steps help organisations initiate appropriate action plans.

ii)   Career counselling

Career counselling helps employees discuss their career goals in one-to-one counselling sessions. Along with goals, other variables identified are capabilities, interests, and current job activities and performance. While some firms make counselling a part of the periodic performance appraisal, career counselling is usually voluntary. Career counselling may be provided by the HR staff, managers, supervisors, or consultants.

iii)   Mentoring

Mentoring involves coaching, advising, and encouraging employees of usually lessor rank? Mentor (superior officer) is an important aid in the development of an employee (mentee) or protege such as greater job satisfaction, organizational commitment, and attainment of higher salary and career progress Mentoring is also valuable for improving the job involvement and satisfaction of the mentor.

iv)   Sabbaticals

These are temporary leaves of absence from an organisation, usually at a reduced amount c pay. Periodic leaves or sabbaticals help employees in terms of refreshing their learning and rejuvenating their energies.

v)   Personal Development Plans (PDPs)

In these, employees write their own personal development plans Such development plans include development needs and action plans to achieve them. A PDP could be the nucleus of a wider career plan such as setting out alternative long-term strategies, identifying one's long-term needs and setting out a plan of self-development.

vi)   Career workbooks

These consist of questions and exercises designed to guide individuals to figure *os* their strengths and weaknesses, job and career opportunities, and necessary steps for reaching their goal. Many workbooks are tailor-made for a particular firm and can be completed in several sessions. Workbook generally contain organisation's career policy, career options available in the organisation, organization structure, and job satisfactions along the career ladders.

3.7 CONCEPT OF EMPOWERMENT

Q47. Explain the Concept of Empowerment.

Ans :   (May-13)

Introduction

The traditional management/administration believed that lower level employees do not have managerial skills, managerial knowledge and managerial aptitude. Therefore, the manager at the top level used to take strategic decisions, managers at middle level used to take executive decisions and managers at the lower level used to take operational decisions and the workers were used to carry out/implement the decisions taken by the lower level managers.

Increase in levels of formal education, increase in the contents in the educational programmes, entry of high qualified candidates even at the lower

levels of the organisations made the managements to realise that even the employees at the lower levels can take operational and executive decisions, if they are *(i)* provided with the required additional skills and knowledge through training and development and *(ii)* are delegated with the required authority and responsibility. Some of the modern managements enabled the employees to take executive and operational decisions and also implement them, by providing training and development and delegating authority and responsibility.

HR and Employee Empowerment

Empowerment simply means authority to make decision within one's domain of work independently without the need for approval from anyone else. To empower is to give someone power. Empowering the employees means putting employees in charge of what they do. This is done by giving individuals the authority to participate to make decisions, to contribute their ideas, to exert influence and to be responsible That is why participation enhances empowerment and empowerment in turn enhances performance and individual well-being. Employee participation is at the basic level of TQM to bring about quality cultural change and empowerment is the key to getting people to want to participate in change.

Empowerment is to encourage and authorize people to participate, to make decisions using the wealth of their knowledge, to contribute their ideas to influence the change initiatives and most important be responsible and feel accountable. The most important thing in empowerment is to delegate responsibility to the lowest levels in the organization. The decision making process should be to a high degree decentralized and individuals or work designed teams should be responsible for a complete part of work processes.

Empowerment signifies participation, innovation through experimentation and risk taking, access to information through free flow of communication and sense of accountability all of which results into environment of mutual trust and belongingness. Participative management has become a key word in empowerment. Research has shown that there is a positive link between participation and satisfaction, motivation and performance.

3.8 PARTICIPATIVE MANAGEMENT

Q48. Explain the concept of workers participation in management.

Ans : (May-17)

Introduction

The term Workers Participation in Management (WPM) is the mechanism of the workers having say in the decision-making process of the organisations.

Workers participation in management is in essential ingredient of industrial democracy. The concept of workers participation in management is based in "Human Relations" approach to management which brought about new set of values to labour and management.

Traditionally, the concept of Workers' Participation in Management (WPM) refers to participation of non-managerial employees in the decision-making process of the organisation. Workers' participation in management meets the psychological needs of the workers to a greater extent.

Meaning of WPM

Co-determination means taking the decisions relating to various organisational issues jointly both by the managers and the workers at the helm of affairs. Co-determination requires both the managers and the employees to involve extensively in the entire process of decision-making and implementation. Co-determination is a type of workers' participation in management.

Co-determination was started in Germany in 1945, as a method of reconstructing the war-devastated economy. The methods of co-determination include :

  i)   Works Councils

  ii) Workers' Representatives on the Supervisory Boards of Companies

  iii) Labour Director on the Management Board.

i) Works Councils: These are established in every unit of the company with five or more workers. These consist of only workers'

representatives. Works councils have right to get information relating to health and safety, working conditions, hiring of executives etc. They can also offer suggestions to the management.

ii) **Workers' Representatives on the Supervisory Board:** Workers' representatives are elected to represent on the Supervisory Board of the company with 500 or more employees. These boards make policy decisions.

iii) **The Management Board:** This is a full-time body. This body makes policy decisions. Workers' representatives are elected to represent these boards.

Definitions of WPM

(i) **According to one view,** workers participation is based on the fundamental concept that the ordinary worker invest his labour in, and ties his fate to, his place of work and, therefore, he has a legitimate right to have a share in influencing the various aspects of company policy".

(ii) **According to G.S. Walpole,** participation in management gives the workers a sense of importance, price and accomplishment; it given him the freedom and the opportunity for self-expression; a feeling of belonging to his place of work and a sense of workmanship and creativity. It provides for the integration of his interest with those of the management and makes him a joint partner in the enterprise".

(iii) **According to Davis,** "It is a mental and emotional involvement of a person in a group situation which encourages him to contribute to goals and share responsibilities in them."

Within the orbit of this definition, a continuum of men management relationship can be conceived :

Workers' Control Joint Management → Joint Consultation

Workplace Consultation → Management Supremacy.

(iv) **According to Dr. Alexander** considers a management to be participative, "if it gives scope to the workers to influence its decision making process on any level or sphere or if it shares with them some if its managerial prerogatives".

(v) **According to Clegg says,** "It implies a situation where workers representatives are, to some extent, involved in the process of management decision making, but where the ultimate power is in the hands of the management".

(vi) **According to Dr. Davis,** "it is a mental and emotional involvement of a person in a group situation which encourages him to contribute to goals and share responsibilities in them".

Q49. Explain the characteristics of workers participation in management.

Ans :

Following are the characteristics of worker participation :

(i) Participation implies practices which increases the scope and share of influence in decision making at different tiers of the organization hierarchy with concomitant assumption of responsibility.

(ii) Participation has to be at different levels of management. Decision making at different levels would assume different patterns in regard to policy formulation and execution.

(iii) Participation presupposes willing acceptance of responsibilities by workers.

(iv) Participation is conducted through the mechanism of the forum and practices which provide for association of workers' representation.

(v) The brand goal of participation is to change fundamentally the organizational aspect of production and transfer the management function entirely to the workers. So that management becomes 'auto-management'.

3.8.1 Objectives

Q50. What are the main objectives of participative management ?

Ans : (May-12)

1. To fulfill the social and self esteem needs of the workers.

2. To build up labour management cooperation and maintain industrial peace and harmony.

3. To promote dynamic and active human resource.

4. To create a nation by entrepreneurship and economic development

5. To serve as a device for enhancing the efficiency of the firm and building peaceful industrial relationships.

6. To help the employees to understand their role and attain the organizational objectives effectively.

7. To encourage increased productivity for the benefit of organization, workers and society.

8. To promote social education for effective harmony between the workers.

9. To act as an ideological view for creating and building up self-management in an industry.

10. To give an overview or good understanding to employees with respect to their roles and responsibilities in an organization for achieving the organizational goals.

3.8.2 Types

3.8.2.1 Work Committee – Joint Management Council – Worker Shareholder – Worker Director

Q51. Discuss about types of participative management.

Ans : (May-16)

1. Work Committees

According to Industrial Disputes Act, 1949, those industries which employ 100 or more than 100 workers must setup/create, works committee consisting of representatives of employers and employees as a scheme of workers participation in the management. The main objective of these committees is to publicize the measures in order to maintain peaceful relationships in the industry and to bring out and solve the difference of opinions with respect to the matters of common interest to employers and employees.

Functions of Work Committees

'Work Committees' are consultative bodies which discusses upon various issues like working conditions as lighting, ventilation, temperature, sanitation etc, amenities such as supplying drinking water provision of canteens, providing medical, services, safe working conditions, carrying out the administration of welfare funds, educational and recreational activities.

Structure

The Works Committee consists of office bearers, a president, a vice-president, a secretary and a joint secretary The president is the employee's nominee and the vice-president is the worker's representative. The employees select their representatives. The total number of individuals must not exceed 20. The term of these bodies is two years.

2. Joint Management Councils (JMCs)

`The second five year plan advocated the formation of joint councils of management which included the representatives of workers and management. The JMC was suggested to those units, who were employing 500 or more than 500 employees/ workers. The joint management councils has the following objectives,

(i) To fulfill the worker's psychological needs.

(ii) To enhance the workers operational efficiency.

(iii) To make a provision for welfare facilities to the workers.

(iv) To escalate the group of employers and employees in order to encourage friendly industrial relations in an organization.

(v) To educate the workers in order to prepare them to participate in these schemes.

Functions of JMCs

JMCs performs the following functions.

(i)   JMCs provide suggestions on various matters such as standing orders, retrenchment, rationalization, closure, reduction of operations and so on.

(ii)   JMCs accepts or takes in the information for discussing and providing recommendations.

(iii) JMCs carriers out the administrative responsibilities such as maintenance of welfare measures, safety measure, training schemes, working hours, payment of rewards.

A tripartite sub-committee was formed on the basis of the recommendations of Indian Labour Conference. This committee suggested that JMCS must be introduced on the basis of the following criteria,

(i)   The enterprise must provide employment to 500 or more than 500 employees.

(ii)   The enterprise must have a fair record of industrial relations.

(iii) The enterprise must have a well organised trade union.

(iv)   The management and workers must be willing to JMCs.

(v)   In case of private sector, the employers must be the members of leading employer's organization.

(vi)   The trade unions must be officially linked to one of the central federations.

The sub-committee found that if both the workers and employers mutually agrees to form JMCs,then they can proceed to build JMCs even if the above conditions are not fulfilled.

3.   Joint Councils

Joint councils must be formed in every industry which employs 500 or more than 500 employees. These councils are for the entire unit. The membership in these councils is restricted only to the individuals who are actually involved in the

organization. The work tenure of these councils is two years. The chief executive of the unit is the chairman of joint council. The vice-chairman is nominated by the worker members of the council. The secretary who is responsible for performing the functions of council is appointed by joint council.

The meetings of joint councils are conducted after every four months. The process of consensus or general agreement which are used for taking the decision in the joint council meetings must be implemented within the time period of one month.

Functions of Joint Councils

Joint councils performs the following functions.

(i)   Joint councils rewards those employees who gives profitable and creative suggestions.

(ii)   Joint councils prepares the schedules of working laws and holidays.

(iii) It makes optimum utilization of raw materials and quality of finished goods.

(iv)   It provides general health, welfare and safety measures for the unit of the plant.

(v)   Joint councils develops the skills of workmen by providing them with adequate training.

(vi)   The joint councils solves those matters which were not solved by the shop councils.

(vii) Joint councils optimises production and fixes productivity norms of man and machine for the unit.

4.   Shop Councils

Shop council denotes a department or a shop in a unit. Shop council has equal number of representatives of both the employers and workers. The management consisting of individuals within the unit nominates the employers representatives. The workers representative is selected from the workers of the department. The number of members in each council should not be more than twelve.

The process of consensers is used for taking the decisions of shop council. These decisions must be executed within one month. The work

tenure of these councils is two years. The chairman of the council is nominated by the management and the vice-chairman of the council is nominated by the worker members of the council.

Functions of Shop Councils

Shop councils performs the following functions.

(i)   Shop councils helps the management in attaining monthly or yearly production targets.

(ii) It helps in maintaining general discipline in the shop or department.

(iii) Shop councils enhance production, productivity and efficiency by making effective utilisation of machine capacity and manpower and also by eliminating wastages.

(iv) Shop councils analyze absenteeism in shop or departments and suggests various guidelines for reducing it.

(v)   Shop councils make use of safety measures and welfare measures for running the shop or department effectively.

(vi) Shop councils recognise the low productive areas and takes corrective actions for eliminating the significant contributing factors.

(vii) It makes sure that two way communication is made effectively among the management and workers specially on the issues relating to production schedule and the development in attaining the targets.

5.   Board of Representation

Under this scheme, one or two representatives of workers are nominated or elected to the Board of Directors. The basic idea is to safeguard worker's interest, and usher in industrial harmony and good relations between workers and management. This is the highest form of participation. Government of India introduced this schemes in public sector enterprises like Hindustan Antibiotics Ltd, BHEL, NTC, National Coal Mines Development Corporation, Hindustan Organic Chemicals, etc.

Public Sector Banks have introduced the scheme from 1970 onwards. The representative unions have to give a panel containing names out of which one will be selected by the Government. The success of the worker director depends in his role in the board and his prior consultation communication with the other workers. He should articulate the worker's concern very effectively and cogently with facts and figures and enlighten the management of the implications of various proposals at the board.

6.   Workers Shareholders

Workers by becoming shareholders take part in management. Management sell shares at reduced price to its committed and loyal workforce. Such workers are allowed to pay the price in installments or allowed financial accommodation to buy the shares. But participation is distinct from management. But its effect on participation is observed to be limited. In some cases, sick companies are allowed to be taken over by workers. For example, Kamani Tubes, New Central Jute mills, etc., are some of the companies taken over by worker's cooperatives.

3.8.3 Brief Introduction to forms of Workers Participation in Management in India

Q52. Do you think workers participation in management would continue to be relevant particularly in the changing industrial scenario in India. Explain.

Ans :   **(May-19)**

Workers participation in management in India was given importance only after independence. Industrial Disputes Act of 1947 was the first step in this direction, which recommended for the setting up of Works Committees.

The Joint Management Councils were established in 1950 which increased the participation of labour in management. The management scheme, 1970 gave birth to 'Board of Management'. Since July 1975, the two-tire participation model called 'Shop Council' at the shop level and 'Joint Councils' at the enterprise level were introduced.

Based on the review and performance of previous schemes a new scheme was formulated in

1983. The new scheme of workers participation was applicable to all central public sector enterprises, except those specifically exempted. The scheme with equal number of representatives will operate both at shop as well as plant level.

The various functions of participative forum laid down in the scheme could be modified with the consent of parties. The scheme could not make such head way due to lack of union leaders consensus of the mode of representation and workers' tendency to discuss ultra-vires issues e.g. pay scales, wages etc.

Prior to WPM Bill, 1990 all the schemes of participation were non-statutory and concentrated on particular levels. For effective and meaningful participation at all levels, a bill was introduced in Parliament on 25th May, 1990. The bill provide for effective participation at all level by formulating schemes of participation.

For electing representatives for participation it also provides for secret ballot. The appropriate government may also appoint inspectors to review participation schemes and the bill also has provision of punishment for those who contravene any of the provision of the Act.

Thus the workers' participation schemes in India provide wide scope for application and upliftment of workers. But in practice, these schemes have not met with success though they are successful in some private sector units. The factors responsible for the failure are :

➢ Attitude of the management towards the scheme is not encouraging. The preventatives of workers are not given due recognition by the management.

➢ The attitude of trade unions towards the schemes is negative as they consider these schemes are reducing the power of Trade Unions. Some Trade Unions boycott Joint Management Council meetings.

➢ The success these schemes require certain conditions.

➢ Management should appreciate the scheme and accept them in full faith.

➢ Trade unions have to cooperate with the schemes.

➢ Workers have to be educated.

Thus workers' participation in management in India has yet to succeed. It can be done by educating the workers, creating an environment in the organization for coordination of workers and management.

3.9 QUALITY CIRCLES

Q53. Define Quality Circles. State the objectives and features of Quality Circles.

Ans :   **(Dec.-20, May-17, May-15)**

Quality circle is a small team or association of employees who meet regularly for determining, analyzing and resolving work related problems and who aim to achieve a common goal. Quality circles are also called "quality control circles".

Quality circles are based on the assumption that when combined efforts of individuals are put together for achieving the results, then the outcome/result obtained will be much better than the individual's efforts. It is a type of participative management which helps the employees to solve the problems related with their job. Quality circles are regarded as a human resource development and problem solving technique which improves the performance of the organization and enhances the work life of the employees.

Objectives of Quality Circles

1. To enhance and develop the organization by improving its quality and productivity.

2. To decreases the cost of products or services by eliminating the waste, utilizing the resources effectively avoiding unnecessary errors and provision of safety.

3. To make optimum utilization of human resources by exploiting their creative intelligence.

4. To enhance the communication in the organization.

5. To increase the loyalty and commitment level of the employees towards achieving the organizational objectives.

6. To create a happy and meaningful work environment which values the human resources or personnel.

7. To fulfill the human needs of the employees such as recognition, achievement and self-development.

8. To motivate the employees to face the challenges by developing and using their skills.

Characteristics/Features of Quality Circles

The following are the important characteristics of quality circles,

1. Small Group of Employees

Quality circles are mostly formed by 8 to 10 members. The minimum number of members needed for forming a quality circle is 5 and maximum is 15.

2. Members are from Same Field

A quality circle is a homogeneous or uniform group wherein all the members are from the same field and perform the same type of work.

3. Voluntary Membership

Employees join the quality circles voluntarily. No one will force them to either join the circle or not to join the circle.

4. Regular Meeting

The members of quality circles must meet regularly for discussing the work related problems and finding out the solutions for these problems.

5. Resolves Work Related Problems

All the work related problems are solved by the quality circles. No personal issues are discussed in quality circles. The members of quality circles are aware of the problems acting as hurdles in achieving good quality, productivity and optimum performance and the way in which these problems need to be solved effectively.

6. Improves the Overall Organizational Performance

All the problems relating to work such as quality, productivity, cost reduction, safety etc., are solved by quality circles. Providing solution to these problems would help in improving the overall organizational performance.

7. Enhances the Work Life of Employees

Quality circle enhances the work life of employees by avoiding rework, providing greater job satisfaction, improving the working environment and building good relationship with the employees.

Thus, quality circles improve the overall competitiveness of the organization by reducing costs, improving quality and promoting innovation.

Q54. What are the steps involved in creating a quality circle ? Give a basic organizational structure of quality circle.

Ans :

Steps for Creating a Quality Circle (QC)

1. A meeting or conference is conducted / arranged for creating an awareness. In the management about the quality circles.

2. The feasibility of the quality circle is examined and a steering committee is formed by selecting a coordinator, an in-house instructor and also potential area must be selected for initial circles.

3. Presentations of quality circles are made initially to the line supervisors in specific areas, divisions or depart-ments.

4. Training is provided to the coordinators and middle level managers about the process and their roles. The supervisors who are interested in joining the quality circles will also receive training.

5. After training, a presentation of quality circle is made to the employees. Those employees who wish to become the members of quality circle are provided with training.

6. Six to eight members form the circles and start working. These members conducts meeting once in a week and meet on regular basis.

7.   A team leader and a team name is selected in the first meeting. A team leader presides over the meetings. The circle members together decide the day, time and place for their weekly meetings.

8.   Finally, the management should make sure that all the solutions are implemented and should provide suitable and proper recognition to solutions.

Organizational Structure of Quality Circles
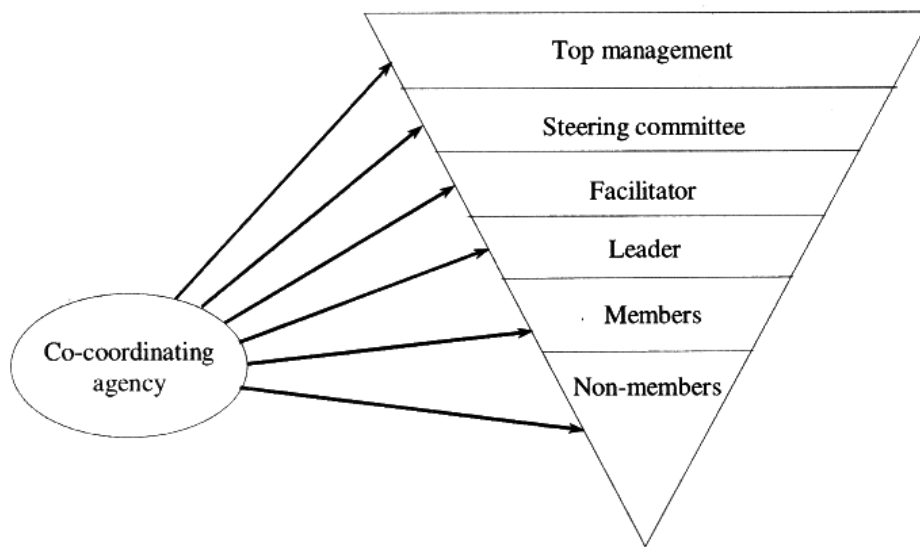
Fig. : Organizational Structure of Quality Circle

At the top of the organizational structure of quality circle is the top management who form a steering committee which is called quality council A quality council consists of all the functional heads as its members. A chief executive officer manages and controls the quality council. All the important activities as well as important decisions are taken up by the quality council. A quality circle consisting of workers from work area is formed with supervisor as its leader. The quality circle is followed by the facilitator who is the head of the coordinating agency. The non-members who are specialists in a particular area are called upon to be a consultant and solve the work related issues of quality circle group.

Q55. What are the prerequisites for making the quality circle process effective?

Ans :

Quality circles mainly emphasize upon quality improvement which is different from other approaches of improving quality of work life. The effectiveness of quality circle process relies upon the following.

1.   All the members of quality circles must be trained in statistical analysis such as graphs and table reading, histograms, scatter diagrams, stratification etc., as this helps in processing information. It is also essential for the members to understand group dynamics as they have to work in groups.

2.   The members of quality circles must be allowed to select any problem which is significant according to them. They must also be given freedom to execute and control the results.

3.   The participation in quality circles must be voluntary. The members should not be forced to participate in quality circles. The members who are interested in improving quality would come forward on their own and suggest ways and methods as improving the quality.

4.   An organization should change its culture for creating quality circles as quality circles will not function effectively without a quality culture.

5. There must be a strong commitment from the top management's side for executing the circle's recommendations. If in case, the recommendations are not implemented, then the management is held responsible to provide reasons for it.

6. An organizations cannot perform the quality circle process effectively until and unless all the members are allowed to meet regularly. These meeting's should be conducted without any hinderances.

7. As quality circles do not provide quick solutions to the quality problems, the management requires greater amount of time for introducing the concept of quality circle and should be willing to accept ideas about its managing and operating.

Q56. What are the benefits and limitations of quality circles?

Ans :

Benefits of Quality Circle

Quality circles provides a number of benefits to organization and its members. The benefits provided by quality circles to the organization are as follows,

1. Quality circles enhance the job performance of the organizational members.

2. They helps in determining the solutions to the identified areas.

3. Quality circles encourage participative management culture and team work in the organization.

4. Quality circles help in developing friendliness, peace, and a mutual trust among the organizational members and management.

5. It enchances a two way communication between the organizational members as well as between the members and management

6. Quality circles raises the effectiveness of the management in the organization.

7. Quality circles creates pride among the organizational members for accomplishing a meaningful task.

8. It, develops problem solving principles in the organization.

Quality circles providers the following benefits to the organizational members,

1. Quality circles fulfills the social and psychological needs of the employees.

2. Quality circles leads to enhanced job satisfaction.

3. It helps in satisfying the self esteem and esteem from others.

4. Quality circles helps in developing the skills, knowledge, sensitivity, skills etc., of the employees.

Limitations of Quality Circles

1. As the circle membership is voluntary, a member can drop out when he/she wishes so. This option may be even be exercised to force other members to come to his/her terms.

2. The selection of a problem to be tackled first may generate more heat among the circle members. A strong-willed member may bulldoze his/her ideas straining the relationship.

3. The quality circle takes up a problem which is difficult to solve, thus, wasting their time and energy.

4. The departmental managers often prove less supportive, as the members of quality circle come to limelight often.

5. Fixing-up meeting time becomes difficult due to fluctuating working demand.

6. The circle may form an impression that the management is not implementing its suggestions whole heatedly and is dilly-dallying the idea which may have a dampening effect on the circle, demoralizing them.

7. The quality circle may feel after some time that it has run out of problems which in effect implies that it is not brainstorming according to the rules.

Short Question & Answers

1.   360-Degree Appraisal

Ans :

The 360-degree appraisal method was first developed and used by General Electric Company of USA in 1992. Today, the Indian companies like Wipro Corporation, Infosys, Reliance Industries, Thermax etc., follow this method. In this method, an employee is appraised by his supervisors, subordinates, peers and customers with whom he interacts in the course of his job performance. All these appraisers provide feedback on the employee by completing a survey questionnaire designed for this purpose. All the information so gathered is then compiled through the computerized system to prepare individualized reports. These reports are then presented to the employees who were rated.

2.   Quality Circles

Ans :

Quality circle is a small team or association of employees who meet regularly for determining, analyzing and resolving work related problems and who aim to achieve a common goal. Quality circles are also called "quality control circles".

Quality circles are based on the assumption that when combined efforts of individuals are put together for achieving the results, then the outcome/result obtained will be much better than the individual's efforts. It is a type of participative management which helps the employees to solve the problems related with their job. Quality circles are regarded as a human resource development and problem solving technique which improves the performance of the organization and enhances the work life of the employees.

3.   Explain the Evaluating Effectiveness of training and development.

Ans :

Measuring the effectiveness of training and development is one of the manager's more difficult Hasks, in many instances, an evaluation of the programme by the trainee is the prime source of information. This point is not to be ignored, but it is clear that a wide discrepancy often exists between trainee acceptance and trainee performance on the job. Some suggested control points are listed below.

(i)   Productivity

Where it is adaptable to the problem, specific information concerning productivity after training is the best control point for a training programme. However, the objectives of training are more intangible. For example, how does one measure the effectiveness of a human relations training programme for first-line supervision? This is highly subjective area, but even here managers should attempt to deal with concrete results by either observing the trainee in action or receiving reports from others with whom he comes in contact.

(ii)   Quality losses

This index is closely related to the productivity record, emphasizing quality in addition to quantity. Trouble with quality control can issue from other sources besides training, but quality losses can provide a clue to the adequacy of training.

(iii)   Adequacy of talent reservoir

An index that may be helpful in judging the adequacy of the talent reservoir is the number of higher-level positions that were filled from within the organisation. Within particular development programmes, would include the percentage of participants completing the course, costs per person-hour, and percentage of key personnel who are currently involved in organised development. Certainly, the developmental history of each key individual should also be reviewed from time to time.

4. Define Career Planning.

Ans :

Meaning

Career Planning is the systematic process by which one selects career goals and the path to these goals. From the organization's viewpoint, it means helping the employees to plan their career in terms of their capacities within the context of organization's needs. It involves designing an organizational system of career movement and growth opportunities for employees from the employment stage to the retirement stage. Individuals who can fill planned future positions are identified and prepared to take up these positions. It is a managerial technique for mapping out the entire career of young employees. It requires discovery, development, planned employment and re-employment of talents.

Career planning is the deliberate process through which a person becomes aware of personal skills, interests, knowledge, motivations, characteristics, career-related attributes, and the lifelong series of stages that contribute to his or her career fulfillment.

Definitions

i) **According to Edwin B. Flippo, "A** career as a sequence of separate but related work activities that provide continuity, order and meaning in a person's life".

ii) **According to Douglas T. Hall,** "An individually perceived sequence of attitudes and behaviors associated with work related experiences and activities over the span of the person's life".

iii) **According to Schermerhorn, Hunt and Osborn,** "Career planning is a process of systematically matching career goals and individual capabilities with opportunities for their fulfillment".

iv) **According to Schwind, Das and Wagar,** "Career planning is the process of enhancing an employee's future value".

5. On-the-Job Training.

Ans :

This is the most commonly used method of training the employees. In this method, the employee is placed on his regular job and taught the skills necessary to do that job under the guidance of a supervisor. On-the-Job training is advantageous by providing first hand knowledge under the actual working conditions.

The different on-the-job training methods are,

(a) Job Rotation

Job rotation is the movement of an employee from one job to the other of same nature. This method provides an opportunity to enhance the knowledge and skills of an employee and make him competent in several jobs rather than one. Though this method is advantageous, frequent movement of employees may disturb the regular job.

(b) Committee Assignments

In committee assignments method, a group of employees are given an actual organizational task/problem and are asked to solve it. The group members collaborate and cooperate with each other to solve the problem. This method of training develops the team work and intergroup collaborations.

(c) Job Instruction Training (JIT)

In this method, the trainer explains the trainee the job knowledge and skills, method of performing the job and allows him to do the job. At the same time, the trainer analyzes the employee performance and provides him the feedback.

(d) Internship Training

In this, the educational institutes and business firms come together and select a group of candidates. The selected candidates carry on regular studies for a period of time and at the same time work in office or factory to acquire the practical knowledge. This method is advanta-geous as it provides a balance between theory and practice. But it is slow and time consuming.

(e)   Coaching and Mentoring

In this method, the trainee is placed under the guidance of a supervisor. The supervisor asseses the employee performance, provides him the feedback and offers some suggestions of improvement. In this method the trainee also shares the responsibilities of the supervisor. The main drawback of this method is that the trainee do not have any freedom to express his ideas.

(f)   Under Study

Under study is a method in which an employee is trained to take in future the full responsibility of the position of his superior. This method helps an organisation to acquire an employee of equal competence as his superior and prevents the recruitment of a new unknown personnel.

(g)   Apprenticeship Training

This method of training is used in the trades, crafts and technical fields in which proficiency is required for training. Trainers are made to work under direct supervision of experts.

6.   Define performance Management .

Ans :

Performance Management

According to Armstrong and Baron, "Performance management is the strategic and integrated approach to deliver sustained success to the organizations by improving performance of the people who work in them and by developing the capabilities of teams and individual contributors".

Features of Performance Management

Following are the features of performance management,

1.   Performance management focuses mainly on shared organizational objectives and principles.

2.   Top level management takes up the responsibility of performance management rather than HR manager and other staff members.

3.   Management needs to make performance plans for all the employees of the organization.

4.   Performance management is more specific and precised.

7.   Define Training.

Ans :

Introduction

Training is the important subsystem of human resource development. Training is specialized function and is one of the fundamental operative functions of human resource management.

Training is a short-term process utilizing a systematic and organized procedure by which non-managerial personnel acquire technical knowledge and skills for a definite purpose. It refers to instruction is technical and mechanical operations, like operation of some machine. It is designed primarily for non-managers, it is for a short duration and it is for a specific job-related purpose.

Definitions

i)   **According to Dale S Beach,** "Training is the organized procedure by which people learn knowledge and for skill for a definite purpose".

ii)   **According to Planting, Cord and Efferson,** "Training is the continuous, systematic development among all levels of employees of that knowledge and their skills and attitude which contribute to their welfare and that of the company".

iii)   **According to Edwin B. Flippo,** "Training is the organized procedure by which learn knowledge and skill of an employee for doing a particular job".

iv)   **According to Chowdhry D.P.,** "Training is a process which enables the trainees to achieve the goals and objectives of their organizations".

8.   What is Training Needs Assessment (TNA) ?

Ans :

"Training Needs Assessment" (TNA) is the method of determining if a training need exists and, if it does, what training is required to fill the gap. TNA seeks to identify accurately the levels of the present situation in the target surveys, interview, observation, secondary data and/or workshop. The gap between the present status and desired status may indicate problems that in turn can be translated into a training need.

Training Needs = Desired Capability – Current Capability of the Participants

Training can reduce, if not eliminate, the gap, by equipping the participants with knowledge and skills and by encouraging them to build and enhance their capabilities. The data on the present status are vital to the evaluation or impact survey in the latter part of the training cycle. These shall serve as the baseline data. The following are some techniques for acquiring such data. These may be applied independently or in combination.

9.   Objectives of Training Evaluation.

Ans :

Evaluation is a systematic process to determine the worth, value or meaning of an activity or process. In broader sense evaluation is undertaken to improve training processes or to decide the future of a program, these broad purposes can be divided as following objectives.

1.   To identify the program's strengths and weaknesses.

2.   To assess whether content, organization and administration of the program contributes to learning and on the job utility of the content.

3.   To identify which trainees benefited most or least from the program.

4.   To determine the financial benefits and costs of the program.

5.   To gather data to assist in marketing training programs.

6.   To compare the cost and benefits of training vs non training investments.

7.   To compare the cost and benefits of different training programs to choose the best program.

10.   Define management development.

Ans :

Definition

i)   **According to Koontz and Donnell,** "Manager Development concerns the means by which a person cultivates those skills which application will improve the efficiency and effectiveness with which the anticipated results of a particular organizational segment are achieved".

ii)   **According to Flippo,** "Management development includes the processes by which managers and executives acquire not only skills and competency in their present jobs but also capacities for future managerial tasks".

iii)   **According to Dale S. Beach,** "Management development is a systematic process of training and growth by which individuals gain and apply knowledge, skills, insights and attitudes to manage orientation effectively".

11.   Assessment centre

Ans :

This method of appraising was first applied in German Army in 1930. Later business and industrial houses started using this method. This is not a technique of performance appraisal by itself. In fact it is a system or organisation, where assessment of several individuals is done by various experts using various techniques. These techniques include the methods discussed before in addition to in-basket, role playing, case studies, simulation exercises, structured in sight, transactional analysis, etc.

In this approach, individuals from various departments are brought together to spend two or three days working on individual or group assignments similar to the ones they would be handling when promoted. Observers rank the performance of each and every participant in order of merit. Since assessment centres are basically meant for evaluating the potential of candidates to be considered for promotion, training or development, they offer an excellent means for conducting evaluation processes in an objective way. All assesses get an equal opportunity to show their talents and capabilities and secure promotion based on merit. Since evaluators know the position requirements intimately and are trained to perform the evaluation process in an objective manner, the performance ratings may find favour with a majority of the employees. A considerable amount of research evidence is available to support the contention that people chosen by this method prove better than those chosen by other methods.

The centre enables individuals working in low status departments to compete with people from well-known departments and enlarge their promotion chances. Such opportunities, when created on a regular basis, will go a long way in improving the morale of promising candidates working in 'less important' positions.

12. Workers participation in management.

Ans :

The term Workers Participation in Management (WPM) is the mechanism of the workers having say in the decision-making process of the organisations.

Workers participation in management is in essential ingredient of industrial democracy. The concept of workers participation in management is based in "Human Relations" approach to management which brought about new set of values to labour and management.

Traditionally, the concept of Workers' Participation in Management (WPM) refers to participation of non-managerial employees in the decision-making process of the organisation. Workers' participation in management meets the psychological needs of the workers to a greater extent.

Meaning of WPM

Co-determination means taking the decisions relating to various organisational issues jointly both by the managers and the workers at the helm of affairs. Co-determination requires both the managers and the employees to involve extensively in the entire process of decision-making and implementation. Co-determination is a type of workers' participation in management.

Co-determination was started in Germany in 1945, as a method of reconstructing the war-devastated economy. The methods of co-determination include :

    i)   Works Councils

    ii)   Workers' Representatives on the Supervisory Boards of Companies

    iii) Labour Director on the Management Board.

13. Objectives of Quality Circles.

Ans :

1. To enhance and develop the organization by improving its quality and productivity.

2. To decreases the cost of products or services by eliminating the waste, utilizing the resources effectively avoiding unnecessary errors and provision of safety.

3. To make optimum utilization of human resources by exploiting their creative intelligence.

4. To enhance the communication in the organization.

5. To increase the loyalty and commitment level of the employees towards achieving the organizational objectives.

6. To create a happy and meaningful work environment which values the human resources or personnel.

7. To fulfill the human needs of the employees such as recognition, achievement and self-development.

8. To motivate the employees to face the challenges by developing and using their skills.

14. Define Career Planning.

Ans :

Meaning

Career Planning is the systematic process by which one selects career goals and the path to these goals. From the organization's viewpoint, it means helping the employees to plan their career in terms of their capacities within the context of organization's needs. It involves designing an organizational system of career movement and growth opportunities for employees from the employment stage to the retirement stage. Individuals who can fill planned future positions are identified and prepared to take up these positions. It is a managerial technique for mapping out the entire career of young employees. It requires discovery, development, planned employment and re-employment of talents.

Career planning is the deliberate process through which a person becomes aware of personal skills, interests, knowledge, motivations, characteristics, career-related attributes, and the lifelong series of stages that contribute to his or her career fulfillment.

Definitions

i)   **According to Edwin B. Flippo,** *"A* career as a sequence of separate but related work activities that provide continuity, order and meaning in a person's life".

ii) **According to Douglas T. Hall,** *"An individually perceived sequence of attitudes and behaviors associated with work related experiences and activities over the span of the person's life".*

iii) **According to Schermerhorn, Hunt and Osborn,** *"Career planning is a process of systematically matching career goals and individual capabilities with opportunities for their fulfillment".*

iv) **According to Schwind, Das and Wagar,** *"Career planning is the process of enhancing an employee's future value".*

15.   Performance Appraisal.

Ans :

Performance appraisal is a process of identifying, measuring and managing employee's performance in order to enhance organizational efficiency and effectiveness. It is a merit rating that denotes the appraisal of the performance of the employees in an organization. Performance appraisal systematically evaluates the personality and performance of each employee so that the productivity can be measured in terms of efficiency and effectiveness. The primary purpose of performance appraisal is to facilitate the orderly determination of an employee's worth in comparison to his/her fellow employees and expected level of performance. It provides information relating to various aspects of an individual upon which promotion, transfer and salary decisions can be made. It also provides an opportunity to review employee's work related behavior.

More precisely, performance appraisal can be defined as a systematic evaluation of an employee's current, or past performance as well as future potentials by supervisors or those familiar with his/her performance. It defines an employee's job related behaviors and outcomes which help reward, motivate, and empower employees at work. It also helps to identify future potentialities of an individual.

Definition of Performance Appraisal

i)   **According to Dale S. Beach** Performance appraisal as the system of evaluation of the individual with regard to his/her performance on the job and his/her potential for development.

ii) **According to Edwin B. Flippo** Performance appraisal is a systematic, periodic and an impartial rating of employee's excellence in matter pertaining to his/her present job and his/her potential for a better job.

Choose the Correct Answer

1. Which of the following is not mentioned in Job Analysis   [b]
    (a) Working   (b) Performance Appraisal
    (c) Specification Condition   (d) None

2. The process of evaluating the performance of individuals with reference   [b]
    to their Job is called as
    (a) Working   (b) Performance Appraisal
    (c) Specification Condition   (d) None

3. Job Rotation comes under ....training   [a]
    (a) On-the-Job   (b) Off-the-Job
    (c) both   (d) None

4. Vestibule training comes under ....training   [b]
    (a) On-the-Job   (b) Off-the-job
    (c) both   (d) None

5. _____ training is provided by simulation (or) creation of actual working conditions in the class
    room   [b]
    (a) Performance Instruction   (b) Vestibule training
    (c) Role Playing   (d) Lecture Method

6. _____ is a traditional and direct method of training   [d]
    (a) Programmed Instruction   (b) Vestibule Training
    (c) Role playing   (d) Lecturer Method

7. _____ is a realistic behaviour in an imaginary situation   [c]
    (a) Programmed Instruction   (b) Vestibule Training
    (c) Role Playing   (d) Lecturer Method

8. _____ method is useful and effective in identifying, measuring interpersonal skills, customer
    satisfaction.   [c]
    (a) Psychological appraisal   (b) Team appraisal
    (c) 360° feed back   (d) All of the above

9. _____ combines the benefits of critical incidents and graphic rating scales by anchoring a scale
    with a behaviour   [b]
    (a) Psychological appraisal   (b) Team appraisal
    (c) 360° (d) BARS

10. _____ is an ongoing process through which an individual sets career goals and identifies the
    means to achieve them   [a]
    (a) Career planning   (b) Career development
    (c) Career growth   (d) All of the above

Fill in the blanks

1. _____ is the process of improving the skills, knowledge and abilities of an employee to do a particular Job.

2. _____ function help in managerial skill and behavioral skills.

3. In _____ the philosophy is more based on stick approach rather than correct approach.

4. MDP stands for _____ .

5. Trainee is given practical training by creating situation at the work place is known as _____ .

6. _____ is a systematic evaluation of an Individual with respect to performance on the Job.

7. BARS stands for _____ .

8. _____ as a method of measuring performance canalizes the efforts of people to achieve Organizational goals.

9. _____ means authority to make decision within one's domain of work independently without needs for approval from any one.

10. _____ is the mechanism of the work has said in; the decision making process of the Organization.

ANSWERS

1. Training
2. Development
3. Personal Management
4. Management Development Programmed
5. Simulation
6. Performance Appraisal
7. Behaviorally Anchored Rating Scales
8. Balanced Score carted
9. Empowerment
10. Participative management

UNIT IV

MAINTENANCE OF HUMAN RESOURCE:

Compensation Management: Objectives – Job Evaluation:– Methods - Essentials of Sound Wage Structure – of Minimum Wage, Living Wage and Fair Wage – Wage Differentials.

Employee Relations: Concept of Employee Engagement – Discipline: Objectives – Grievance: Causes – Procedure;

Industrial Relations Systems- Concept of Industrial Conflict- Causes- Trade Unions: Objectives - Role of Trade Union in New economy - Collective Bargaining: Types – Essential conditions for the success of Collective Bargaining.

4.1 COMPENSATION MANAGEMENT

Q1. Define the term Compensation.

Ans :

Compensation is a tool used by management for a variety of purpose to further the existence of the company. It is a remuneration that an employee receives in return for his or her contribution in the organization. So, the employee compensation programs are designed to attract capable employees to the organization, to motivate them towards superior performance and to retain their services over an extended period of time.

Meaning

In layman's language the word 'compensation' means something, such as money, given or received as payment for service. The word compensation may be defined as money received in the performance of work, plus the many kinds of benefits and services that organization provides their employee. It refers to wide range of financial and non-financial rewards to employee for their service rendered to the organization. It is paid in the form of wages, salaries , special allowance and employee benefits such as paid vacation, insurance, maternity leaves, free travel facility , retirement benefits etc.

Definitions

(i) **According to Wendell French**, Compensation is a comprehensive term which includes wages, salaries and all other allowance and benefits.

(ii) **According to Gary Dessler,** "Compensation means all forms of pay or rewards going to employees and arising from their employment".

(iii) **According to Terry Leap,** "Compensation is a board term pertaining to financial rewards received by persons through their employment relationship with an organization".

(iv) **According to Cascio,** "Compensation includes direct cash payments, indirect payments in the form of employee benefits, and incentives to motive employee to strive for higher levels of productivity".

(v) **According to R. Wayne Mondy,** "compensation is the total of all reward provided to employees in return for their services. The overall purposes of providing compensation are to attract, retain and motivate employees".

Wages are the remuneration paid for skilled, semi-skilled and unskilled operative workforce. Salary is the remuneration of those employees who provides mental labour to the employer such as supervisor, office staff, executive etc wages are paid on daily or hourly basis where as salary is paid on monthly basis.

Q2. Explain the nature of compensation.

Ans :

The nature of compensation deals with the monetary gains, so that the employees are satisfied with his/her worth. The financial rewards and the benefits which are included in compensation are as follows,

(i)   Basic Pay

Basic pay helps to match the job specification and description.

(ii)   Variable Pay

Additional work or better performance is linked with variable pay.

(iii)   Benefits

Benefits to encourage the confidence and determination of the employees and to provide comfort as a reward for loyalty.

An individual earns for his means of living through wages and salaries. This may releases his financial worries and enables him to maintain own life-style. Because of this, individuals tries to put best efforts to earn more, so that, their worth is justified and enjoys comfortable life by moving to higher levels in the hierarchy (i.e., through promotions).

In economic terms, wage/salary is considered as a factor of production which is a mean of increased earnings, savings and purchasing power of the people of a Locality/State/Regions/or a Nation.

Q3.   Explain the various modes of compensation.

Ans :

Various modes of compensation are as follows -

(a)   Wages and Salary

Wages represent hourly rates of pay and salary refers to monthly rate of pay irrespective of the number of hours worked. They are subject to annual increments. They differ from employee to employee and depend upon the nature of jobs, seniority and merit.

(b)   Incentives

These are also known as payment by results. These are paid in addition to wages and salaries. Incentive depends upon productivity, sales, profit or cost reduction efforts. Incentive scheme are of two types:

i)   Individual – incentive schemes.

ii)   Group – incentive schemes.

Incentives are monetary benefits paid to workmen in lieu of their outstanding performance.

Incentives vary from individual to individual and from period to period for the same individual. They are universal and are paid in every sector. It works as motivational force to work for their performance as incentive forms the part total remuneration. Incentives when added to salary increase the earning thus increase the standard of living. The advantage of incentive payment are reduced supervision, better utilization of equipment, reduced scrap, reduced lost time, reduced absenteeism and turnover & increased output.

According to Burack & Smith, An incentive scheme is a plan or programme to motivate individual or group on performance. An incentive programme is most frequently built on monitory rewards (incentive pay or monetary bonus), but may also include a variety of non monetary rewards or prizes.

(c)   Frienge Benefits

Employees are paid several benefits in addition to wages, salary, allowances and bonus. These benefits and services are called fringe benefits' because these are offered by the employer as a fringe. Employees of the organization are provided several benefits and services by the employer to maintain and promote employee's favorable attitude towards the work and work environment. It not only increases their morale but also motivate them. These provided benefits and services forms the part of salary and are generally refereed as fringe benefits.

According to D. Belcher, Fringe benefits are any wage cost not directly connected with the employees productive effort, performance, service or sacrifice . According to Werther and Davis, Fringe embrace a broad range of benefits and services that employees receive as part of their total compensation, packagepay or direct compensation and is based on critical job factors and performance.

According to Cockman, Employee benefits are those benefits which are supplied by an employer to or for the benefits of an employee and which are not in the form of wages, salaries and time rated payments. These are indirect compensation as they are extended condition of employment and are not related to performance directly.

Kinds of Fringe Benefits

The various organizations in India offers fringe benefits that may be categorized as follows:

1) **Old Age and Retirement Benefits** - these include provident fund schemes, pension schemes, gratuity and medical benefits which are provided to employee after their retirement and during old age as a sense of security about their old age.

2) **Workman's Compensation** - these benefits are provided to employee if they are got ignored or die under the working conditions and the sole responsibility is of the employer.

3) **Employee Security** - Regular wage and salary is given to employee that gives a feeling of security. Other than this compensation is also given if there is lay-off or retrenchment in an organization.

4) **Payment for Time Not Worked** – Under this category of benefits, a worker is provided payment for the work that has been performed by him during holidays and also for the work done during odd shifts. Compensatory holidays for the same number in the same month are given if the worker has not availed weekly holidays.

5) **Safety and Health** – Under this benefit workers are provided conditions and requirements regarding working condition with a view to provide safe working environment. Safety and Health measures are also taken care of in order to protect the employees against unhealthy working conditions and accidents.

6) **Health Benefits** – Employees are also provided medical services like hospital facility, clinical facility by the organization.

Q4. What are the factors influencing compensation ?

Ans :   **(Imp.)**

The various factors affecting compensation are :

    I.   External Factors

    II.   Internal Factors

I) EXTERNAL FACTORS

1. Labour Market

Demand for and supply of labour influence compensation. A low wage may be fixed when the supply of labour exceeds demand for it. Going rate of pay is another labour oriented factor. Going rate system involves fixing wage/ salary rate in tune with what is paid by different units of an industry in a locality. Productivity increase if it is linked to wages

2. Cost of Living

The justification for cost of living as a criterion for wage fixation is that the real wages of workers should not be allowed to be reduced by price increases. A rise on cost of living is to be compensated by payment of dearness allowance.

3. Labour Unions

The presence or absence of labour organizations often determine the quantum of wages paid to employees.

4. Legislation/Labour laws

We have large no. of labour laws at central as well as state level. E.g. Payment of minimum wage Act 1948, Payment of Bonus Act 195 Equal Remuner-ation Act 1976, Payment of Gratuity Act 197.

In addition to the above acts, there are wage Boards, tribunals and fair wages committees which aim at providing decent standard of living to workers.

5. Society

Remuneration paid to employee is reflected in the prices fixed by an organization for its goods and services. That is how society plays a role in remuneration decisions.

6. Economy

Economy also has its impact on wage and salary fixation. A depend economy probably increases the labour supply this lowers the going wage rate.

7.   Technological Development

With the rapid growth of industries there is a shortage of skilled resources. The wages of skilled employees constantly change and an organization has to keep its level up to the mark to suit the market needs.

II)   INTERNAL FACTORS

1.   Firms Ability to Pay

The ability to pay of a firm will influence wage rates to be paid. A loosing concern pays lower wages where as profitable concern pays higher wages.

2.   Job Requirements

Basic wages depend largely on the difficulty level, and physical and mutual effort required in a particular job. The relative worth of a job can be estimated through job evaluation. Complex, challenging tasks can be done by few people with high skill levels and they get high pay.

3.   Management Strategy

The over all strategy which a company pursues should determine the remuneration to its employees. When the strategy of the company is to achieve rapid growth, remuneration should be higher than what competitors pay.

4.   Employee

Some of the employee related factors are :

➢   **Performance:** Productivity increase is always reward with a pay increase.

➢   **Seniority:** Unions view seniority as most objective criteria for pay increase, where as management considers performance as criterion.

➢   **Experience:** Makes an employee gain Valuable insights and is generally rewarded.

➢   **Potential:** Some organizations pay based on the potential. Eg: Young manager are paid more because their potential is expected to be high.

➢   **Luck :** Some times luck plays its role.

4.1.1   Objectives

Q5.   State the various objectives of compensation management.

Ans :

➢   To attract highly capable and efficient employees so that their efforts produces higher organizational performance.

➢   To retain talented employees for continuance of organizational performance and attainment of higher levels of competence.

➢   To increase the motivation and morale of employees for achieving higher employee commitment towards goals and objectives of the organization.

➢   To maintain market competitiveness in order to reduce or control employee attrition which can affect organizational functioning.

➢   To reward employees for their productive contributions to organi-zation's bottom line.

➢   To integrate employee efforts with organizational performance manage-ment systems for increased effectiveness.

➢   To build employer branding which is key to building a pool of potential hires.

➢   To help employee meet their economic, personal, material, social and psychological needs and aspirations.

➢   To encourage employees to develop their skills and competencies by attaching higher values to compensation for increased job performance.

➤   To elicit needed and desirable behaviors from employees.

➤   To comply with labor and social legislations such as The Minimum Wages Act, 1948, Equal Remuneration Act, 1976, Section 529 –A of the Companies Act, 1956 etc.

Q6.   "Compensation management plays a vital role in various aspects of HRM," Discuss.

Ans :

Compensation management is one of the essential activity of HRM. It influence all other functions of HRM relating to personnel. The role played by compensation management in various aspects of HRM can be understood from following points,

1.   Compensation management encourage employees to improve their productivity by providing them different benefits.

2.   It attracts and retain qualified employees by increasing their loyalty towards organization.

3.   It improves job evaluation process which facilitates in establishing realistic and achievable standards.

4.   It also plays an important role in recruitment and selection as it is completely based on wages and salaries administration.

5.   Without a proper compensation system, employees may be overpaid or underpaid which increases the cost of the company.

6.   Compensation management facilitates in providing rewards and recognition to employees for their past performance.

7.   Compensation management helps the organization to achieve its objectives as it comprises of job analysis, job definitions, job evaluation, compensation policy' payment and feedback.

Q7.   Discuss the significance of compensation.

Ans :

The significance of compensation can be explained from the following points,

(i)   Fair compensation satisfies the workers and enhance the morale, efficiency and cooperations among workers.

(ii)   Compensation helps the management to follow different labour laws.

(iii)   It helps in improving the job evaluation process.

(iv)   Employees are motivated to perform efficiently and meet the specified targets.

(v)   It also helps in reducing the labour turnover.

(vi)   Ideal compensation/Reward systems helps in maintaining peace among employer and employees.

(vii)   A good compensation system have positive effect on efficiency and outcomes of employees.

(viii)   It helps in deciding an effective job evaluation and setting up realistic and achievable standards.

(ix)   An ideal compensation system must be clear and uniform so that it can be applied to any levels of the organization as a general system.

(x)   Compensation system offer progressive and improvement opportunities to the eligible employees.

4.2 Job Evaluation

Q8.   Define job evaluation. What are the objectives of job evaluation?

Ans :   (May-15, May-13, Imp.)

Meaning of Job Evaluation

Job evaluation is the process of analyzing and assessing the various jobs systematically ascertain their relative worth in an organization. Jobs are evaluated on the basis of their content and are

placed in the order of their importance. In this way, a job hierarchy is established in the organization, the purpose being fixation of satisfactory wage-differentials among various jobs.

Definitions

i)   **According to Kimball and Kimball,** "Job evaluation represents an effort to determine the relative value of every job in a plant and to determine what the fair basic wages for such a job should be".

ii)   **According to Dale Yoder,** "Job evaluation is a practice which seeks to provide a degree of objectivity in measuring the comparative value of jobs with in an organization and among similar organization. It is essentially a job rating process, not unlike the rating of employers".

iii) **According to Edwin B. Filippo,** "The systematic and orderly process of measuring the worth of job in an organization is called job evaluation".

Objectives of Job Evaluation

The principle upon which all job evaluation schemes are based is that of describing and assessing the value of all jobs in the firms in terms of a number of factors, the relative importance of which varies from job to job.

1.   To secure and maintain complete, accurate and impersonal descriptions of each distinct job or the entire plant.

2.   To provide a standard procedure for determining the relative worth of each worth of each job in a plant.

3.   To determine the rate of pay for each job this is fair and equitable with relation to other job in the plant, community or industry.

4.   To ensure that like wages are paid to all qualified employees for like work.

5.   To promote a fair and accurate consideration of all employees for advancement and transfer.

6.   To provide a factual basis for the consideration of wage rates for similar jobs in a community and in an industry.

7.   To provide information for work organization, employees' selection, placement, training and numerous other similar problems.

Q9.   Outline the process of Job Evaluation.

Ans :

Job Evaluation Process

'The process of job evaluation involves steps which are shown in figure aside :


```
┌─────────────────────────────────┐
│      Gaining Acceptance          │
└─────────────────────────────────┘
              ↓
┌─────────────────────────────────┐
│  Creating Job Evaluation Committee│
└─────────────────────────────────┘
              ↓
┌─────────────────────────────────┐
│  Finding the Jobs to be Evaluated │
└─────────────────────────────────┘
              ↓
┌─────────────────────────────────┐
│  Analyzing and Preparing Job      │
│        Description                │
└─────────────────────────────────┘
              ↓
┌─────────────────────────────────┐
│  Selecting the Method of Evaluation│
└─────────────────────────────────┘
              ↓
┌─────────────────────────────────┐
│      Classifying Jobs            │
└─────────────────────────────────┘
              ↓
┌─────────────────────────────────┐
│    Installing the Program        │
└─────────────────────────────────┘
              ↓
┌─────────────────────────────────┐
│    Reviewing Periodically        │
└─────────────────────────────────┘
```
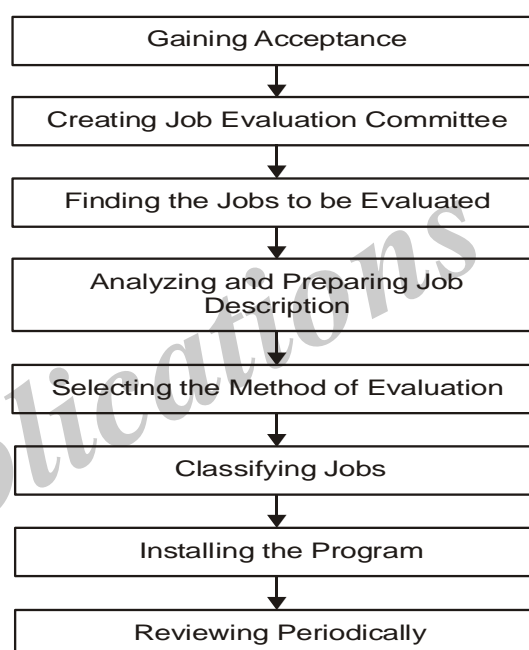
1.   **Gaining Acceptance**

Before undertaking job evaluation, top management must explain the aims and uses of the program to the employees and unions. To elaborate the program further, oral presentations could be made. Letters, booklets could be used to classify all relevant aspects of the job evaluation program.

2.   **Creating Job Evaluation Committee**

It is not possible for a single person to evaluate all the key jobs in an organization. Usually a job evaluation committee consisting of experienced employees, union represen-tatives and HR experts is created to set the ball rolling.

3.   **Finding the Jobs to be Evaluated**

Every job need not be evaluated. This may

be too taxing and costly. Certain key jobs in each department may be identified. While picking up the jobs, care must be taken to ensure that they represent the type of work performed in that department.

4.   Analyzing and Preparing Job Description

This requires the preparation of a job description and also an analysis of job needs for successful performance.

5.   Selecting the Method of Evaluation

The most important method of evaluating the jobs must be identified now, keeping the job factors as well as organizational demands in mind.

6.   Classifying Jobs

The relative worth of various jobs in an organization may be found out after arranging jobs in order of importance using criteria such as skill requirements, experience needed, under which conditions job is performed, type of responsibilities to be shouldered, degree of supervision needed, the amount of stress caused by the job, etc. Weights can be assigned to each such factor. When we finally add all the weights, the worth of a job is determined. The points may then be converted into monetary values.

7.   Installing the Program

Once the evaluation process is over and a plan of action is ready, management must explain it to employees and put it into operation.

8.   Reviewing Periodically

In the light of changes in environmental conditions (technology, products, services, etc.) jobs need to be examined closely. For example, the traditional clerical functions have undergone a rapid change in sectors like banking, insurance and railways, after computerization. New job descriptions need to be written and the skill needs of new jobs need to be duly incorporated in the evaluation process. Otherwise, employees may feel that all the relevant job factors - based on which their pay has been determined - have not been evaluated properly.

4.2.1 Methods

Q10. What are the various quantitative and non quantitative methods of job evaluation.

(OR)

Explain :

(a)   Point method

(b)   Factor comparison method

Ans :   **(May-13, Imp.)**

Methods of job evaluation are shown in figure below:

```
                    ┌─────────────────────────┐
                    │ Methods of Job Evaluation │
                    └─────────────────────────┘
                     │                        │
        Non-Quantitative Methods      Quantitative Methods
              ├─ Ranking Method              ├─ Factor Comparison Method
              └─ Job Classfication or        └─ Point Method
                 Grading System
```
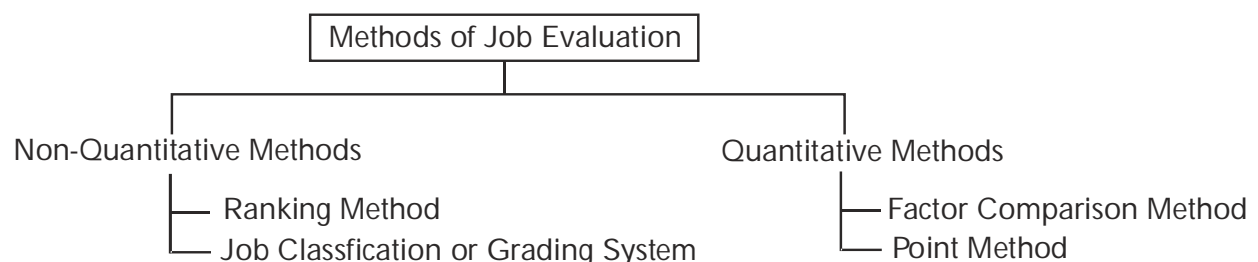
A)   Non-Quantitative Methods

(i)   Ranking System:

In this system, all jobs are arranged or ranked in the order of their importance from the simplest to the hardest, or in the reverse order, each successive job being higher or lower than the previous one in the sequence. It is not necessary to have job descriptions, although they may be useful. Some times, a series of grades or zones are established, and all the jobs in the organization are arranged into these, A more common practice is to arrange all the jobs according to their requirements by rating them and then to establish the group or classification. The usually adopted technique is to rank jobs according to "the whole job" rather than a number of compensable factors.

Merits of Ranking System

i)   The system is simple, easily understood and easy to explain to employees (or a union). Therefore, it is suitable for small organizations with clearly defined jobs.

ii)   It is far less expensive to put into effect than other systems and requires little effort for maintenance.

iii)   It requires less time, fewer forms and less work, unless it is carried to a detailed point used by company.

Demerits of Ranking System

i)   As there is no standard for an analysis of the whole job position, different bases of comparison between rates occur. The process is initially based on judgment and therefore, tends to be influenced b" a variety of personnel biases.

ii)   Specific job requirements (such as skill, effort and responsibility) are not normally analyzed separate a often a rater's judgment is strongly influenced by present wage rates.

iii)   The system merely produces a job order and does not indicate to what extent it is more important than the one below it. It only gives us its rank or tell us that it is higher or more difficult than another; but it does not indicate how much higher or more difficult.

ii)   Job Classification (or) Grading Method

In this system, a number of pre-determined grades or classifications are first established by a committee and then the various jobs are assigned with in each grade or class. Grade descriptions are the result of the basic job information which is usually derived from a job analysis. After formulating and studying job description and job specifications, job and grouped into classes or grades which represents different pay levels ranging from low to high. Common tasks, responsibilities, knowledge and experience can be identified by the process of job analysis. Certain job may then be grouped together into a common grade or classification. General grade description are written for each job classification, finally these are used as a standard for assigning all the other jobs to a particular pay scale.

The following 5 steps are involved:

i)   Preparation of job descriptions.

ii)   Preparation of grade description.

iii)   Selection of grades and key jobs.

iv)   Grading the key jobs.

v)   Classification of all jobs.

Merits of Job Grading

i)   This method is simple to operate and understand, for it does not take much time or require technical help.

ii)   The use of fully described job classes meets the need for employing systematic criteria in ordering jobs to their importance. Since many workers think of jobs in, or related to, cluster or groups, this method makes it easier for them to understand ranking.

iii)   If an organization consists of 500 people holding to different jobs, the jobs might be broken up into perhaps 5 classes, arranged in order of importance from high to low, and described class by class. This class description broadly reflects level of education, mental skill, profit impact or some combination of these.

iv)   The grouping of jobs into classifications makes pay determination problems administratively easier to handle. Pay grades are determined for, and assigned to, all the job classification.

v)   It is used in important government services and operates efficiently; but it is rarely used in an industry.

Demerits of Job Grading

i)   Although it represents an advance in accuracy over the ranking method, it is still leaves much to desired because personal evaluations by executive (unskilled in such work) establish the major classes, and determine into which classes each job should be place,

ii)   Since no detailed analysis of a job is done, the judgment in respect of a whole range of jobs may produce an incorrect classification.

iii   It is relatively difficult to write a grade description. The system becomes difficult to operate as the number of jobs increases.

iv)   It is difficult to know how much of a job's rank is influenced by the man on the job.

v)   The system is rather rigid and unsuitable for a large organization or for very varied work.

B)   Quantitative Methods

(i)   Factor Comparison Method

Under this system, jobs are evaluated by means of standard yardsticks of value. It entails deciding which jobs have more of certain compensable factors than others. Here, the analyst or the evaluation committee selects some "key' or 'benchmark' jobs for which there are clearly understood job descriptions and counterparts in other organizations, and for which the pay rates are such as are agreed upon and are acceptable to both management and labor. Under this method, each job is ranked several times-once for each compensable factors selected.

The major steps in this system consist of the following:

i)   Clear-cut job descriptions are written and job specifications then developed.

ii)   Selecting of key-job.

iii) Ranking of 'key' jobs.

iv)   Valuing the factors

v)   Comparing all jobs with key jobs

vi)   Establishing the monetary unit value for all jobs.

Merits of Factor Comparison Method

This system enjoys the following benefits:

i)   It is a systematic, quantifiable method for which detailed step by step instructions are available.

ii)   Jobs are compared to other jobs to determine a relative value.

iii) It is a fairly easy system to explain to employees.

iv)   There are no limits to the value which may be assigned to each factor.

Demerits of Factor Comparison Method

The system suffers from the following shortcomings:

i)   It is costly to install, and somewhat difficult to operate for any one who is not acquainted with the general nature of job evaluation techniques.

ii)   Wage levels change from time to time, and their minor inconsistencies may be adjusted to bring all the jobs into alignment.

iii) Money rates, when used as a basis of rating, tend to influence the actual rate pre more than the abstract point.

iv)   The system is complex and cannot be easily explained to, and understood by, every day non- supervisory organizational employee.

(ii)   Point Method

This method is the most widely used type of job evaluation plan. It requires identifying a number of compensable factors (i.e., various characteristics of jobs) and then determining degree to which each of these factors is present in the job. A different number of points are usually assigned for each degree of each factor. Once the degree to each factor is determined, the corresponding number of points of each factor is added and an overall point value is obtained. The point system is based on the assumption that it is possible to assign points to respective factors which are essential for evaluating an individual's job. The sum of these points gives us an index of the relative significance of the jobs that are rated.

Merits of Point Method

i) It gives us a numerical basis for wage differentials; by analysis a job by factors it is usually possible to obtain a high measure of agreement on job value,

ii) Once the scales are developed, they can be used for a long time;

iii) Jobs can be easily placed in distinct categories,

iv) Definitions are written in terms applicable to the type of jobs being evaluated, and these can be understood by all.

v) Factors are rated by points which make it possible for one to be consistent in assigning money values to the total job points.

vi) The workers' acceptance of the system is favorable because it is more systematic and objective than other job evaluation methods.

vii) Prejudice and human judgment are minimized, i.e., the system cannot be easily manipulated.

viii) It has the ability of handling a large number of jobs and enjoys stability as long as the factors remain relevant.

Demerits of Point Method

i) The development and installing of the system calls for heavy expenditure.

ii) The task of defining job factors and factor degrees is a time-consuming and difficult task.

iii) If many rates are used, considerable clerical work is entailed in recording and summarizing the rating scales.

iv) It is difficult to determine the factor levels within factors and assign values to them.

The non-quantitative or non-analytical or summary methods utilize non-quantitative methods of listing jobs in order of difficulty. They are simple methods. The job is treated as a whole and job descriptions rather to job specifications are often utilized. On the other hand, quantitative or analytical methods use quantitative techniques in listing the jobs. They are more complex and are time consuming.'

Q11. State the benefits of job evaluation.

Ans :

(i) Job evaluation is a logical and, to some extent, an objective method of ranking jobs relative to one another. It may help in removing inequalities in existing wage structures and in maintaining sound and consistent wage differentials in a plant/industry.

(ii) In case of new jobs, the method often facilitates fitting them into the existing wage structure.

(iii) The method helps in removing grievances arising out of the relative wages, and it improves labour- management relations and workers morale, By providing a yardstick, by which workers' complaints or claims can be judged, the method simplifies discussion of wages to be explained and justified.

(iv) The method replaces many accidental factors, occurring in a less systematic procedure.

(v) The method may lead to greater uniformity in wage rates, thus simplifying wage administration.

(vi) The information collected in job description and job analysis may also be used for the improvement of selection, transfer and promotion procedures on the basis of comparative job requirements.

(vii) Such information also reveals that workers are engaged in jobs requiring less skill and other qualities than they possess, thereby pointing to the possibility of making more efficient use of the plant's labour.

Q12. State the pitfalls of job evaluation.

Ans :

A job evaluation process suceeds job analysis, which in turn results in job descriptions

1. It encourages employees to focus on 'how to advance in position' in the organization at a time when there may be only limited opportunities for enhancement as a result of downsizing.

2.   It promotes an internal focus instead of a customer-oriented focus.

3.   It is not suitable for a forward-looking organization that has trimmed multiple job titles into two or three broad jobs.

4.   Elaborate exercises of wage and salary fixation through job evaluation can be dispensed with. Salaries can easily be fixed by adopting going rates, which can easily be ascertained through wage surveys.

4.3 ESSENTIALS OF SOUND WAGE STRUCTURE

Q13. Define Wage Structure. Explain the Essentials of Sound Wage Structure.

(OR)

Outline the components of wage structure.

Ans :   **(Dec.-20, May-17, May-16, May-14, Imp.)**

Wage structure may be defined as the internal pattern of varying job ranking and basic wage rates and differentials of different categories of employees in a company according to skill, qualifications and experience. Together with this, wage structure may also be influenced by labor market forces. But the outside market impinges only at certain points in the company wage structure.

There is a great array of semi-skilled and unskilled production jobs that are specific to a particular industry or even a particular company. Workers are usually not recruited into these jobs from the outside, but work up from within the company on a seniority basis. These types of jobs, if not easily available elsewhere, wage rates become subject to inside market.

Essentials of Sound Wage Structure

Generally, a large number of factors influence the salary levels in an organization. Significant among them are :

i)   Remuneration in Comparable Industries;

ii) Firm's Ability to Pay;

iii) Cost of Living:

iv) Productivity;

v)   Union Pressure and Strategies; and

vi) Government Legislations

Factors Affecting Salary Levels

Remuneration in Comparable Industries	Firm's Ability to Pay	Cost of Living	Productivity	Union Pressure and Strategies	Government Legislations
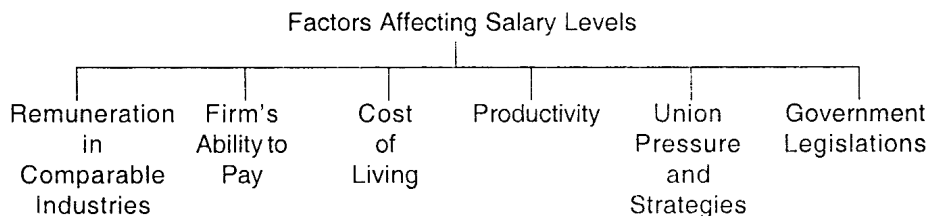
i)   Remuneration in Comparable industries

Prevailing rates of remuneration in comparable industries constituted an important factor in determining salary levels. The organization, in the long-run, must pay at least equal to the going rate for similar jobs in similar organizations. Further, the salary rates for the similar jobs in the firms located in the same geographical region also influence the wage rate in the organization. The

organization has to pay the wages equal to that paid for similar jobs in comparable industries in order to secure and retain the competent employees, to follow the directive of Courts of Law, to meet the trade union's demands, to satisfy the employee's need for same social status as that of same categories of employees in comparable organizations. Comparable industries constitute the organizations engaged in the same or similar activities, of the same size, in the similar type of management, i.e., public sector or under the management of same owners, organizations located in the same geographical region etc.

ii) Firm's Ability to Pay

One of the principal considerations that weigh with the management in fixing the salary levels is its ability to pay. But in the short-run, the influence of ability to pay may be practically nil. However, in the long-run, it is quite an influential factor. In examining the paying capacity of an organization, apart from profitability, various expenses that the industry has to bear, certain trends in prices of products/ services that are to be charged by the industry should also be taken into account. In addition, total cost of employees (salaries, allowances, cost of fringe benefits etc.) should be taken into consideration in determining the ability to pay.

Trade Unions demand higher wages when the company's financial position is sound. But they may not accept wage reduction, when the company's financial position is in doldrums. Hence, the management has to take decisions judiciously. Further, certain incentives are linked to the profitability. Thus, whatever the influence of other factors may be, the organization cannot pay more than its ability to pay in the long-run.

iii) Relating to Price index

The cost of living is another important factor that influences the quantum of salary. The employees expect that their purchasing power be maintained at least at the same level, if not increased by adjusting wages to changes in cost of living. In fact, in recent years, in advanced countries, "a number of labour agreements have 'escalator' clauses, providing for automatic wage and salary increase as cost of living index raises." Dearness allowance is an allowance granted to the employees with a view to combating onslaughts of soaring prices.

iv) Productivity

An interesting development in wage determination has been productivity standard. This is based on the fact that productivity increase is also the result of employee satisfaction and contribution to the organization. But wage productivity linkage does not appear to be so easy since many problems crop up in respect of the concept and measurement of productivity. But, although the wages are not linked directly to the productivity in an organization, changes in productivity have their impact on remuneration. This criterion received consideration of wage boards, "not only because it constituted a factor in the fixation of 'fair wage' but also because it was directly related to such questions as desirability of extending the system of payment by result."

v) Union Pressure and Strategies

The wages are also often influenced by the strength of Unions, their bargaining capacity and their strategies. Arthur M. Ross concluded that "real hourly earnings have advanced more sharply in highly organised industries than in less unionised industries." Unions pressurise management through their collective bargaining strategies, political tactics and by organizing strikes etc. Trade unions influence may be on the grounds of wages in comparable industries, firm's financial position, rising living cost, government regulations etc. It may be noted here, that the Unions may have the wage raised particularly in those industries where the wage level is below that of other comparable industries."

vi) Government Legislations

Government legislations influence wage determination. The two important legislations which affect wage fixation are: the Payment of Wages Act, 1936 and the Minimum Wages Act, 1948. The important provisions of the Payment of Wages Act, 1936 are: ensuring proper payment of wages and avoiding all malpractices like non-payment, under-payment, delayed and irregular payment, payment in kind and under-measurement of work. The Act covers all employees drawing the wage up to 11,000 per month. The Act stipulates that the organizations with less than hundred workers should pay the wage by the seventh and the organizations with more than 100 employees should pay by the tenth of next month.

4.3.1 Minimum Wage, Living Wage and Fair Wage

Q14. Define Minimum Wage. Explain the provisions of Minimum Wage.

Ans :   *(May-19, May-16, May-11, Imp.)*

The principle objective of the minimum wages Act 1948 is to prevent exploitation of labour through the payment of unduly low wages. The act provides for fixing the minimum rates of wages for certain employments also.

It was recognized that wage determination cannot be entirely left to market forces, that is, the supply of and the demand for labour. The National Commission on Labour stated

Under the Minimum Wages Act, minimum rates are not fixed in respect of all employments. They are fixed only in respect of certain employments specified in the schedule to the Act. The Government may, however, make additions to the list of employments contained in the schedule.

The Minimum Wages Act does not define minimum wage and does not contain any guideline regarding what elements should be taken into consideration in prescribing a minimum wage. As a result, different wage fixing authorities have followed different sets of principles in fixing or revising the minimum wages. There are wide disparities in the rates of minimum wages fixed in respect of employments within the state and in respect of the same employments fixed by different states.

Minimum Wage

It is the amount of remuneration which could meet the "normal needs of the average employee regarded as a human being living in a civilised society." it is defined as the amount or remuneration "which may be sufficient to enable a worker to live in reasonable comfort, having regard to all obligations to which an average worker would ordinarily be subjected to."

Provisions of the Minimum Wage Act

1. **Fixing of minimum wages**: The basic requirement for fixation of minimum wages for an employment is that it should be included in the schedule to the Act. The appropriate government shall fix the minimum rates of wages payable to employees employed in the industries specified in the schedule. Revision can take place once in five years. The minimum wage may be fixed at a 'time rate' may consist of basic wages and an allowance linked to the cost of living index, basic wages and supply of essential commodities, or consolidated wages.

2. **Minimum rate of wages**: The Government may fix – (a) a minimum rate; (b) a minimum piece rate; (c) a guaranteed time rate; (d) an overtime rate, appropriate to different occupations, localities, or classes of work and for adults, adolescents, children, and apprentices.

3. **Procedure for fixing and revising minimum wages**: The Act prescribes for the fixing and revision of minimum government in fixing and revising the minimum rates of wages and to appoint an advisory board for the purpose of coordinating the work of committees and sub-committees and also for advising the appropriate government generally in the matter of fixing and revising minimum rates of wages.

4. **Working hours**: The Government may also fix the number of hours of work, provide for a weekly day of rest, payment of remuneration in respect of such days of rest, and payment for work on a day of rest at a rate not less than the overtime rate.

5. **Overtime**: Where an employee works on any day in excess of the number of hours constituting a normal working day, the employer shall pay him at the overtime rate fixed under this Act or under any law of the appropriate government, whichever is higher.

6. **Employers' Obligation**: Once the minimum rate of wages are fixed or revised according to the procedure prescribed under the Act, it becomes the legal obligation of the employers to pay the rates.

7. **Exemptions**: The appropriate government may direct that the provisions of this Act shall not apply in relation to the wages payable to disabled employees. The government may, for special reasons, direct that the provisions of this Act or any of them shall not apply to all or any class of employees or to any locality where employment is carried on.

8. **Content of minimum wages**: The Fair Wages Committee viewed that the minimum wages must provide not merely for the bare subsistence of life but also for the preservation of the worker's efficiency by providing for some measure of education, medical aid, and amenities.

9. **Different Categories**: The Act permits fixation of different minimum rates of wages for different classes of work in the same scheduled employment.

Q15. Explain briefly about Living Wage.

Ans :   **(May-16, May-11, Imp.)**

A living wage is the minimum income necessary for a worker to meet their basic needs. This is not necessarily the same as subsistence, which refers to a biological minimum, though the two terms are commonly confused. These needs include shelter (housing) and other incidentals such as clothing and nutrition.

This standard generally means that a person working forty hours a week, with no additional income, should be able to afford the basics for quality of life, food, utilities, transport, health care, minimal recreation, one course a year to upgrade their education, and childcare.

However, in many cases education, saving for retirement, and less commonly legal fees and insurance, or taking care of a sick or elderly family member are not included. It also does not allow for debt repayment of any kind. In addition to this definition, living wage activists further define a living wage as the wage equivalent to the poverty line for a family of four. This is two adults working full-time with one child age 9 and another of age 4.

The living wage differs from the minimum wage in that the latter is set by law and can fail to meet the requirements to have a basic quality of life and leaves the family to rely on government programs for additional income. It differs somewhat from basic needs in that the basic needs model usually measures a minimum level of consumption, without regard for the source of the income.

A living wage is defined as the wage that can meet the basic needs to maintain a safe, decent standard of living within the community. The particular amount that must be earned per hour to meet these needs varies depending on location.

The poverty threshold is the income necessary for a household to be able to consume a low cost, nutritious diet and purchase non-food necessities in a given country. Poverty lines and living wages are measured differently. Poverty lines are measured by household units and living wage is based on individual workers.

Impact

Minimum wage laws and living wage legislation impact poverty differently: evidence demonstrates that living wage legislation reduces poverty. The parties impacted by minimum wage laws and living wage laws differ as living wage legislation generally applies to a more limited sector of the population. It is estimated that workers who qualify for the living wage legislation are currently between 1-2% of the bottom quartile of wage distribution. One must consider that the impact of living wage laws depends heavily on the degree to which these ordinances are enforced.

"There is evidence that living wage ordinances modestly reduce the poverty rates in locations in which these ordinances are enacted. However, there is no evidence that state minimum wage laws do so.

Q16. Explain briefly about Fair Wage.

Ans :   (May-16, May-11, Imp.)

'Wage levels and wage-fixing mechanisms that provide a living wage floor for workers, while complying with national wage regulations (such as the minimum wage, payment of wages, overtime payments, provision of paid holidays and social insurance payments), ensure proper wage adjustments and lead to balanced wage developments in the company (with regard to wage disparity, skills, individual and collective performance and adequate internal communication and collective bargaining on wage issues).'

Fair Wages: In order to bring about improved relations between labour and management an effort has been made in modern times that the labour gets a fair deal at the hands of owners and managers of industries. Various proposals were undertaken at the Industries Conference in 1947 and a resolution known as the Industrial Truce Resolution was passed. It is provided for the payment of fair wages to labour.

The government of India appointed a Fair Wages committee in 1948 to determine the principles on which fair wages should be based and to suggest the lines on which those principles should be applied.

According to the report on this Committee, Fair Wages is that wages which the labourer gets for his work just near to minimum wages and living wages. Generally, the current rate of wages being paid in the enterprise are known as fair wages.

4.3.2 Wage Differentials

Q17. Define wage Differentials. Explain the Wage Differentials in India.

Ans :   (May-15)

A wage differential refers to the difference in wages between people with similar skills within differing localities or industries. It can also refer to the difference in wages between employees who have dissimilar skills within the same industry. It is generally referenced when discussing the given risk of a certain job. For example, if a certain line of work requires someone to work around hazardous chemicals, then that job may be due a higher wage when compared to other jobs in that industry that do not necessitate coming into contact with dangerous chemicals. There are also geographical wage differentials where people with the same job may be paid different amounts based on where exactly they live and the attractiveness of the area.

1)   Occupational Differentials

These indicate that since different occupations require different qualifications, different wages of skill and carry different degrees of responsibility, wages are usually fixed on the basis of the differences in occupations and various degrees of skills.

The basis functions of such differentials are:

(a)   To induce workers to undertake "more demanding," "more agreeable or dangerous" jobs, or those involving "a great chance of unemployment, or wide uncertainty of earnings."

(b)   To provide an incentive to young person to incur the costs of training and education and encourage workers to develop skills in anticipation of higher earnings in future.

(c)   To perform a social function by way of determining the social status of workers. In countries adopting a course of planned economic development, skill differentials play an important role in manpower and employment programmes, for they considerably help in bringing about an adequate supply of labour with skills corresponding to the requirements of product plans.

Inter-occupational differentials

It may comprise skilled, unskilled and manual wage differentials; non-manual and manual (white and blue-collar); and general skill differentials. Occupational wage differentials generally follow the changes in the relative supplies of labour to various occupations.

2) Inter-firm Differentials

Inter-firm differentials reflect the relative wage levels of workers in different plants in the same area and occupation. The main causes of inter firm wage differentials are :

(a) Difference in the labour quality of labour employed by different firms;

(b) Imperfections in the labour market; and

(c) Differences in the efficiency of equipment, supervision and other non-labor factors Differences in technological advance, managerial efficiency, financial capacity, age and size of the firm, relative advantages and disadvantages of supply of raw materials, power and availability of transport facilities these also account for considerable disparities in inter-firm wage rates. Lack of co-ordination among adjudication authorities, too, is responsible for such anomalies.

3) Inter-area or Regional Differentials

Such differentials arise when workers in the same industry and the same occupational group, but living in different geographical areas, are paid different wages. Regional wage differentials may be conceived in two senses.

In the first sense, they are merely a part of inter-industry differentials in a particular region. The industry mix varies from one area to another, and for this reason alone, the general average of wages would be expected to vary.

In the second sense, they may represent real geographical differentials, resulting in the payment of different rates for the same type of work.

In both cases, regional differentials affect the supply of manpower for various plants in different regions. Such differentials are the result of living and working conditions, such as unsatisfactory or some climate, isolation, sub-standard housing, disparities in the cost of living and the availability of manpower.

In some cases, regional differentials are also used to encourage planned mobility of labour.

4) Inter-industry Differentials

These differentials arise when workers in the same occupation and the same area but indifferent industries are paid different wages. Inter-industry differentials reflect skill differentials.

The industries paying higher wages have mostly been industries with a large number of skilled workers, while those paying less, have been industries with a large proportion of unskilled and semi-skilled workers. Other factors influencing inter-industry differentials are the extent of unionization, the structure of product markets, the ability to pay, labour-capital ratio, and the stage of development of an industry.

5) Personal Wage Differentials

These arise because of differences in the personal characteristics (age or sex) of workers who work in the same plant and the same occupation. "Equal pay for equal work" has been recommended by the I.L.O. Convention (No. 100), as also by Industrial Courts, Labour Tribunals, the Minimum Wages Committee and the Fair Wage Committee.

But in practice this principle has not been fully implemented because in occupations which involve strenuous muscular work, women workers, if employed, are paid less than men workers. Lack of organization among women employees, less mobility among them, their lower subsistence and their weak constitution are other reasons which bring them lower wages than their male counterparts receive.

4.4 EMPLOYEE RELATIONS

Q18. Define Employee Relations. State the objectives of Employee Relations.

Ans :

Introduction

Every individual shares a certain relationship with his colleagues at the workplace. The relationship is either warm, so-so or bad. The relationship can be between any one in the organization between co-workers, between an employee and his superior, between two members in the management and so on. It is important that the employees share a healthy relationship with each other to deliver their best performances.

An individual spends his maximum time at the workplace and his fellow workers are the ones with whom he spends the maximum hours in a day. No way can he afford to fight with his colleagues. Conflicts and misunderstandings only add to tensions and in turn decrease the productivity of the individual. One needs to discuss so many things at work and needs the advice and suggestions of all to reach to a solution which would benefit the individual as well as the organization.

No individual can work alone. He needs the support and guidance of his fellow workers to come out with a brilliant idea and deliver his level best.

Objectives of Employee Relations

1. **Clarity**

    Developing policies that present company information, such as the proper way to submit a time card and the list of employee benefits, helps to create clarity between the company and staff. When employees understand what management expects and how to work within the structure of the company, then the workplace becomes more efficient. Creating confusion by not relating important information to employees can lead to a drop in productivity and increased turnover among the staff.

2. **Employee Retention**

    A focus on employee relations creates a corporate culture, and corporate policies that focus on these relations help to increase employee retention. Company turnover costs money in recruiting new employees, training new employees and getting new employees up to speed quickly. By developing policies that address employees' needs and help to make the staff feel respected, it is less likely that the company will experience elevated levels of turnover. Some examples of employee relations policies that help with employee retention include unpaid leave, health benefits with counselling options and a retirement program.

3. **Legal Issues**

    The federal, state and local governments have laws regarding employment and treatment of employees. Some potential legal issues include discrimination in the workplace and harassment. The employee policy manual outlines what the company's policy is on all of these legal issues, the best ways for employees to report violations and the penalties involved for people who violate company rules or mandated laws. The objective of employee relations in this instance is to create a legal framework that protects the company and employees while creating a productive workplace.

4. **Company Growth**

    Employee relations activities include annual employee reviews and the ongoing development of employees through training and managerial guidance. When the company and employees work together on developing employee careers, the employees benefit from a clear path to promotion and advancement in the company. The company benefits because future management candidates are identified, and the necessary resources can be applied to training those employees that will guide the future success of the company.

4.4.1 Concept of Employee Engagement

Q19. What do you mean by employee engagement? What are the factors influencing engagement ?

Ans :

Employee engagement occurs when the employees hold positive attitude towards their work and puts in their best efforts and abilities. Bevan et al defined engaged employee is someone "who is aware of business context, and works closely with colleagues to improve performance within the job for the benefit of the organization".

The Hay group was the first group who regarded the concept of employee engagement as 'engaged performance'. Engaged performance was defined by Murlis and Watson as "A result that is achieved by stimulating employee's enthusiasm for their work and directing it towards organizational success. This result can only be achieved when employers offer an implied contract to their employees that elicits specific positive behaviours aligned, with the organization and goals".

Towers Perrin in the year 2007 used a similar approach and defined employee engagement as "the extent to which employees put discretionary effort into their work, beyond the minimum to get the job done, in the form of extra time, brain power or energy".

Factors Influencing Engagement

According to a research conducted by Incomes Data Services (IDS) in the year 2007, it was found That two important elements were a must for the occurrence of engagement. They were rational aspect and emotional, aspect.

The rational aspect is associated with the way in which employees understands their role, its suitability in an organization and the way in which it aligns with the organizational objectives. While the emotional aspect is associated with the way how employees feel about the organization, whether their work gives them a sense of personal achievement and the way in which they associate with their managers.

These aspects can be evaluated into several factors which affects engagement levels as follows,

1. **Work**

Work alone produces job satisfaction which results into intrinsic motivation and increases the levels of engagement. The factors which increases engagement are interesting and challenging work, environment responsibility, power the scope to use and enhance skills and abilities, the availability of the resources which are needed are essential for performing the work and opportunities for advancement.

2. **Work Environment**

A supportive, helpful and motivational work environment results into those experiences which influence engagement by affecting the way in which employees considers their roles and performs them. A helpful work environment would help in developing those conditions which promote high performance and effective discretionary behaviour such as work processes, equipment and facilities and physical work conditions where different people work. A supportive work environment focuses on attaining a satisfactory work-life balance, efforts are made to provide healthy and safe working conditions, job security and personal growth of the employees.

The work environment is influenced by the organizational climate. French defined organizational climate in the year 1985 as "the relatively persistent set of perceptions held by organization members concerning the characteristics and quality of organizational culture". It is also affected by work and HR practices.

According to Purcell, the HR practices are influenced by the organizational values and operational strategies like staffing policies or working hours and the manner in which they are executed. Employees give different responses to their organizational practices which influence the degree to which they are willing to learn more, their dedication and satisfaction with their jobs. This intum affects engagement.

3. **Leadership**

The extent to which jobs promote engagement and positive discretionary

behaviour greatly relies upon the means through which employees are directed and controlled. Managers and team leaders have significant inclination on the ways in which jobs are designed, works are allocated and delegated. They can elucidate the importance of the work done by the employees, gives them the opportunity to attain and promote and give feedback which identifies their contribution.

4. Opportunities for Personal Growth

According to Lawler, "people enjoy learning - there's no doubt about it - and it touches on an important "treat people right" principle for both organizations and people: the value of continuous learning is regarded as ongoing training and development' satisfying and rewarding event which contributes greatly towards intrinsic motivation.

Alderfer identified the significance of the opportunity to grow as a method of rewarding employees. The opportunity to grow and develop acts as a motivating factor, which influences the engagement directly when it is an intrinsic work element.

5. Opportunities to Contribute

Employee engagement is improved, if the employees are allowed to participate in the decision making process. This helps them to share their ideas and provides them the opportunities and develops a sense in them they are contributing towards the organizations success.

Q20. Write about the strategies for enhancing engagement. How is engagement measured?

Ans :

Strategies for Enhancing Engagement

Engagement can be enhanced by developing strategies under the factors influencing engagement. These strategies are as follows,

1. Work

Work satisfaction which lead to intrinsic motivation and engagement relies upon the way in which work or jobs are designed.

While designing new work systems or jobs, the management should use strategies which provide guidance and advice to the responsible individuals for such developments. But the engagement levels are significantly influenced by the work systems or jobs, designed by line managers regularly. So, the strategy must therefore include arrangements for educating them as an important part of leadership development programme. In these programmes, they must explain the significance of good work and job design, the role played by them and benefits they can obtain from improving engagement. This can be effectively done with the help of performance management which focuses on agreeing clear role expectations.

2. Work Environment

The strategy used for enhancing engagement with the help of work environment is mainly related to the development of work culture which promotes the positive attitude of workers towards work, develops interest and excitement towards jobs and decreases the stress levels. According to Lands End, the employees who love their jobs and get respect will feel satisfied with their work and provide effective service to the customers.

The strategy should also take into account certain aspects of work environment such as communication, involvement, work-life balance and working conditions. This strategy may include the development and application of talent relationship management policies which mainly deal with developing effective relationships with employees in their roles, dealing with all the individual employees in a fair manner, identifying their importance and providing them growth opportunities.

3. Leadership

Leadership strategy usually focuses upon the task of line managers as leads for enhancing engagement. This mainly deals with the execution of learning programmes which enable them to understand the ways in which they are expected to act and the skills which must be used. These programmes consist of

formal training methods and an integration of different learning methods like e-learning, coaching and mentoring.

Performance management process helps the line managers by providing a useful structure, wherein they can make use of their skills in order to improve their performance and engagement. So, the strategy defines the steps which are needed for making management's performance effective by enhancing the commitment of managers towards it and developing the required skills.

4. **Opportunities for Personal Growth**

The strategy used for providing growth and development depends upon the creation of a 'learning culture'. Learning culture develops learning, as the top management, line managers and employees consider it as an important organizational process which helps in increasing their commitment and engagement,

According to Reynolds, learning culture is a growth medium which motivates the employees to become dedicated towards a variety of positive discretionary behaviors including learning and has the characteristics like empowerment, self-managed learning and long-term capacity building.

The strategy must include those steps which assure that the employees are allowed to learn and grow in their respective roles. This mainly deals with the utilization of policies which emphasize on role flexibility and allows the employees to develop their roles and make effective use of their talents. The main aim of the management must be to attain extraordinary outcomes with the help of ordinary individuals. This is possible by using performance management as a developmental process which focuses on the personal development planning.

The strategy must also include career development opportunities and the ways in which employees can be supported, guided and motivated in order to satisfy their potential and attain a successful career with the organization.

5. **Opportunities to Contribute**

Various contributing opportunities can be provided to the employees by developing formal consultative processes and creating a work environment which allows the employees to participate and focus on the key organizational values that the management at all levels must be ready to listen, accept and respond properly to the contributions made by the employees.

Measuring Engagement

The first step involved in the development of engagement strategies is to determine what is happening at present and what must happen in the above mentioned areas. This mainly involves the measurement of engagement levels frequently for determining success and failures and ascertaining if any gaps exist between what is planned and what is actually happening. This is made possible with the help of publishing survey, which further help in performing benchmarks with the engagement levels attained in other organizations. On the other hand, organizations can also design their own surveys in accordance with their situations/conditions.

Q21. Explain the relationship between engagement and job satisfaction.

Ans :

Job satisfaction is very closely related with engagement. The attitudes, feelings and opinions which the employees have towards their work or job is called as job satisfaction. If an employee has a positive and an approving attitude towards its work, then it would result in greater engagement and job satisfaction. On the other hand, if an employee has a negative and an unfriendly attitude towards their job or work, then it would lead to job dissatisfaction.

Usually, morale and job satisfaction are defined equally in the same manner. Guion defined morale as the "extent to which an individual's needs are satisfied and the extent to which the individual perceives that satisfaction as stemming from total work situation". The other definitions of morale emphasize on the group aspects of morale. Gilmer defined morale as, a feeling of being accepted by and belonging to a group of employees through adherence to common goals". He differentiated between morale and job attitude. According to

Gilmer, morale is a group variable which is associated with the extent to which group members get attracted towards their group and has willingness to be a member of it whereas job attitude is an individual variable which is associated with the feelings that employees have towards their job.

4.5 DISCIPLINE

Q22. Define Discipline. State the features of Discipline.

Ans :

Meaning

In simple words, the word discipline connotes orderly behaviour by the members/employees. In other words, discipline implies behaving in a desired manner. By that we mean that employees confirm to the rules and regulations framed by the organisation for an acceptable behaviour. Following definitions of discipline will make its meaning more clear.

Definition of Discipline

(i) **According to Richard D. Calhoon'**, "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 organisation".

(ii) **According to William R. Spreigel and Edward Schultz** define discipline as "the force that prompts an individual or a group to observe the rules, regulations and procedures which are deemed to be necessary to the attainment of an objective, it is force or fear of force which restrains an individual or a group from doing things which are deemed to be destructive of group objectives. It is also the exercise of restraint or the enforcement of penalties for the violation of group regulations".

(iii) **According to In the opinion of Ordway Tead**, "Discipline is the order, members of an organisation who adhere to its necessary regulations because they desire to cooperate harmoniously in forwarding the end which the group has in view".

Thus, discipline can now be defined as a condition in the organisation when employees conduct themselves in accordance with the organisation's rules and standards of acceptable behaviour.

Features of Discipline

The main features or characteristics of discipline that flow from above   definitions are:

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 organisational 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.

4.5.1 Objectives of Discipline

Q23. State the objectives of Discipline.

Ans :

The objectives of discipline are to :

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 behaviour, if any, will be relatively short-lived and the supervisor

will need to discipline the employee again and again. On the contrary, properly administered discipline will not only improve employee behaviour but will also minimize future disciplinary problems through good relationship between the supervisor and the employee.

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. Yes, discipline should be exercised when employees are found responsible for unsatisfactory performance.

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

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

Q24. Explain the two Aspects of Discipline.

Ans :

There are two aspects of discipline, viz., Positive and Negative aspects.

1. **Positive Aspect**

Employees believe in and support discipline and adhere to the rule regulations and desired standards of behaviour. Discipline takes the form of positive support and reinforcement for approved actions and its aim is to help the individual in moulding his behaviour and developing him in a corrective and supportive manner. This type of approach is called positive approach or constructive discipline or self-discipline. Positive discipline takes place whenever the organisational climate is marked by aspects such as payment of adequate remuneration and incentives, appropriate avenues for career advancement, appreciation of proper performance and reinforcement of approved personnel behaviour or actions etc., which all motivate employees to adhere to certain rules and regulations or exercise self-control and work to the maximum possible extent.

2. **Negative Aspect**

Employees sometimes do not believe in and support discipline, such, they do not adhere to rules, regulations and desired standard of behaviour. As such disciplinary programme forces and constraints the employees to obey orders and function in accordance with set rules and regulations through warnings, penalties and other forms of punishment. This approach to discipline is called negative approach or corrective approach or punitive approach. This approach is also called autocratic approach as the subordinates are given role in formulating the rules and they are not told why they are punished.

Q25. Explain the Disciplinary Procedure in India.

(OR)

Describe the procedure for Disciplinary action.

Ans :   **(May.14)**

Disciplinary procedures in Indian industries comprise of the following stages :

1. **Issuing a letter of charge to the employee calling upon him for explanation :** When the management of the establishment comes to conclusion that an act of misconduct committed by an employee warrants disciplinary action, the concerned employee should be issued a charge-sheet. The charge-sheet should indicate the charges of indiscipline or misconduct clearly and precisely. Explanation should also be called from the delinquent employee and for that sufficient time should be given to the employee. Serving of the charge-sheet may be either personally or by post.

2. **Consideration of the explanation :** When the delinquent employee admits, in an unqualified manner, about his misconduct and when the employer is satisfied with the explanation given by the delinquent employee, there is no need for conducting

any enquiry further. On contrary, when the management is not satisfied with the employee's explanation, there is need for serving a show-cause notice.

3. **Show-cause notice :** In the show-cause notice, the employer provides another chance to the employee to explain his conduct and rebut the charges made against him. Show-cause notice is issued by the manager, who decides to punish the employee. Besides, a notice of enquiry should be sent to the employee and this should indicate clearly the name of the enquiring officer, time, date and place of enquiry into the misconduct of the employee.

4. **Holding of a full-fledged enquiry :** The enquiry should be in conformity with the principles of natural justice, that is, the delinquent employee must be given a reasonable opportunity of being heard. The enquiry officer should record his findings in the process of an enquiry. He may also suggest the nature of disciplinary action to be taken.

    The important steps in domestic enquiry are: preparing and serving the charge-sheet, supervision in grave cases. Obtain reply to charge-sheet, selecting enquiry officer, conducting enquiry proceedings, holding of enquiry in the free environment, recording findings, submitting enquiry officer's report to the disciplinary authority, decision of the disciplinary authority, communication of the order of punishment.

5. **Considering the enquiry proceedings and findings and making final order of Punishment :** When the misconduct of an employee is proved, the manager may take disciplinary action against him. While doing so, he may give consideration to the employee's previous record, precedents, effects of this action on other employees, consulting others before awarding punishment rate. No inherent right to appeal has been provided, unless the law provides it. In case the employee feels the enquiry is not proper and action unjustified, he must be given a chance to make an appeal.

6. **Follow-up**

    After taking disciplinary action, there should be proper follow-up. The disciplinary action should not make the employee repeat his mistake.

4.6 GRIEVANCE

Q26. What is Grievance ?

Ans :   (May-19, May-13, May-12)

Meaning

Grievance can be defined as any discontent or dissatisfaction with any aspect of the organization. When a complaint remains unattended and the employee concerned feels a lack of justice and fair play, then the dissatisfaction grows and assumes a status of grievance. The concept 'grievance', has been variously defined by different authorities.

Definitions

i) **According to Keith Davis,** "Grievance is any real or imagined feeling of personal injustice which an employee has concerning his employment relationship".

ii) **According to Beach,** "Grievance is any dissatisfaction or feeling of injustice in connection with one's employment situation that is brought to the notice of the management".

iii) **According to Dale Yoder,** "Grievance is a written complaint filed by an employee and claiming unfair treatment."

iv) **According to International Labor Organization,** "Grievance is a complaint of one or more workers in respect of wages, allowances, conditions of work and interpretation of service stipulations, covering such areas as overtime leave, transfer, promotion, seniority, job assignment and termination of service."

v) **According to National Commission on Labor,** "Complaints affecting one or more individual workers in respect of wage payments, overtime, leave, transfer, promotion, seniority, work assignment and discharges constitute grievances.'

4.6.1 Causes

Q27. What are the causes of grievance ?

(OR)

What are the causes for grievance in an organization?

Ans : **(May-19, May-12)**

Grievance are mainly caused due to following reasons.

1. Transferring employees from one department to another department or from one shift to another shift.

2. Inappropriate assignment of jobs to employees.

3. Unpleasant (or) uncomfortable work conditions.

4. Increasing demands for wage adjustments.

5. Complaints regarding the disciplinary measures and procedures, incentive systems, job classifications and against a specific foreman.

6. Complaints regarding the supervision methods.

7. Ineffective safety and health services or devices

8. Breaking the contract rules with regard to collective bargaining. Inaccurate calculation and interpretation of seniority rules.

9. Promotions of the employees.

10. Unavailability of the raw materials.

Q28. Explain the characteristics of grievances

Ans :

The following are the few characteristics of grievance.

1. Factual Realistic

The relationship of an employer and employee relies upon the job contract in an organization. This contract specifies mentions the rules and regulations which define the limits within which the employee holds an expectation dial the organization would meet his goals, needs or expectations. If the organization fails to fulfill these legitimate oils of employees, then the employees would be dissatisfied with their jobs. This type of dissatisfaction is known as factual grievance.

2. Imaginary / Fictitious

If the job contract is not specific and does not mention the norms which defines the limits within which the employee holds the expectation that the organization would meet his needs or expectations then the employees develops those types of needs, which the organization is not compelled to fullfil. In this case, the organizations are not responsible for these grievances and their redressal, as they are merely based on the wrong perceptions and wrong information of the employee. These type of grievances would result in the development of negative attitude among the employees towards the organization which further reduces their participation and effectiveness in work.

3. Disguised

In any organization, every employee holds certain expectations. These basic expectations of the employees, include the need for recognition, affection, power, etc., which are mostly ignored or not taken into account. These are called as the disguised grievances. The disguised grievances need to be considered as they would lead it to unfavourable results on an organization.

4.6.2 Procedure

Q29. Examine the Grievances procedure.

OR

Narrate the stages of grievances procedure.

Ans : **(May-19, Imp.)**

The four stages of the machinery are briefly discussed here:

1. Initial level at which grievance occurs:

The greatest opportunity to redress a grievance is to resolve it at the initial level at which it occurs. A worker's grievance should

be resolved by their immediate boss, the first-line supervisor. The first stage of the procedure usually involves three persons the aggrieved employee, his immediate boss and the union representative.

It is possible to involve the union in laying down the framework of the grievance procedure and thereafter restrain union involvement in the actual process, at least in the first two stages. Supervisory role needs to be strengthened, with appropriate training in problem-solving skills, grievance handling, and counselling.

2.   Intermediate stage

If the dispute is not redressed at the initial state at supervisor's level, it is usually referred to the head of the concerned department. It is important that the management assumes prime responsibility for the settlement of a grievance. At the intermediate level, grievance can be settled with or without union involvement.

3.   Organization level

If a grievance is not settled at the intermediate level also, it can be referred to the top management. Usually, a person of a level not less than the general manager designated for the purpose directly handles the issue. At this level, it is very difficult to reconcile the conflicting interests.

4.   Third-party mediation

If the grievance has not been settled bilaterally within the organization, it goes to a third party for mediation. Arbitration or adjudication or the matter may even be referred to a labour court. At this stage, the parties concerned lose control over the way the grievance is settled.

In case of mediation (conciliation or arbitration), the mediator has no authority to decide, but in case of the labour court or an adjudicator, the decision will be binding on the parties, subject to statutory provisions for appeal to higher courts.

At any stage of the grievance machinery, the dispute must be handled by some members of the management. In grievance redressal, responsibility lies largely with the management and as already discussed, grievances should be settled promptly at the first stage itself.

Q30. State the various types of grievances.

Ans :

Types of Grievances

Grievances are of two types as follows :

1.   Contract Interpretation grievances

2.   Employee discipline grievance

1.   Contract Interpretation grievances

Contract interpretation grievance takes place mainly due to the rights of union members under labour contrast. If the language used by the contractor in the contract is confusing or unclear, then this type of grievance takes place which is solved through arbitration.

2.   Employee Discipline Grievance

Employee discipline grievance mainly deals with the employee discipline. In this type of grievances, the grievance procedure is analyzed and determined whether the employee was disciplined and obedient and self-controlled for a just cause and whether the management had the proof of it. The most important feature of these grievances is to ascertain whether the disciplined employee receives the appropriate process or not. In case of minor disagreement among the employees the management should give a chance to employees to correct their behavior through a progressive discipline procedure such as a verbal warning, written warning, suspension and discharge. In case of serious disagreement among employees like that of a theft, then the management should produce strong proof of that type of behavior which is warranted.

Q31. Explain briefly about grievance resolving. mechanism.

Ans :   **(May-16)**

The manager should immediately identify all grievances and must take appropriate steps to eliminate the causes of such grievances so that the employees remain loyal and committed to their work. Effective grievance management is an essential part of personnel management. The managers should adopt the following approach to manage grievance effectively.

1. **Quick action:** As soon as the grievance arises, it should be identified and resolved. Training must be given to the managers to effectively and timely manage a grievance. This will lower the detrimental effects of grievance on the employees and their performance.

2. **Acknowledging grievance:** The manager must acknowledge the grievance put forward by the employee as manifestation of true and real feelings of the employees. Acknowledgement by the manager implies that the manager is eager to look into the complaint impartially and without any bias. This will create a conducive work environment with instances of grievance reduced.

3. **Gathering facts:** The managers should gather appropriate and sufficient facts explaining the grievance's nature. A record of such facts must be maintained so that these can be used in later stage of grievance redressal.

4. **Examining the causes of grievance:** The actual cause of grievance should be identified. Accordingly remedial actions should be taken to prevent repetition of the grievance.

5. **Decisioning:** After identifying the causes of grievance, alternative course of actions should be thought of to manage the grievance. The effect of each course of action on the existing and future management policies and procedure should be analyzed and accordingly decision should be taken by the manager.

6. **Execution and review:** The manager should execute the decision quickly, ignoring the fact, that it may or may not hurt the employees concerned. After implementing the decision, a follow-up must be there to ensure that the grievance has been resolved completely and adequately.

Q32. Explain the methods about grievance redressal mechanism.

Ans :   **(May-18)**

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 organization 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 organization and can pave way for further improving the management policies for its labor force.

Q33. Differentiate grievance from discipline. Write about the importance of grievance handling machinery in industrial organizations.

Ans :

Grievance Vs Discipline

The following are some of the differences between grievance and discipline,

S.No	Grievance	S.No	Discipline
1.	Dale. S. Bearch' defined grievance as any dissatisfaction or feeling of injustice in connection with one's employment situation that is brought to the attention of management".	1.	'Richard D. Calhoon' defined discipline 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".
2.	Grievance is a complaint from employee against the management.	2.	Discipline is a complaint from management against the employee.
3.	Some of the features of grievance are, (i) Grievance is a form of dissatisfaction. (ii) Grievances may be expessed grievances or implied grievances.	3.	Some of the features of discipline are, (i) Discipline is self-control (ii) Discipline is negative and punitive approach.
4.	Grievance redressal machinery is adopted to resolve grievances.	4.	Disciplinary action is undertaken to correct indiscipline.

Importance of Grievance Handling Machinery

The importance of grievance handling machinery can be understood from the following points,

1.   Grievance handling machinery resolve grievances and helps in maintaining harmonious industrial relations.

2.   If facilitates a channel through which the aggrieved employee can put forward his/her grievance.

3.   It gives a chance to all employees/workers to ask their doubts and express their feelings and dissatisfaction.

4.   Grievance handling machinery enables the management to know the behaviour and attitude of superier with their subordinates.

5.   It encourages the workers to express all the problems faced by them.

6.   It improves productivity and morale of employees/workers.

7.   It enables peacful relationship between superior and subordinate.

8.   Grievance handling machinery ensures discipline in the organization.

9.   It stops minor disagreements growing into serious conflicts.

10.   If facilitates fair and speedy means to handle employee grievances.

4.7 INDUSTRIAL RELATIONS SYSTEMS

Q34. What are the key features of Indian industrial relations system? Explain

(OR)

What are the factors which influence industrial relations in an enterprise?

(OR)

Define industrial relations. State its characteristics. What are the factors affecting industrial relations.

Ans : (Imp.)

Industrial Relations

Industrial Relations refers to the relationship which exists among the employees and management in the regular industrial working. Dale Yoder defined industrial relations as, "a whole field of relationship that exists because of the necessary collaboration of men and women in the employment process of an industry".

The concept of Industrial Relations has been widened, which shows the relationships that exists between the state and its employees, employers and the firms and organizations.

International Labour Organization (ILO) has defined Industrial Relations as, "Industrial relations deals with either the relationship between the state and employers and workers organizations, or the relation between the occupational organizations themselves". In short, it explains the relationship between employees, employers and their unions and the government.

Characteristics of Industrial Relations

Industrial relations has the following characteristics:

1. Industrial relations enhances the skills, adjusting methods and cooperation with each other. Industrial relations are the result of the employment relationship which exists in an industry.

3. Industrial relations system, generates complicated rules and regulations for maintaining cordial and peaceful relationships.

4. The government builds industrial relations, with the help of laws, rules, agreements and awards etc.

5. The employees and their organizations, employer and their associations and the government are the key factors of industrial relations.

Factors Influencing Industrial Relations

The following are the factors which influence the industrial relations:

1. **Institional Factor**

   Institutional factors which influence the industrial relations are the policies of the government legislations for the labourers, voluntary courts, collective agreement, courts for the employees federations of the employer's, social institutions such as community, caste, joint family, creed, system of beliefs, work attitudes, power status etc.

2. **Economic Factors**

   Economic factors influencing industrial relations are: economic organizations such as capitalist, communist, mixed etc., demand and supply of labour force, force structure and so on.

3. **Technological Factors**

   Mechanisation, automation, nationalization, computerization etc., are some of the technological factors which influences the industrial relations.

4. **Social and Cultural Factors**

   The social and cultural factors such as population, religion, customs and traditions of individuals, race ethnic groups, cultures of different groups of individuals etc., also influence industrial relations.

5. **Political Factors**

   The political factors influencing industrial relations are, the political system in the country, political parties and their principles, their progress, method of achieving their policies, participation in trade unions and so on.

6.   Governmental Factors

Governmental factors like, the policies of the government such as industrial policy, economic policy, labour policy, export policy and so on influence the industrial relations.

Q35. Discuss the dynamics of industrial relations in Indian context.

Ans :

Industrial Relation

The first industrial turmoil and the stoppage of work was reported in 1887 with the initiative of "Weavers of Empress Mills. Nagpur". The 'Factories Act' in 1881, aroused the employees towards a concerted approach and in 1884, about 5000 workers presented a memorandum to 'Bombay Factory Labour Commission under N.M. Lothande In 1897, Anglo-Indians and domiciled Europeans employed on railways joined together as "Society of Railway Servants" and worked for the problems of railway workers. "The Printers Union", "The Postal Union" are the first organized labour associations in India formed in Calcutta and Bombay in the years 1905 and 1907 respectively.

Industrial Relations during First World War and Before Independence

During the World War-I, the economic distress of the workers brought them together and an organized movement started in the country. It gave rise to the strikes at Ahmedabad, led by Mahatma Gandhi and at Madras, led by B.P. Wadia in 1921.

This period gave rise to the Acts,

➢   The Trade Disputes Act, 1917

➢   The Workmen's compensation Act, 1923

➢   The Trade Unions Act, 1926.

These acts provided protection for accidents on the job, recognised the trade unions and took measures in bringing industrial peace. During World War-II, 'Dearness Allowance' and 'Bonus' were granted. 'Institutions of Tripartite Consultative Machinery, 1942' laid some principles, norms and practices in 1950 and shaped the pattern of Industrial Relations in India. During the period 1946-1947, many strikes, lockouts took place which disturbed the' pattern of Industrial Relations in India.

This period gave rise to the formation of following:

Unions

INTUC in 1947

Acts

➢   Industrial Employment (Standing Orders) Act, 1946

➢   Industrial Disputes Act, 1947.

Industrial Relations After Independence

After Independence, keeping in mind the growth of national economy, it was felt that strikes and lockouts should be stopped. In the interest of maintaining industrial harmony, many conferences were held during the period 1947-1948 which gave rise to 'Industrial Trace Resolution, 1947' and 'The Employees State Insurance Act, 1948' After this period, a great importance was given for maintaining industrial peace wherein the First, Second and Third Five Year Plans laid down certain norms and conditions to carryout industrial work. Later, many acts like 'The Bonus Act' etc., came into force for maintaining industrial peace. In this way, the Industrial Relations stand up in India, but the entry of Multinational Companies (MNCs) have created a great hurdle to the industrial peace.

Q36. Write the scope, objectives and functions of industrial relations?

Ans :

Scope of Industrial Relations

Industrial relations is the continuous relationship that exists between the employee and employer in their day-to-day activities or routine work. The following points helps us to understand the scope of industrial relations,

1.   Industrial relations, involve the relationship between employees, among employers and their supervisors or managers.

2.   It involves the collective relationship among trade unions and management, which is known as Union Management: Relations.

3.   It involves collective relationships between trade unions, employer's associations and the government.

According to Scott, Clothier and Spriegal, Industrial Relations should achieve the highest individual development adequate working relationships among the management and the employees and effective building of human resources The scope of Industrial Relations is very wide, as it involves creating and maintaining an effective personnel relationships in the industry, which assures development of manpower, creates a closer connection among the individuals involve in the industry and among the management and workers, develops a sense of belongingness in the minds of management builds an effective industrial climate and peace, maximises the social welfare, stimulates production, industrial and economic development.

Objectives of Industrial Relations

The main aim of Industrial Relations, is to maintain a friendly and peaceful relationship among the employer an employees. The other objectives of industrial relations are as follows:

1. To control the production by reducing industrial conflicts with the help of state control.

2. To encourage and develop friendly and peaceful labour management relationships.

3. To improve the worker's economic status, by increasing their wages, providing benefits and by aiding them in developing an effective budget.

4. To enhance the worker's strength by solving their problems, with the help of mutual negotiations and consultation with the management.

5. To prevent industrial conflicts and their outcomes.

6. To enable the workers to participate in the management and decision making process.

7. To promote and develop trade unions for enhancing worker's strength.

8. To build up and maintain industrial democracy.

9. To make government as an employer for socialising industries.

Functions of Industrial Relations

Industrial Relations performs the following functions:

1. It builds close and cordial relationships between the managers and the employees.

2. It develops an effective communication between the workers and management for reducing the gap them.

3. It assures that there is a creative contribution of trade unions by preventing industrial conflicts, protecting workers interests and managements, preventing poor and immoral atmosphere in an industry.

4. It formulates the considerations which can encourage creativity, understanding and cooperativeness, in order to increase the industrial productivity and ensuring increased workers participation.

The industries are suffering due to a lack of central values, struggling class competition and poor or weak compromisers. Trade unions are regarded as a problem, or hurdle by the management and the management or managers are regarded as exploiters by the trade unions.

Trade Unions are the important part of political organizations and they follow the principles of these organizations even at the expense of their own interest within the industry. Due to which, collective bargaining results in aggressive bargaining or a mere waste of time. This consideration, along with other consideration, has forced the International Labour Organization (ILO) to establish some principles for encouraging effective industrial relationships as follows.

➢ Effective labour management relationships, relies upon the ability of the employer and trade union to effectively handle their mutual problems in a free, independent and responsible manner.

➢ Trade unions, employers and their organizations must be mainly concerned with solving problems with help or collective bargaining and if required, may also take the help of appropriate government agency.

➤ Workers and employer's organizations, must be strongly willing to get associated with the government agencies by taking into account the general, social, public and economic measures which influences the employers and workers relationship.

Q37. Bring out the value of good industrial relations.

(OR)

Explain the significance of industrial relations. What are the principles of sound industrial relations ?

Ans :

With the wide spread development of industries, there has been a remarkable growth in the employment rates, wage levels, benefits derived, the working conditions, educational facilities and so on. After Independence, it became quite essential for India to industrialise its economy, in order to solve the numerous socio-economic problems. With the introduction of planning period, many significant efforts were made for developing the Indian economy rapidly.

The rapid and planned industrial development, has resulted in the increase in the size of industrial labour, which further resulted in the creation and development of trade unions and several different social groups.

Significance of Effective Industrial Relations

The following points help us to understand the significant of effective industrial relations :

1. Effective industrial relations, help in achieving the individual, organizational and national objectives.

2. Maintenance of friendly and peaceful industrial relations, help in maintaining higher productivity for achieving the objectives of five year plans in India.

3. The success or failure of the Indian Five Year Plans, greatly depends upon the maintenance of a peaceful and friendly relationship between the employer and the employee.

4. The absence of friendly and peaceful industrial relations, would lead to wastage, class hatred,

resentful mutual relations and hurdles in the progress of the nation.

5. Ineffective and poor industrial relations, influences the production and national income adversely and obstruct? the progress of the nation.

6. Effective industrial relations, helps in avoiding industrial disputes or setting differences.

7. It helps in eliminating misunderstandings, redressing grievances and creating a peaceful atmosphere and encouraging the workers to peacefully settle down their disputes.

Principles of Sound (or) Effective Industrial Relations

For maintaining effective industrial relations in the organizations, the following principles must be followed,

1. The employee's worth (value), must be identified and respected in the organization. They must be given the right of personal freedom and equal opportunities.

2. The employer, management, workers and their representatives must have a mutual respect, confidence understanding, goodwill and acceptance of responsibility while performing the rights and duties in the operations of the industry.

3. The employees representing the management and workers and different organizations, should have a better understanding between them.

Apart from these principles, the functional pre-requisites for effective industrial relations programme are as follows,

1. Support from Top Management

As, industrial Relation is a functional staff service, it is quite essential to receive the authority from the line organization. The top level authorities such as, the President, Chairman or the Vice President, must develop an 'Industrial Relations Director Report' and should set an example for others.

2. Effective Personnel Policies

Personnel policies form a part of the business

philosophy, which guide in taking human relations decisions c the firm. The main aim of these policies, are to plan in advance, the actions which need to be taken for handling various problems that might occur in day-to-day work. The personnel policies can be effective when they are followed at all the levels i.e., right from the top level to the bottom level.

3. Adequate (or) Appropriate Practices

Appropriate practices and procedure systems must be developed by professionals, in order to change their ideas into action. The procedures and policies of management act as the tools of the management, which help the supervisors in rate adjustments, grievance reporting and merit rating.

4. Comprehensive Supervisory Training

In order to perform the policies and practices of Industrial Relations, detailed training is required to be given to the job supervisors with respect to leadership and communication.

5. Follow-up of Results

It is essential to examine the Industrial Relation's programme, as it helps in analyzing the current practices, as well as in checking the offensive tendencies. The follow up of turnover, absenteeism, departmental morale, grievances, employee suggestions, wage administration etc., should be done along with continuous research for assuring that the policies used by the firm goes along with the needs of company as well as employees.

Q38. Write about the various approaches to industrial relations.

Ans :   **(Dec.-20)**

Industrial Relations problems are difficult and numerous in nature, as these Industrial Relations issues are the outcomes of social, cultural, economic, political and governmental factors. The study of industrial relations is basically from a multidisciplinary approach. Several people have given several approaches. The following are some important approaches to industrial relations,

1. Psychological Approach to Industrial Relations :

Psychologists have identified that. Industrial Relations issues begin due to the differences in the perspectives of managements, unions, rank and file workers. These differences in perspectives occur mainly due to the variations that takes place in personalities, attitudes etc. In the same way, industrial conflicts are also caused due to the factors like motivation, leadership, group objectives versus individual objectives and so on.

2. Sociological Approach to Industrial Relations :

Industry is considered as a small social world. Organizations refers to the group of individuals with different personalities, emotions, feelings, educational and family backgrounds. These individual differences lead to conflicts and competition between the members of industrial society.

3. Human Relations Approach to Industrial Relations :

Human Resources consist of human beings, who require freedom of speech, thought, expression, movement and control over timings. This approach, mainly deals with the human relationship, which exists among employer and employee. The word 'Human Relations', also includes the relationship which exists in the situations other than employment.

4. Gandhian Approach to Industrial Relations :

The Gandhian approach to Industrial Relations, depends on Gandhiji's basic principles of truth, non-violence and non-possession. Through the principles of non-violence and truth, Gandhiji outlined a peaceful co-existence of capital and labour. Trusteeship refers to the co-operation between capital and labour. According to Gandhiji, it following rules should be followed for solving the industrial conflicts in any organization,

(i) The employees must obtain redressal of reasonable demands with the help of collective action.

(ii) The employees must try to avoid strikes to a great extent.

(iii) Trade unions must not be formed by employees in a humanitarian / philanthropica organizations.

(iv) Strikes must be considered as the last alternative for solving a difficult situation.

(v) The decision to go on a strike, must be taken by the trade unions on the basis of voting of all the employee-' in order to carry out smoothly and make use of gentle and mild methods i.e., non-violent methods.

(vi) In case if the direct settlement fails, then the workers must take voluntary arbitration.

5. **Interactive Outcome of HRM Approach**

Human Resource Management is concerned, with the management of employees right from the 'acquisition period' to the 'separation period'. The main activities of HRM are, 'human resource development', 'compensation' and 'optimum utilisation of the human resources'.

An 'interactive behaviour', exists between an employer and an employee in HRM. Therefore, HRM outsources its activities to which it provides various services such as recruiting services, training services and benefits administrator'' Pulapa Subba Rao has identified that, HRM includes a cordial relationship among the employee and employer who respect to employment, development, compensation and relationships. These relationships may result in either satisfaction or dissatisfaction to the employee and the employer. The employees who are dissatisfied, will express their problem* or grievance procedure to employer for redressal. In the same way, the dissatisfied employer expresses his problem in their groups or associations for redressal.

If both employees or employers do not obtain a redressal, then the parties will try to obtain it with the help of government and private agencies, apart from referring to the labour laws, rules and courts of laws for redressal. Thu whole process creates and develops the relationships between employees and their associations, employers and thee association, government agencies, private agencies and outsourcing agencies. These interactive relationships which exist in HRM process, are considered as, Industrial Relations by Subba Rao. He identified that Industrial Relations affect the HRM process. The following figure helps in understanding the interactive relationship.
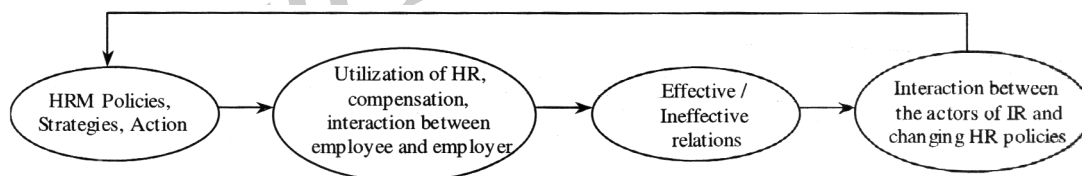
Fig. : Industrial Relation - An interactive Outcome of HRM

The use of suitable HR practices by the employer, helps in satisfying both the employer and the employees and develops an effective industrial relations in organization. Ineffective HR practices, lead to dissatisfaction of the employees and their associations, and dissatisfied employees and their associations produce ineffective industrial relations in an organization.

Q39. Write in detail about Dunlop's approach to industrial relations. State its criticisms.

OR

Explain the Dunlop's IR model. What are its criticisms?

Ans :

Dunlop's Approach/Systems Approach

John T.Dunlop designed a systematic structure of industrial relations in his book on "Industrial Relations System". The main aim of this approach, is to provide tools which help in analysing, interpreting

and having a better understanding of industrial facts and practices. The use of this approach helps in analysing the Industrial Relations by concentrating on the participants involved in the process, environmental forces and output. It also analyses the inter-relations between various aspects of industrial relations systems. The Dunlop's model of industrial relations can be illustrated in the fig:
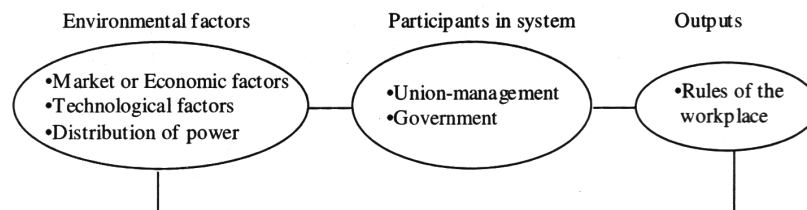
Fig.: Dunlop's Approach to Industrial Relations

The main elements of systems approach are,

1.   Participants/Actors of the system

The participants or actors of Industrial Relations are, the workers and their organizations, management and their representatives and government agencies such as labour courts.

2.   Ideological Linking

Ideological linking to a great extent, controls the relationships between the parties. Dunlop defined ideology as, "a set of ideas and beliefs, commonly held by the actors that help to build or integrate the systems together as an entity".

3.   Environment/Context

Environment acts as a basis where in the participants or actors of Industrial Relations, interact. According to Dunlop, there are three types of environment which are significant to industrial relations as follows:

(i)   Technological factors

(ii)   Market or economic factors

(iii)   Locus and distribution of power

(iv)   Interaction of parties.

Dunlop considered these elements as "a Technological Sub-system", an Economic Subsystem and a Political Subsystem.

(i)   Technological Factors

Industrial relations are completely different in a labour intensive industry, when compared to the capital intensive industry. The technological changes help in improving the expectations of the employers, about the skills of the workers. The use of modern techniques in work processes and methods, decreases the adversities of manual work and help the workers to gain a greater control over their work, which further leads and helps in achieving higher productivity.

(ii)   Market or Economic Factors

It also affects the Industrial Relations, as the need for labour is proximity related with the products demand. With the increase in competition, the market share of a firm becomes uncertain and affects the industrial relations both in short and as well as an long run.

(iii)   Locus and Distribution of Power

The relationship which exists between the labour and management, is affected by the focus and balance of power in a society. Initially, employees and employers show interest towards their work. The government acts as a regulator and plays an important role in building the industrial relations pattern. Conflicts mainly occur when both the parties are less matured, power conscious and assertive. On the other hand, conflicts do not occur in the organizations, where in both the parties are more matured, responsible and carefully use the power.

According to Shister, three sets of characteristics / factors must bemused for defining labour management relationship as follows:

(a)   Economic, social, psychological and political forces which control the policy decisions, management actions and union officials.

(b)   The framework of power relationships within the management and union.

(c)   The distribution of power among the union and management.

The first factor or characteristic is considered as the Framework Factor, whereas the other two factors are considered as the 'Structure of Power factors'. These factors affect the relationship among the government, business and labour. The interactions between government, business and labour result in the formulation of behaviour rules, such as labour laws, voluntary codes, collective agreements etc. These rules control the behaviour of the parties which take part in the industrial relations system.

(iv)   Interaction of Parties

The interaction of the parties or actors of system which is done within the network of rules, labour policy and labour agreements of the country etc., produce the desired output.

Criticisms of Dunlop's Approach to Industrial Relations

Dunlop's approach to industrial relations has been criticized by several authors. According to Kochan et at. systems approach to IR plays a more active role in management, rather than just an adaptive role, as it has a good status to execute strategic choices. It is believed that there are many interrelated levels of industrial relations. Apart from the functional level of collective bargaining, there is also strategic level and a workplace level, which consists of the supervisory style, participation, job design and work organization. Due to the work levels, interacting action and different ideologies dominating each other, it is impossible to avoid instability and conflicts in the organization. The collective ideology is essential only at the functional level (collective bargaining level) for holding up the system together.

Schilstra in the year 1998, also criticized the systems approach to IR. It was criticized that the behavioural factors were practically not present in this approach and that this approach focussed upon the rules and procedures as outputs and did not specify the way in which these rules were ascertained. The emphasis on rules and job regulators as the outputs of system, focusses on accommodation and equilibrium and does not consider conflict and change.

The Dunlop's approach to IR helps in focussing on the significance of rules with respect to the traditional industrial relations. However, it does not adequately consider the distribution of power among the management and trade unions and its impact on state. It also does not specify the role of individual in industrial relations.

4.7.1   Concept of Industrial Conflict

4.7.1.1   Causes

Q40. Define industrial conflict. Explain the causes of industrial conflict.

Ans :   *(Imp.)*

Industrial conflict

A term which refers to all expressions of dissatisfaction within the employment relationship, especially those pertaining to the employment contract, and the effort bargain. The many different kinds of industrial conflict may be divided into two broad classes informal and formal.

Informal industrial conflict is so labeled because it is not based on any systematic organization, results directly from a sense of grievance, and supposedly is wholly expressive in

nature. Many forms of industrial sabotage which appear irrational would constitute industrial conflict in this sense, as would purely individualized and even unconscious forms of protest, including absenteeism, frequent job-changing, negligence, and even accidents at work. Industrial sociologists have also regarded spontaneous walk-outs and strikes as examples of informal industrial conflict, as well as the constant opposition to management expressed in workgroup norms regulating output, restrictive practices, secrecy, or other guarded treatment of superiors. The idea of informal industrial conflict thus draws attention to the roots of behavior which may appear incomprehensible from the point of view of management. Used too widely, however, it loses its vigor.

Formal industrial conflict is reserved for organized expressions of conflict articulated through a trade-union or other worker representative. Its supposed purpose is strategic or instrumental rather than (or as well as) expressive and may often involve workers who, by themselves, have no feelings or personal involvement regarding the issues at stake in the dispute. Its characteristic form is the organized strike: that is, a withdrawal of labour such as to constitute a temporary breach of contract, using the collective strength of the workforce to avoid sanctions and achieve adjustments to pay or conditions of work.

Causes of industrial conflict

(a) Wages

The demand for wage increase is the prime-most cause of the industrial disputes. A large number of strikes are being organized to raise a voice against the rise in prices and cost of living.

The real wages of the workers decline faster with the increase in price level and they feel dissatisfied with their present emoluments and struggle for the improvement in wages. By having a cursory glance on the history of industrial disputes; it becomes clear that cause of most of the industrial disputes was wages. The Indian employer has no clear-cut and enlightened wage policy.

(b) Dearness Allowance and Bonus

Increase in cost of living was the main cause of the demand of dearness allowance by the workers to equate their wages with the rise in prices. Bonus also plays an important role as a cause of industrial dispute. It is interesting to note that in 1966, 49 percent of the disputes were related to wages and bonus.

Both the quantum and the method of bonus payment have led to a number of disputes. There is an increasing feeling among the workers that they should have a greater share in the profits of the concern and this fact has not been recognized by the employees and non-acceptance of this fact has been a source of friction among employers and employees.

(c) Working Condition and Working Hours

The working conditions in Indian industries are not hygienic. There is not ample provision of water, heating, lighting, safety etc. Working hours are also greater. The demand of palatable working conditions and shorter hours of work are also responsible for labor disputes.

(d) High Industrial Profits

During and after the world wars, prices of the commodities went up and the industrialists earned huge profits. In order to get share in the prosperity of the industry, it naturally led to the resentment on their part. The increased profits also led to the demands of higher wages and bonus. Now in the changing world, concept of labor has changed considerably. They think themselves as a partner of the industry and demand their share in the profits.

(e) Demand for Other Facilities

Demand for other facilities for meeting out their basic needs such as medical, education, housing, etc., encourage the workers to resort to direct action because such facilities were denied by the employers.

Q41. What are the differences between Human resource management and Industrial relations?

Ans :

S.No.	Human Resource Management	S.No.	Industrial Relations
1.	Human Resource Management involves only two parties i.e., employee and employer.	1.	Industrial relations involves four parties i.e.. employees, employer, trade unions and government.
2.	In HRM, grievance and disciplinary procedures are used for solving the employer, employee issues.	2.	Collective bargaining and different types/forms of industrial conflicts are used for solving the problems.
3.	The objectives and policies were formulated 'on the industrial conflicts resulting out of based industrial ineffective industrial relations.	3.	Effective industrial relations helps in attaining the organizational objectives. The ineffective industrial relations leads to industrial conflicts which require change and reformulation of HRM objectives and policies.
4.	The individual employee has an easy access over its superior.	4.	The individual employees can directly contact the top level management.

4.8 TRADE UNIONS

Q42. Define Trade Union.

Ans :   (May-18, May-12)

Trade union is an important actor/participant of industrial relations. The basic function of trade unions are to protect and promote the interest of the workers and conditions of their employment. Workers join the trade unions, to achieve their objectives which they could not achieve individually.

The different trade unions in India are as follows,

➤ Indian National Trade Union Congress (INTUC) 1948

➤ All India Trade Union Congress (AITUC), 1920

➤ Hind Mazdoor Sabha (HMS), 1948

➤ United Trade Union Congress (UTUC), 1949

➤ Bharatiya Mazdoor Sangh (BMS), 1955

➤ Hind Mazdoor Panchayat (HMP), 1965

➤ National Labour Organizations (NLO), 1969

➤ Centre of Indian Trade Unions (CITU), 1970.

Definitions

"Trade Union" means combination, whether temporary or permanent is formed.

(i)   Primarily, for the purpose of regulating the relations between

       (a)   Workmen and employers, or

       (b)   Between workmen and workmen, or

       (c)   Between employers and emplo-yers, or

(ii) **According to The Trade Union Act, 1926**
For imposing restrictive conditions on the conduct of any trade or business and includes any federation of two or more hade unions.

(iii) **According to The British Trade Union.**
A Trade Union, is a combination, with the main objective of regulating the relations between workmen and masters, or between workmen and workmen, or between masters and masters, for imposing of restrictive conditions on the conduct of any trade or business and also provisions of benefits to members.

Trade Union is a composition of workers that is formed mainly to protect and promote the interest of workers.

Features

The general features of trade unions are as follows:

(a) The trade union is an association either of employees or employers or of independent workers.

(b) Trade unions are permanent associations.

(c) Trade unions are engaged in securing the objectives of its members.

(d) Trade unions change their methods and the working to adjust themselves to changing circumstances.

(e) The trade unions are influenced by socio-economic and political factory

4.8.1 Objectives

Q43. What are the objectives of trade union?

Ans : (May-13)

Trade unions are formed to protect and promote the interests of their members. Their primary function is to protect the interests of workers against discrimination and unfair labour practices. Trade unions are formed to achieve the following objectives :

1. **Representation**

Trade unions represent individual workers when they have a problem at work. If an employee feels he is being treated unfairly, he can ask the union representative to help sorting out the difficulty with the manager or employer. Unions also offer their members legal representation. Normally this is to help people get financial compensation for work-related injuries or to assist people who have to take their employer to court.

2. **Negotiation**

Negotiation is where union representatives, discuss with management, the issues which affect people working in an organization. There may be a difference of opinion between management and union members. Trade unions negotiate with the employers to find out a solution to these differences. Pay, working hours, holidays and changes to working practices are the sorts of issues that are negotiated. In many workplaces there is a formal agreement between the union and the company which states that the union has the right to negotiate with the employer. In these organizations, unions are said to be recognized for collective bargaining purposes.

3. **Voice in decisions affecting workers**

The economic security of employees is determined not only by the level of wages and duration of their employment, but also by the management's personnel policies which include selection of employees for layoffs, retrenchment, promotion and transfer. These policies directly affect workers. The evaluation criteria for such decisions may not be fair. So, the intervention of unions in such decision making is a way through which workers can have their say in the decision making to safeguard their interests.

4. **Member services**

During the last few years, trade unions have increased the range of services they offer their members. These include :

➢ **Education and training:** Most unions run training courses for their members on employment rights, health and safety and other issues. Some unions also help members who have left school with little education by offering courses on basic skills and courses leading to professional qualifications.

➤ **Legal assistance :** As well as offering legal advice on employment issues, some unions give help with personal matters, like housing, wills and debt.

➤ **Financial discounts :** People can get discounts on mortgages, insurance and loans from unions.

➤ **Welfare benefits :** One of the earliest functions of trade unions was to look after members who hit hard times. Some of the older unions offer financial help to their members when they are sick or unemployed.

Q44. State the various functions of trade unions.

Ans :

Trade unions carry out a number of functions in order to attain their objectives. The following are the few primary functions performed by trade unions:

1. Security

Trade unions provide security to the workers from all kinds of exploitation from the employer and political parties. Thus protect the workers from unfair labour, unequal practices and cruel acts of management. The trade unions also examine and change the position of workers in an industry and society.

2. Grievance Redressal

A trade union resolves both the individual and collective grievances of workers with the employer.

3. Collective Bargaining

Trade unions discuss and bargain with the management for deciding the terms and conditions of employment.

4. Adequate Standard of Living

Trade unions try to provide security to the workers, by offering them fair wages, adequate working conditions and welfare facilities such as health, housing, recreation and social security. They try to make sure that the workers have adequate standard of living.

5. Participation

Trade unions try to put into their complete efforts in order to allow the workers to participate and share their ideas in the matters of management and try to create and develop democracy in the industry.

6. Education

Several trade unions try to educate their workers and their family members. As this would help the workers to clearly understand their rights and duties and to identify the need for technological changes.

7. Protests

The trade unions arrange strikes, demonstrations and other types of protests for presenting the demands of the workers. If in case the employers stop paying wages to the workers at the time of the strike, then the trade unions also offer financial and other help to them in order to compensate for the loss incurred by the employees.

8. Legislation

Trade unions work along with the political parties and political leaders to provide legislative protection to workers from the government.

9. Welfare and Recreation

Some trade unions also make a provision for recreational facilities to their members which includes sports and other welfare facilities.

10. Representation

Trade unions usually represent the working class, at different national and international forums like Indian Labour Conference, International Labour Organization (ILO) and so on.

11. Communication

Trade unions often act as a link between the employers and workers, in order to have an effective communication, mutual understanding and cooperation among them. These unions also help the workers to develop a sense of belongingness/ responsibility towards the industry and

society. Therefore, the trade unions play a very important role in solving out/handling social evils and help in encouraging the national integration.

12. Advice

Trade unions mostly provide valuable advice and information to the management, while formulating personnel policies and practices. These unions also help the employers in carrying out discipline and enhancing productivity.

Q45. What are the different types of trade unions ?

Ans : **(Imp.)**

Generally the trade unions are classified based on two categories. They are :

1. Purpose of formation

2. Composition of membership
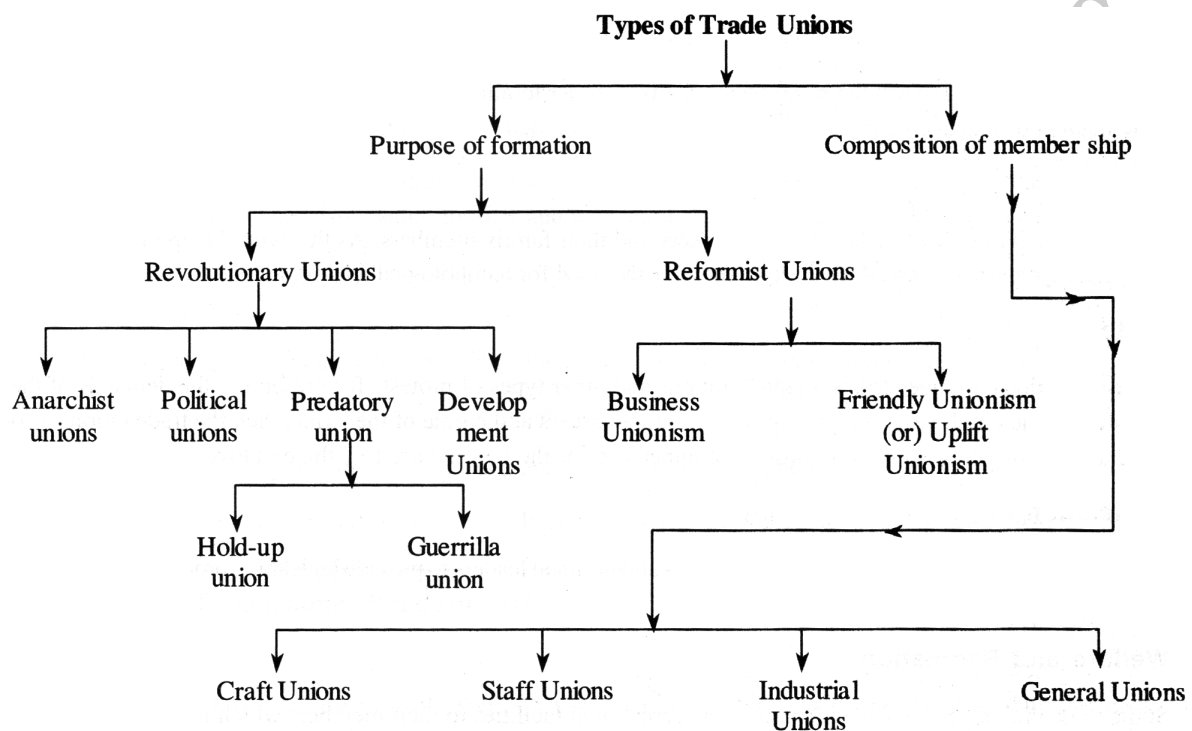
1. Division on the Purpose of Formation

Depending upon the purpose of formation, the trade unions are categorized into two. They are,

(i) Revolutionary unions

(ii) Reformist unions.

(i) Revolutionary Unions

Revolutionary unions aim at replacing the existing structure with new and different institutions in accordance with preferences. They generally seek to put an end to the society based on competition and individual rights, to remove wage systems and aim at bringing a communist and socialist system.

Revolutionary unions are of four types.

(a) Anarchist Unions: Aims at destroying the present economic system through revolutionary methods.

(b) Political Unions: These unions gain power through the political involvement. They aim at destroying the capitalist society and giving power to workers.

(c) Predatory Unions: These unions do not follow a particular methodology. They may use friendly or revolutionary methods for achieving goals. They mainly consists of gangsters.

These unions are,

(i) Hold-up Union: It is a combi-nation of labour agents and employers aiming at imposing high prices on the consumers. Wherein the workers receive only a small share from the increased prices compared to that of employers.

(ii) Guerrilla Union : This kind of unions do not cooperate with the employers. These unions are generally controlled by an individual and are not democratic in nature. They adopt violent methods for achieving their goals.

d) Development Unions: The presence of this union is dependent on other unions or employees.

(ii) Reformist Unions

The Reformist unions mainly aim at maintaining harmonious employee-employer relationship, preserving capitalist society etc. without destroying the actual structure.

Reformist unions are of two types. They are,

(a) Business Union: In business unions, employees and employers maintain good relationship with each other. Business unions represent their members during collective bargaining agreements. They use peaceful modes like collective bargaining and voluntary arbitration for

achieving their goals and aim at providing economic strength to its members.

(b) Friendly Unions/Up-lift Union: These are the ideal unions aiming at enhancing the morale, intellectual and social life of the employees. They provide the facilities like health campaigns, educational, insurance, etc. These unions are bound to law and use the modes like collective bargaining to achieve their goals.

2. Division on the Composition of Membership

Based on membership, the unions are classified into four types.

(i) Craft Union

Craft union is an association of workers belonging to a particular trade craft and having similar skills, craft training etc. The craft union is of great importance because it is believed that its stable character has guided the trade union movement to achieve stability. Craft unions can be seen among non-manual workers and professional workers.

Examples: The Ahmedabad Weaver's Union, Kanpur Suti Mill Mazdoor Sabha, International Wood Carver's Association etc.

(ii) Industrial Union

It is an association of workers belonging to a particular industry irrespective of their skills, crafts, grade, gender etc. This union may consist of large number of workers.

Examples: The textile Labour Association of Ahmedabad, The Rashtriya Mill Mazdoor Sangh of Mumbai, The Labour Mines Mazdoor Sangh of Udaipur etc.

(iii) Staff Union

The staff union generally refers to both craft union and industrial union. The staff union itself is an organizations which recruits its members from non-manual sectors including clerks, supervisors, draughtsmen, operators etc. These unions increase the participation

of women in union activities and use the tools like collective bargaining.

(iv) General Union

General unions consists of workers from different unions having different skills. Examples of general unions are the Jamshedpur Labour Union, Jamshedpur, 'The National Union of Municipal and General Workers' etc.

Q46. What are the major limitations of Indian trade unions? What suggestions you make to overcome them?

(OR)

Account for the weaknesses of trade unions in India.

Ans :

The trade unions in India are weak and are failing to be successful due to the following problems/ weaknesses,

1. Irregular Growth

Trade unions are mostly found in large scale industrial sectors and in big industrial centres. Small scale sectors, agricultural sector and domestic sectors usually do not have trade unions as the employees of these sectors consider their employer as their boss who provides livelihood to them and do not wish to join any union. Trade unionism has influenced only a part of the working class in India. The variations of caste, language, religion etc., which exist between the employees also lessens the strength of trade unions.

2. Weak Financial Position

The mean annual income of unions is very less and insufficient. This is mainly due to the low subscription rates and the inability of the members to pay the subscription fee on time. Mostly the workers are very poor and are not interested in joining these unions. So, in order to increase the number of members, low subscription rates are fixed by the trade unions. Due to its weak financial position, the trade unions are unable to organize welfare programmes for its employees.

3. Small Size

Greater number of unions mostly have low membership. Although there has been an increase in the number of unions and union memberships, the average membership is limited or unfavorable. According to Trade Union Act, 1926, any seven employees can form a union. In most of the organizations, the unions formed are the plant unions wherein conflicts take place between the union leaders. Due to these reasons, a greater number of small unions has emerged/ increased significantly.

4. Political Leadership

Trade unions are created and controlled usually by the political parties and outsiders. They are not rooted in the working class. Politicians take undue advantage of trade unions and workers for their own personal and political benefits. These politicians for the sake of their own personal respect and reputation, organizes, extend or delay the strike period. Hence, due to these reasons political leadership is considered as one of the major obstacles to the trade union movement in India.

5. Multiplicity of Unions

The survival of the rival unions with different ideas/views and principles is the main reason for the inadequate growth of trade union movement. Many unions exist in the same industry. The Trade Unions Act, 1926, motivates the employees of small sector to create separate unions. Political outsiders also create their own unions for increasing their political sway. In certain cases, the employers usually promote the split-up of the unions for ascertaining their bargaining power.

6. Inter-union Rivalry

The formation of several unions lead to different rivalries. The trade unions try to influence the workers by misrepresenting and taking advantage of each other. The employers try to exploit the conflicts occurring between the unions and makes the unions compete against each other. Inter-union rivalry abolishes the basis of trade union

movement, lessens the collective bargaining power and decreases the worker's effectiveness in protecting their legitimate rights.

7. Problem of Recognition

Employers do not have any compulsion to identify any union or give identification to any of the unions. Several times, the employers usually do not accept to identify the trade unions on the basis that the unions include merely minority of workers or that two or more unions exist.

8. Absence of Paid Office-bearers

Several unions mostly do not have paid office-bearers. The union activists who work on an unpaid basis or honorary basis invests very less time and energy towards the union activities. The union officers usually do not have sufficient knowledge and skill as they are not trained.

9. Indifference of Members

The workers mostly lack interest in the unions activities and also do not wish to attend the meetings of unions. The members are indifferent towards the activities of the unions and are usually unenthusiastic.

10. Opposition from Employers

In India, the trade unions need to bear/tolerate the opposition from the employer's side. These employers coerce and discriminate the labour leaders, form rival unions and also bribe the union officials.

Q47. What are the measures taken up to strengthen the trade union movement in India?

Ans :

In India, the trade union movement is facing number of problems and it is impossible to eliminate all their problems. So, the management, trade unions and political parties must take appropriate steps for decreasing the impact of these problems. The National Commission on Labour 1969, had made several suggestions on various aspects in order to strengthen the trade union movement in India.

These suggestions/recommendations are as follows,

1. Expanding the Functions

According to National Commission on Labour, the unions should primarily focus on the needs of its members and must put in efforts,

(i) To enhance their working and living conditions.

(ii) To increase/widen up the opportunities for promotion and training.

(iii) To provide fair wages to the workers.

(iv) To offer educational, cultural and recreational facilities to the workers.

(v) To take measures for securing/protecting the tenure of workers and enhance the service conditions.

(vi) To encourage individual and collective welfare of an organization.

(vii) To encourage and develop the identity of the interest of workers with respect to their industry.

(viii) To provide adequate cooperation in enhancing production and productivity levels, discipline and high standard of quality.

(ix) To help the workers in understanding the technological advancement.

Apart from these, the unions must also handle certain social responsibilities like,

(i) Encouraging and developing national integration.

(ii) Creating and developing a sense' of responsibility among the members towards the industry and community.

(iii) Affecting the socio-economic policies of the community via participating actively in creating these policies.

2. Leadership

With regards to leadership, the National Commission on Labour 1969, has suggested the following measures,

---

(i) The non-employees who are the executives of union must not be banned.

(ii) Appropriate actions must be taken for encouraging internal leadership and must be assigned a more responsible role.

(iii) Internal leadership must be kept aside i.e., out of the limits of victimization.

(iv) The allowable limit of outsiders in the executive of the union must be decreased to 25%.

(v) Ex-employees must not be considered as the outsiders.

3. Union Rivalries

According to National Commission on Labour 1969, identifying unions, developing internal leadership, focussing on collective bargaining and institutionalizing an independent authority for recognizing union helps in decreasing the union revalries. If intra-union revalries occur, then these should be sent to the central organization for settlement. If in case the central organization fails to solve the conflict, then a labour court must be created on the request of group or government is order to solve the conflict.

4. Registration

National Commission on Labour suggested that the registration of trade unions must be canceled if in case,

(i) Its membership is less than the minimum prescribed level for registration.

(ii) If the union does not submit its annual return.

(iii) If the defective returns were submitted and its defects were not corrected within the prescribed period of time.

The commission also suggested that an application for re-registration must not be accepted within six months of the date of cancellation of its registration.

5. Improvement of Financial Condition

In order to enhance the financial conditions of the unions, the commission suggested that the membership fees must be increased to ` 1 per month. The commission was against collecting 1 % or even more as membership fees on the basis that it would refer to various amounts within each slab for the similar workers.

6. Verification of Membership

The decisions about the representative character of unions must be made by Industrial Relations Commission by scrutinizing the membership records or by conducting an election through secret ballot which is open to all employees.

7. Recognition of Unions

According the National Commission on Labour 1969, it is necessary to identify the unions as mandatory under a Central Law in all the organizations which employ 100 or more than 100 employees or the organizations in which the capital invested is more than the stipulated size. A trade union which wants to be identified as a bargaining agent from an individual employer, must have a membership of at least 30 percent of workers in that organization. If an industry wants to be recognized in a local area, then the minimum membership must be 25 percent. If in case greater number of unions compete for identification, then in such a case the unions with greater following would be identified.

4.8.2 Role of Trade Union in New Economy

Q48. Explain the role of trade unions in India.

(OR)

Discuss the role of trade unions in new economy of Indian with recent examples.

Ans : **(May-17, May-16, May-13, Imp.)**

The Trade Union Movement in India has been facing several problems as discussed earlier. Moreover, the problems of trade unions are like a vicious circle. It is not possible to put an end to all their problems, nor mitigate them to a reasonable level. Hence, Management, Trade Unions and political parties should take steps to reduce the effect

of these problems. The following are some of the measures to minimise trade union problems and to strengthen the Trade Union Movement in India.

1. **Development of United Labour Front :** Developing a united labour front with one policy, objective, programme and method can eradicate most of the present-day's trade union problems.

2. **Development of efficient leadership :** Outside political leadership has been developed due to the absence of internal leadership. Outside leadership is the main cause for the multiple problems of the Trade Unions. These problems can be eradicated through the development of leadership talents from within. Management should encourage internal workers to lead their own movement. Management and trade unions should provide educational and training facilities for the development of internal leadership.

3. The membership fee should be raised as the amount of wages of the workers increased significantly, compared to the situation in 1926 when the Trade Union Act provided for the collection of 25 paise per member per month as subscription fee.

4. Trade Unions should extend welfare measures to the members and actively render social responsibilities.

5. The Trade Union Act, 2001, should be amended and the number of members required to form a trade union should be increased from 10% to 50% of the employees of an organisation. Similarly, the scope for the outside leadership should be reduced from 33% to 10%. The membership subscription should be enhanced from `. 12 per annum to 1 % of the monthly wages of the worker.

6. The Trade Union Act should be amended in order to avoid dual membership.

7. There should be legal provision for the recognition of the representative union.

8. Trade Unions should not unnecessarily interfere in the management decision, where their interference reduces the organisational effectiveness.

9. Trade Unions should form a labour party and trade unions in the country should be affiliated to it. It gives adequate strength to the trade unions both in the industry and in the Parliament.

4.9 COLLECTIVE BARGAINING

Q49. Define Collective Bargaining. Explain the characteristics of collective bargaining .

Ans :   (May-14, May-12)

Meaning

The term collective bargaining is made up of two words, 'collective' – which means a 'group action' through representation and 'bargaining', means 'negotiating', which involves proposals and counter-proposals, offers and counter-offers. Thus it means collective negotiations between the employer and the employee, relating to their work situations. The success of these negotiations depends upon mutual understanding and give and take principles between the employers and employees.

Definitions

The phrase collective bargaining is made up of two words collective which implies group action through its representatives; and bargaining which suggests haggling and/ or negotiating. The phrase, therefore, implies collective negotiation of a contract between the management's representatives on one side and those of the workers on the other. Thus collective bargaining is defined as a process of negotiation between the employer and the organized workers represented by their union in order to determine the terms and conditions of employment.

i) **According to Stevens** Collective Bargaining as a 'social control technique for reflecting and transmitting the basic power relationships which underlie the conflict of interest in an industrial relations system.'

ii) **According to Prof. Allan Flanders** Collective Bargaining is primarily a political rather than an economic process. He describes collective bargaining as a power

relationship between a trade union organization and the management organization. The agreement arrived at is a compromise settlement of power conflicts. Collective Bargaining has also been described as "the great social invention that has institutionalized industrial conflict"

iii) **According to Richardson says,** "Collective bargaining takes place when a number of work people enter into negotiation as a bargaining unit with an employer or a group of employers with the object of reaching agreement on conditions of the employment of the work people".

The ILO has defined collective bargaining as "negotiations about working conditions and terms of employment between an employer and a group of employees or one or more employees' organizations with a view to reaching an agreement wherein the terms serve as a code of defining the rights and obligations of each party in their employment relations with one another; fix a large number of detailed conditions of employment, and derivatives validity, none of the matters it deals which can in normal circumstances be given as a ground for a dispute concerning an industrial worker".

Characteristics of Collective Bargaining

The main characteristics of collective bargaining are :

i) **Group action:** On the management side are its delegates at the bargaining table; on the side of the workers is their trade union, which may represent the local plant, the city membership or nation-wide membership.

ii) **Flexible and mobile:** It has fluidity and scope for compromise, for a mutual give-and-take before the final agreement is reached or the final settlement is arrived at.

iii) **Two-party process:** It is a mutual give-and-take rather than a take-it-or-leave-it method of arriving at the settlement of a dispute. Both parties are involved in it.

iv) **Continuous process:** Collective bargaining is a continuous process that provides mechanism for continuing and organised relationships between management and trade unions.

v) **Dynamic:** Collective bargaining is dynamic because it is a relatively new concept, and is growing, expanding, and changing. In the past, it used to be emotional, turbulent and sentimental; but now it is scientific, factual and systematic. Its coverage and style have changed.

vi) **Industrial democracy at work:** Industrial democracy is the government of labour with the consent of the governed — the workers. The principle of arbitrary unilateralism has given way to that of self-government in industry.

vii) **Not a competitive process:** Collective bargaining is not a competitive process, but it is essentially a complementary process, i.e., each party needs something that the other party has, namely labour can make a greater productive effort and management has the capacity to pay for that effort and to organise and guide it for achieving its objectives.

viii) **An Art:** "It is an art, an advanced form of human relations. To substantiate this, one need only witness the bluffing, the oratory, dramatics, and coyness mixed in an inexplicable fashion which may characterise a bargaining session."

Q50. Explain the importance of collective bargaining.

Ans :

Collective bargaining includes not only negotiations between the employers and unions but also includes the process of resolving labor-management conflicts. Thus, collective bargaining is, essentially, a recognized way of creating a system of industrial jurisprudence. It acts as a method of introducing civil rights in the industry, that is, the management should be conducted by rules rather than arbitrary decision making. It establishes rules which define and restrict the traditional authority exercised by the management.

(i) Importance to Employees

Collective bargaining develops a sense of self respect and responsibility among the employees.

➤ It increases the strength of the workforce, thereby, increasing their bargaining capacity as a group.

➤ Collective bargaining increases the morale and productivity of employees.

➤ It restricts management's freedom for arbitrary action against the employees. Moreover, unilateral actions by the employer are also discouraged.

➤ Effective collective bargaining machinery strengthens the trade unions movement.

➤ The workers feel motivated as they can approach the management on various matters and bargain for higher benefits.

➤ It helps in securing a prompt and fair settlement of grievances. It provides a flexible means for the adjustment of wages and employment conditions to economic and technological changes in the industry, as a result of which the chances for conflicts are reduced.

(ii)   Importance to employers

1. It becomes easier for the management to resolve issues at the bargaining level rather than taking up complaints of individual workers.

2. Collective bargaining tends to promote a sense of job security among employees and thereby tends to reduce the cost of labor turnover to management.

3. Collective bargaining opens up the channel of communication between the workers and the management and increases worker participation in decision making.

4. Collective bargaining plays a vital role in settling and preventing industrial disputes.

(iii) Importance to society

1. Collective bargaining leads to industrial peace in the country

2. It results in establishment of a harmonious industrial climate which supports which helps the pace of a nation's efforts towards economic and social development since the obstacles to such a development can be reduced considerably.

3. The discrimination and exploitation of workers is constantly being checked.

4. It provides a method or the regulation of the conditions of employment of those who are directly concerned about them.

4.9.1 Types

Q51. Explain the different types of collective bargaining.

Ans :

A collective bargaining process generally consists of four types of activities- distributive bargaining, integrative bargaining, attitudinal restructuring and intra-organizational bargaining.

(i)   Distributive bargaining : It involves haggling over the distribution of surplus. Under it, the economic issues like wages, salaries and bonus are discussed. In distributive bargaining, one party's gain is another party's loss. This is most commonly explained in terms of a pie. Disputants can work together to make the pie bigger, so there is enough for both of them to have as much as they want, or they can focus on cutting the pie up, trying to get as much as they can for themselves. In general, distributive bargaining tends to be more competitive. This type of bargaining is also known as conjunctive bargaining.

(ii) Integrative bargaining : This involves negotiation of an issue on which both the parties may gain, or at least neither party loses. For example, representatives of employer and employee sides may bargain over the better training programme or a better job evaluation method. Here, both the parties are trying to make more of something. In general, it tends to be more cooperative than distributive bargaining. This type of bargaining is also known as cooperative bargaining.

(iii) Attitudinal restructuring : This involves shaping and reshaping some attitudes like trust or distrust, friendliness or hostility between labour and management. When there is a backlog of bitterness between both the parties, attitudinal restructuring is required

to maintain smooth and harmonious industrial relations. It develops a bargaining environment and creates trust and cooperation among the parties.

(iv) Intra-organizational bargaining : It generally aims at resolving internal conflicts. This is a type of maneuvering to achieve consensus with the workers and management. Even within the union, there may be differences between groups. For example, skilled workers may feel that they are neglected or women workers may feel that their interests are not looked after properly. Within the management also, there may be differences. Trade unions maneuver to achieve consensus among the conflicting groups.

Q52. Outline the process of Collective Bargaining.

(OR)

Describe the steps involved in collective bargaining process.

Ans :

Collective bargaining plays an important role in settlement industrial disputes. The role/importance of collective bargaining in dispute settlement can be understood from the collective bargaining process.

Collective bargaining has two dimensions.

1. Negotiating the collective agreements.

2. Interpreting and enforcing the collective agreement and resolving the conflicts arising.

According to R. Wayne Mondy and Robert M.Noe III, the process of collective bargaining has six major steps. They are as follows,

1. Getting Ready for Negotiation

Both employees and employers should carefully prepare to discuss a wide range of complex issues during negotiations. Preparing for negotiation involves selection of negotiators from both sides and identifying a suitable site for negotiation.

Negotiators of the management side should,

(i) Present specific proposals for changing the language of the contract.

(ii) Identifying the budget that the company proposes to offer.

(iii) Preparing statistical data to be used in negotiation,

(iv) Gathering information during negotiation such that it can be used for future purposes.

Unions should collect information about,

(i) Financial position of the organizations and its ability to pay.

(ii) Managements attitude from past negotiations.

(iii) Employee attitudes and desires.

2. Determining Bargaining Issues

The major issues that are discussed under collective bargaining are,

(a) Wage-related Issues

The issues like determination of basic wage rate, adjustments regarding cost of living, wage differentials, wage adjustments, overtime rates etc., fall under this category.

(b) Additional Monetary Benefits

Pension plans, paid vacations, paid holidays, health- insurance plans, retrenchment pay, unemployment pension and the like fall under this category.

(c) Organisational Issues

These consists of the rights and duties of employees, employers, unions, employee schemes, welfare programmes etc.

(d) Management Issues

The issues such as seniority, work rules, code of discipline, grievance redressal procedure, health and safety measures, technological changes, job security training etc., fall under management related issues to be discussed in collective bargaining.

3. Negotiation

After the preparations are made and issues

are being identified, 'negotiation' is the next logical step in collective bargaining process. Negotiation begins when each side presents its initial demand and continues till the final agreement is reached. As the final agreement is reached, the agreement is signed by both management and union representatives.

The success of negotiation depends upon the skills and abilities of negotiators from both the sides.

4. Approaching the Agreement

After a battle of wits, using individual tactics and cleverness, threats of strikes and lockouts, finally an agreement is reached which is amicable to both the parties. After the agreement is reached, the two sides return to their constituencies and discuss about the agreement with their respective groups.

5. Formalising the Agreement into a Contract

In this stage, the negotiators of the union explain the agreement to the union members and take their votes. As the voting is completed, the agreement is formalised into a contract. The contract thus formalised should be clear and precise as any ambiguity can lead to grievances and other problems.

6. Implementing the Agreement

Formalising of agreement is not the end of collective bargaining process, rather it is the real beginning of the process. The signed agreement must be implemented according to letter and spirit of provisions of the agreement. But, it is not easy to strictly follow the agreement in day-to-day work stress. Management is primarily responsible for implementing the agreement. It should communicate the agreement to all the levels by conducting the meetings or training sessions.

4.9.2 Essential Conditions for the Success of Collective Bargaining

Q53. Bring out the essential conditions that must be present for collective bargaining successfully.

(OR)

List out the essential conditions for the success of collective bargaining.

(OR)

Explain the essential conditions for the success of collective bargains.

Ans :   (May-15, May-12, May-11)

i) Constructive consultation between the trade union and the management is possible only when the bargaining power of two parties is relatively equal and is exercised with responsibility and discrimination

ii) Two parties of collective bargaining accept the principle of 'free consultation' and 'free enterprise consistent with the advancement of public interest.

iii) The willing acceptance by the management to recognise representative union for this purpose.

iv) Both the parties must have mutual confidence, good faith and a desire to make collective bargaining machinery a success.

v) Management should not await the Union to raise problems but should make every reasonable effort prevent them from arising and to remove them promptly when they arise.

vi) An emphasis upon a problem-solving approach with de-emphasis upon excessive legalism.

vii) Dispose off the issues in the same meeting and minimise pending of items.

viii) Desire of the management to settle the issues to the satisfaction of employees. This does not mean that the management must relinquish its right to direct the company or that it must accede to all union demands.

ix) Unions must understand the economic implications of collective bargaining and realise that union demands must be met from the income and resources of the organisation.

x) Both the parties should represent the rights and responsibilities of each other.

xi) The process of bargaining should be free from unfair practices.

xii) Unanimity among workers: Before entering into negotiations, there must be unanimity among workers At least the representatives of workers should be able to represent the opinion or demands of majority of workers.

xiii) The attitudes of the parties (involved) should be positive. Both the parties should reach the negotiating table with an intention to find better solutions.

xiv) The parties involved in collective bargaining should be prepared to give away something in order to gain something.

xv) Both the parties to collective bargaining should observe and follow the terms and conditions of previous agreements that are reached. Collective bargaining, being a continuous process, can be effective only with the successful implementation of previous agreements. Any lapse on the part of any party concerned, shows its effect on the present process.

xvi) The representatives of both the parties should fully understand and be clear about the problems and their implications.

xvii) The workers can make effective use of collective bargaining process to achieve participative management and good working conditions. They should not confine collective bargaining for mere monetary benefits.

Q54. How can you make collective bargaining effective in Indian organization.

Ans :   **(May-19)**

Collective bargaining was introduced in India for the first time in 1952 and it gradually acquired importance and significance in the following years.

Though information on the growth of the collective bargaining process is somewhat meager, the data released by the Labour Bureau show that the practice of determining the rates of wages and the conditions of employment through collective agreement has spread to most of the major segments of the Indian economy A large majority of disputes were resolved through this mechanism. Most agreements were concluded at the plant level.

In centres like Mumbai, Ahmedabad, industry level agreements were quite common-thanks to the legal blessings extended by the respective state Acts. The agreements were found in industries such as chemicals, petroleum, tea, coal, oil, aluminium etc. In ports and docks, banking and insurance collective agreements at the national level were also arrived at.

Since 1955, a number of plant level agreements have been reached. These include the Bata Shoe Company Agreement, 1955, 1958 and 1962, the Tata Iron and Steel Co.

Agreement 1956 and 1959, the Modi Spinning and Weaving Mills Company's agreement of 1956, the National newsprint Nepanagar Agreement of 1956, the Belur Agreement of 1956, the Metal Corporation of India Agreement of 1960 and 1961, the agreement reached between Caltex India and its workmen in 1959 and the one arrived at between the Hind Mercantile Corporation and the workers of the manganese mines at Chikangyakam, Hatti in 1968, the Bhilai Steel Plant and its workers.

At industry level, the best example is offered by the textile industry of Bombay and Ahmadabad. The agreement between the Ahmadabad Mill owner's association and the Ahmadabad Textile Labor Association, which was signed on June 27, 1955 laid down the procedure to be followed for the grant of bonus and the voluntary settlement of industrial disputes.

The agreements at the national level are generally bipartite and are finalized at conferences of labor and managements convened by the Government of India. The Delhi Agreement of 1951 and the Bonus Agreements for plantation workers of 1956 are examples of such bipartite agreements.

There are interesting contradictions in the collective bargaining scene in India. Over 80 different unions may represent a single firm. Some large multi-plant firms such as BHEL, SAIL and departmental undertakings such as Railways have to live with over a hundred unions each.

The bargaining process in public sector has become quite coercive and demanding so as to appease the claims of different sections of workers having ties with different unions. Due to recession, computerization, cut throat competition, many large firms have resorted to productivity bargaining to a limited extent and unions had to yield ground owing to their own helplessness in fighting till the end in a fruitless battle.

Short Question and Answers

1. Define Minimum Wage.

Ans :

The principle objective of the minimum wages Act 1948 is to prevent exploitation of labour through the payment of unduly low wages. The act provides for fixing the minimum rates of wages for certain employments also.

It was recognized that wage determination cannot be entirely left to market forces, that is, the supply of and the demand for labour. The National Commission on Labour stated

Under the Minimum Wages Act, minimum rates are not fixed in respect of all employments. They are fixed only in respect of certain employments specified in the schedule to the Act. The Government may, however, make additions to the list of employments contained in the schedule.

The Minimum Wages Act does not define minimum wage and does not contain any guideline regarding what elements should be taken into consideration in prescribing a minimum wage. As a result, different wage fixing authorities have followed different sets of principles in fixing or revising the minimum wages. There are wide disparities in the rates of minimum wages fixed in respect of employments within the state and in respect of the same employments fixed by different states.

Minimum Wage

It is the amount of remuneration which could meet the "normal needs of the average employee regarded as a human being living in a civilised society." it is defined as the amount or remuneration "which may be sufficient to enable a worker to live in reasonable comfort, having regard to all obligations to which an average worker would ordinarily be subjected to."

2. Define wage Differentials.

Ans :

A wage differential refers to the difference in wages between people with similar skills within differing localities or industries. It can also refer to the difference in wages between employees who have dissimilar skills within the same industry. It is generally referenced when discussing the given risk of a certain job. For example, if a certain line of work requires someone to work around hazardous chemicals, then that job may be due a higher wage when compared to other jobs in that industry that do not necessitate coming into contact with dangerous chemicals. There are also geographical wage differentials where people with the same job may be paid different amounts based on where exactly they live and the attractiveness of the area.

3. Grievances Resolving Mechanism.

Ans :

The manager should immediately identify all grievances and must take appropriate steps to eliminate the causes of such grievances so that the employees remain loyal and committed to their work. Effective grievance management is an essential part of personnel management. The managers should adopt the following approach to manage grievance effectively.

1. **Quick action:** As soon as the grievance arises, it should be identified and resolved. Training must be given to the managers to effectively and timely manage a grievance. This will lower the detrimental effects of grievance on the employees and their performance.

2. **Acknowledging grievance:** The manager must acknowledge the grievance put forward by the employee as manifestation of true and real feelings of the employees. Acknowledgement by the manager implies that the manager is eager to look into the complaint impartially and without any bias. This will create a conducive work environment with instances of grievance reduced.

3. **Gathering facts:** The managers should gather appropriate and sufficient facts explaining the grievance's nature. A record of such facts must be maintained so that these can be used in later stage of grievance redressal.

4. **Examining the causes of grievance:** The actual cause of grievance should be identified. Accordingly remedial actions should be taken to prevent repetition of the grievance.

5. **Decisioning:** After identifying the causes of grievance, alternative course of actions should be thought of to manage the grievance. The effect of each course of action on the existing and future management policies and procedure should be analyzed and accordingly decision should be taken by the manager.

6. **Execution and review:** The manager should execute the decision quickly, ignoring the fact, that it may or may not hurt the employees concerned. After implementing the decision, a follow-up must be there to ensure that the grievance has been resolved completely and adequately.

4. Define job evaluation.

Ans :

Job evaluation is the process of analyzing and assessing the various jobs systematically ascertain their relative worth in an organization. Jobs are evaluated on the basis of their content and are placed in the order of their importance. In this way, a job hierarchy is established in the organization, the purpose being fixation of satisfactory wage-differentials among various jobs.

Definitions

i) **According to Kimball and Kimball,** "Job evaluation represents an effort to determine the relative value of every job in a plant and to determine what the fair basic wages for such a job should be".

ii) **According to Dale Yoder,** "Job evaluation is a practice which seeks to provide a degree of objectivity in measuring the comparative value of jobs with in an organization and among similar organization. It is essentially a job rating process, not unlike the rating of employers".

iii) **According to Edwin B. Filippo,** "The systematic and orderly process of measuring the worth of job in an organization is called job evaluation".

5. Define Collective Bargaining.

Ans :

Meaning

The term collective bargaining is made up of two words, 'collective' – which means a 'group action' through representation and 'bargaining', means 'negotiating', which involves proposals and counter-proposals, offers and counter-offers. Thus it means collective negotiations between the employer and the employee, relating to their work situations. The success of these negotiations depends upon mutual understanding and give and take principles between the employers and employees.

Definitions

The phrase collective bargaining is made up of two words collective which implies group action through its representatives; and bargaining which suggests haggling and/ or negotiating. The phrase, therefore, implies collective negotiation of a contract between the management's representatives on one side and those of the workers on the other. Thus collective bargaining is defined as a process of negotiation between the employer and the organized workers represented by their union in order to determine the terms and conditions of employment.

i) **According to Stevens** Collective Bargaining as a 'social control technique for reflecting and transmitting the basic power relationships which underlie the conflict of interest in an industrial relations system.'

ii) **According to Prof. Allan Flanders** Collective Bargaining is primarily a political rather than an economic process. He describes collective bargaining as a power relationship between a trade union organization and the management organization. The agreement arrived at is a compromise settlement of power conflicts. Collective Bargaining has also been described as "the great social invention that has institutionalized industrial conflict"

iii) **According to Richardson says,** "Collective bargaining takes place when a number of work people enter into negotiation as a bargaining unit with an employer or a group of employers with the object of reaching agreement on conditions of the employment of the work people".

6. Grievance

Ans :

Grievance can be defined as any discontent or dissatisfaction with any aspect of the organization. When a complaint remains unattended and the employee concerned feels a lack of justice and fair play, then the dissatisfaction grows and assumes a status of grievance. The concept 'grievance', has been variously defined by different authorities.

Definitions

i) **According to Keith Davis,** "Grievance is any real or imagined feeling of personal injustice which an employee has concerning his employment relationship".

ii) **According to Beach,** "Grievance is any dissatisfaction or feeling of injustice in connection with one's employment situation that is brought to the notice of the management".

iii) **According to Dale Yoder,** "Grievance is a written complaint filed by an employee and claiming unfair treatment."

iv) **According to International Labor Organization,** "Grievance is a complaint of one or more workers in respect of wages, allowances, conditions of work and interpretation of service stipulations, covering such areas as overtime leave, transfer, promotion, seniority, job assignment and termination of service."

v) **According to National Commission on Labor,** "Complaints affecting one or more individual workers in respect of wage payments, overtime, leave, transfer, promotion, seniority, work assignment and discharges constitute grievances.'

7. Define Trade Union.

Ans :

Trade union is an important actor/participant of industrial relations. The basic function of trade unions are to protect and promote the interest of the workers and conditions of their employment. Workers join the trade unions, to achieve their objectives which they could not achieve individually.

The different trade unions in India are as follows,

➢ Indian National Trade Union Congress (INTUC) 1948

➢ All India Trade Union Congress (AITUC), 1920

➢ Hind Mazdoor Sabha (HMS), 1948

➢ United Trade Union Congress (UTUC), 1949

➢ Bharatiya Mazdoor Sangh (BMS), 1955

➢ Hind Mazdoor Panchayat (HMP), 1965

➢ National Labour Organizations (NLO), 1969

➢ Centre of Indian Trade Unions (CITU), 1970.

Definitions

"Trade Union" means combination, whether temporary or permanent is formed.

(i) Primarily, for the purpose of regulating the relations between

    (a) Workmen and employers, or

    (b) Between workmen and workmen, or

    (c) Between employers and emplo-yers, or

(ii) **According to The Trade Union Act, 1926** For imposing restrictive conditions on the conduct of any trade or business and includes any federation of two or more hade unions.

(iii) **According to The British Trade Union.** A Trade Union, is a combination, with the main objective of regulating the relations between workmen and masters, or between workmen and workmen, or between masters and masters, for imposing of restrictive conditions on the conduct of any trade or business and also provisions of benefits to members.

8.   Compensation.

Ans :

Compensation is a tool used by management for a variety of purpose to further the existence of the company. It is a remuneration that an employee receives in return for his or her contribution in the organization. So, the employee compensation programs are designed to attract capable employees to the organization, to motivate them towards superior performance and to retain their services over an extended period of time.

Meaning

In layman's language the word compensation' means something, such as money, given or received as payment for service. The word compensation may be defined as money received in the performance of work, plus the many kinds of benefits and services that organization provides their employee. It refers to wide range of financial and non-financial rewards to employee for their service rendered to the organization. It is paid in the form of wages, salaries , special allowance and employee benefits such as paid vacation, insurance, maternity leaves, free travel facility , retirement benefits etc.

Definitions

(i)   According to Wendell French, Compens-ation is a comprehensive term which includes wages, salaries and all other allowance and benefits.

(ii)   According to Gary Dessler, "Compensation means all forms of pay or rewards going to employees and arising from their employment".

(iii) According to Terry Leap, "Compensation is a board term pertaining to financial rewards received by persons through their employment relationship with an organization".

(iv)   According to Cascio, "Compensation includes direct cash payments, indirect payments in the form of employee benefits, and incentives to motive employee to strive for higher levels of productivity".

(v)   According to R. Wayne Mondy, "compensation is the total of all reward provided to employees in return for their services. The overall purposes of providing compensation are to attract, retain and motivate employees".

9.   Significance of compen-sation.

Ans :

The significance of compensation can be explained from the following points,

(i)   Fair compensation satisfies the workers and enhance the morale, efficiency and cooperations among workers.

(ii)   Compensation helps the management to follow different labour laws.

(iii)   It helps in improving the job evaluation process.

(iv)   Employees are motivated to perform efficiently and meet the specified targets.

(v)   It also helps in reducing the labour turnover.

(vi)   Ideal compensalion/Reward systems helps in maintaining peace among employer and employees.

(vii)   A good compensation system have positive effect on efficiency and outcomes of employees.

10.   Define Employee Relations.

Ans :

Introduction

Every individual shares a certain relationship with his colleagues at the workplace. The relationship is either warm, so-so or bad. The relationship can be between any one in the organization between co-workers, between an employee and his superior, between two members in the management and so on. It is important that the employees share a healthy relationship with each other to deliver their best performances.

An individual spends his maximum time at the workplace and his fellow workers are the ones with whom he spends the maximum hours in a day. No way can he afford to fight with his colleagues. Conflicts and misunderstandings only add to tensions and in turn decrease the productivity of the individual. One needs to discuss so many things at work and needs the advice and suggestions of all to reach to a solution which would benefit the individual as well as the organization.

221

No individual can work alone. He needs the support and guidance of his fellow workers to come out with a brilliant idea and deliver his level best.

11. Define Discipline.

Ans :

Meaning

In simple words, the word discipline connotes orderly behaviour by the members/employees. In other words, discipline implies behaving in a desired manner. By that we mean that employees confirm to the rules and regulations framed by the organisation for an acceptable behaviour. Following definitions of discipline will make its meaning more clear.

Definition of Discipline

(i) According to Richard D. Calhoon', "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 organisation".

(ii) According to William R. Spreigel and Edward Schultz define discipline as "the force that prompts an individual or a group to observe the rules, regulations and procedures which are deemed to be necessary to the attainment of an objective, it is force or fear of force which restrains an individual or a group from doing things which are deemed to be destructive of group objectives. It is also the exercise of restraint or the enforcement of penalties for the violation of group regulations".

(iii) According to In the opinion of Ordway Tead, "Discipline is the order, members of an organisation who adhere to its necessary regulations because they desire to cooperate harmoniously in forwarding the end which the group has in view".

Thus, discipline can now be defined as a condition in the organisation when employees conduct themselves in accordance with the organisation's rules and standards of acceptable behaviour.

12. Causes of grievance

Ans :

Grievance are mainly caused due to following reasons.

1. Transferring employees from one department to another department or from one shift to another shift.

2. Inappropriate assignment of jobs to employees.

3. Unpleasant (or) uncomfortable work conditions.

4. Increasing demands for wage adjustments.

5. Complaints regarding the disciplinary measures and procedures, incentive systems, job classifications and against a specific foreman.

13. Define industrial conflict.

Ans :

Industrial conflict

A term which refers to all expressions of dissatisfaction within the employment relationship, especially those pertaining to the employment contract, and the effort bargain. The many different kinds of industrial conflict may be divided into two broad classes informal and formal.

Informal industrial conflict is so labeled because it is not based on any systematic organization, results directly from a sense of grievance, and supposedly is wholly expressive in nature. Many forms of industrial sabotage which appear irrational would constitute industrial conflict in this sense, as would purely individualized and even unconscious forms of protest, including absenteeism, frequent job-changing, negligence, and even accidents at work. Industrial sociologists have also regarded spontaneous walk-outs and strikes as examples of informal industrial conflict, as well as the constant opposition to management expressed in workgroup norms regulating output,

restrictive practices, secrecy, or other guarded treatment of superiors. The idea of informal industrial conflict thus draws attention to the roots of behavior which may appear incomprehensible from the point of view of management. Used too widely, however, it loses its vigor.

Formal industrial conflict is reserved for organized expressions of conflict articulated through a trade-union or other worker representative. Its supposed purpose is strategic or instrumental rather than (or as well as) expressive and may often involve workers who, by themselves, have no feelings or personal involvement regarding the issues at stake in the dispute. Its characteristic form is the organized strike: that is, a withdrawal of labour such as to constitute a temporary breach of contract, using the collective strength of the workforce to avoid sanctions and achieve adjustments to pay or conditions of work.

14. types of collective bargaining.

Ans :

A collective bargaining process generally consists of four types of activities- distributive bargaining, integrative bargaining, attitudinal restructuring and intra-organizational bargaining.

(i) **Distributive bargaining :** It involves haggling over the distribution of surplus. Under it, the economic issues like wages, salaries and bonus are discussed. In distributive bargaining, one party's gain is another party's loss. This is most commonly explained in terms of a pie. Disputants can work together to make the pie bigger, so there is enough for both of them to have as much as they want, or they can focus on cutting the pie up, trying to get as much as they can for themselves. In general, distributive bargaining tends to be more competitive. This type of bargaining is also known as conjunctive bargaining.

(ii) **Integrative bargaining :** This involves negotiation of an issue on which both the parties may gain, or at least neither party loses. For example, representatives of employer and employee sides may bargain over the better training programme or a better job evaluation method. Here, both the parties are trying to make more of something. In general, it tends to be more cooperative than distributive bargaining. This type of bargaining is also known as cooperative bargaining.

(iii) **Attitudinal restructuring :** This involves shaping and reshaping some attitudes like trust or distrust, friendliness or hostility between labour and management. When there is a backlog of bitterness between both the parties, attitudinal restructuring is required to maintain smooth and harmonious industrial relations. It develops a bargaining environment and creates trust and cooperation among the parties.

Choose the Correct Answer

1   Which of the following acts as a supportive function for the organizational objective of HRM.
                                                                                                      [a]

   (a)   Employee relations   (b)   compensation

   (c)   legal compliance   (d)   Assessment

2   Workers joined hands to protect against the exploitative tendencies of employees according to ......
                                                                                                      [b]

   (a)   Industrial   (b)   trade

   (c)   scientific   (d)   Hr Relations unionism management approach

3. The systematic and orderly process of measuring the worth of job within an organization is called
    _____   [b]

   (a)   Job description   (b)   job evaluation

   (c)   job analysis   (d)   any of the above

4. _____ is the laststep of job Evaluation.   [a]

   (a)   Job classification   (b)   Job Evaluation

   (c)   Job Description   (d)   Job analysis

5. _____ is the minimum income necessary for "a"work as to meet the basic needs _____ [b]

   (a)   Far wage   (b)   living wage

   (c)   both   (d)   none

6. _____ Can be defined as an/discontent dissatisfaction with any aspect of organization.   [c]

   (a)   Employee Relation   (b)   discipline

   (c)   grievance   (d)   All

7. Work benefits comes under _____ benefits.   [b]

   (a)   financial   (b)   Non-financial

   (c)   both   (d)   None

8. _____ refers to pay the impact of each work on the business unit.   [c]

   (a)   Strategic alignment   (b)   external competitive

   (c)   internal equity   (d)   performance Management

9. _____ should facilitate to recruitment and maintenance of staff that organization requires. [b]

   (a)   Strategic alignment   (b)   external competitive

   (c)   internal equity   (d)   performance Management

10. _____ refers the requires information about various aspects of jobs can be   obtained.   [c]

   (a)   Job description   (b)   Job Evaluation

   (c)   Job analysis   (d)   Job Enrichmen

Fill in the blanks

1.   _____ MEANS the basic returns that an employee obtains from his/her work

2.   _____ the last step of Job Evaluation.

3.   Six Sigma quality control system was first introduced by _____ .

4.   _____ involves negotiation of an issue on which both parties may gain (or) partly losses.

5.   _____ begins with each side presenting it initial demands

6.   _____ refers to the; Association of professional people such as federation, musician, Union etc.

7.   _____ is the minimum income necessary for a worker to met the basic needs.

8.   _____ ensures that an; employee is compensated equally in comparison to similar Jason.

9.   _____ refers to the pay corresponding to difficulty level of the Job ass signed to employee.

10. _____ denotes is equal pay for equal Jobs.

Answers

1.   Compensation

2.   Job Classification

3.   Motorola

4.   Integrative bargaining

5.   Negotiation

6.   Trade union

7.   Living wage

8.   External equity

9.   Internal equity

10. Individual equity

RECENT TRENDS IN HUMAN RESOURCES MANAGEMENT:

Knowledge Management: KM Architecture - Knowledge Conversion - Knowledge Management Process.

Virtual Organizations: Features -Types - HR Issues. **Learning Organization:** Characteristics – Role of Leader in Learning Organizations.

Managing Diversity – Benefits- Strategies. **Worklife Balance -** Significance- Steps.

5.1 KNOWLEDGE MANAGEMENT

Q1. Define Knowledge Management.

Ans : (May-17, May-13, Imp.)

Introduction

Knowledge Management is a strategy, framework or system designed to help organizations create, capture, analyze, apply, and reuse knowledge to achieve competitive advantage. It is truly a practice, which involves people, process and technology. If it is implemented correctly in collaboration with users and management, plus clearly defined goals can bring productivity and efficiency to an organization.

From the management side it is more of a strategic process and from the users side it is an ongoing operational process. Efficient flow of information is essential for quick and effective decision-making. The philosophy behind Knowledge Management is to structure the flow of information throughout an organization, so that the learning of one person within the organization is passed on to others, and is available to the organization even after the person has left the company.

Knowledge Management also involves consolidating data and presenting it in a way that is manageable and comprehensible, so that it can make sense and trends can be spotted early.

Knowledge Management is not a technology or set of methodologies rather it's a discipline, which deals with people and process component, which are overlooked, in knowledge management programs. Many knowledge initiatives are started at the grass-roots level with the expectation that people will automatically create and use knowledge. But one has to be clear that the failure of any one of the pillars among people process and technology will lead to failure of knowledge management.

Definitions

i) **According to Ron Young,** "Knowledge Management is the discipline of enabling individuals, teams and entire organizations to collectively and systematically create, share and apply knowledge, to better achieve their objectives".

ii) **According to Sir John Steely Browne,** "Most activities or tasks are not one-time events. Whether its drilling a well or conducting a transaction at a service station, we do the same things repeatedly. Our philosophy is fairly simple: every time we do something again, we should do it better than the last time".

iii) **According to Glaxo Smith Kline** "The capabilities by which communities within an organization capture the knowledge that is critical to them, constantly improve it and make it available in the most effective manner to those who need it, so that they can exploit it creatively to add value as a normal part of their work"

iv) **According to West Midlands Regional Observatory,UK** "Knowledge management will deliver outstanding collaboration and partnership working. It will ensure the region

maximizes the value of its information and knowledge assets and it will help its citizens to use their creativity and skills better, leading to improved effectiveness and greater innovation".

v) According to Care Services Improvement Partnership (CSIP) "We recognize that our most important asset is people and their knowledge. We understand Knowledge Management (KM) as the cultivation of an environment within which people are willing to share, learn and collaborate together leading to improvement".

vi) According to Peter Drucker Knowledge as "Information that changes something or somebody either by becoming grounds for actions or by making an individual (or an institution) capable of different or more effective action."

vii) "Knowledge Management ('KM') comprises a range of practices used by organizations to identify, create, represent, and distribute knowledge. It has been an established discipline since 1995 with a body of university courses and both professional and academic journals dedicated to it. Many large companies have resources dedicated to Knowledge Management, often as a part of 'Information Technology' or 'Human Resource Management' departments. Knowledge Management is a multi-billion dollar world wide market.

Q2. Explain the Dimensions of Knowledge Management.

Ans :

There are many dimensions around which knowledge can be characterized. In this chapter several characteristics of knowledge will be examined, storage media, accessibility, typology, and hierarchy. In the typology section, the relationships between dimensions are explored. In addition, some principles about knowledge are offered for consideration.

1. Knowledge Storage Media

First, there are several media in which knowledge can reside, human mind, organization, document and computer. Knowledge in the human mind is often difficult to access, organizational knowledge is often diffuse and distributed, document knowledge can range form free text to well structured charts and tables, computer knowledge is formalized, sharable and often well structured and well organized.

2. Knowledge Accessibility

Next, there is a dimension of knowledge accessibility. Nonaka and Takeuchi have divided accessibility into two categories, tacit and explicit. In this author's view, three stages of accessibility tacit, implicit and explicit. Accessibility can be mapped to storage media. Knowledge gains in value as it becomes more accessible and formal.

3. Tacit (Human Mind, Organization)

Accessible indirectly only with difficulty through knowledge elicitation and observation of behaviour.

4. Implicit (Human, Mind, Organization)

Accessible through querying and discussion, but informal knowledge must be first be located and then communicated.

5. Explicit (Document, Computer)

Readily accessible as well as documented into formal knowledge sources that are often well organized.

6. Knowledge Typologies

Typologies are defined, categorized and described in terms of knowledge type conversion, structural features, elementary properties, purpose and use and conceptual levels. Nonaka and Takeuchi suggest the following types of knowledge.

Q3. State the Characteristics of Knowledge Management.

Ans :

1. Knowledge Management is about people

It is directly linked to what people know, and how what they know can support business and organizational objectives. It draws on

human competency, intuition, ideas, and motivations. It is not a technology-based concept. Although technology can support a Knowledge Management effort, it shouldn't begin there.

2. **Knowledge Management is orderly and goal-directed**

It is inextricably tied to the strategic objectives of the organization. It uses only the information that is the most meaningful, practical, and purposeful.

3. **Knowledge Management is ever-changing**

There is no such thing as an immutable law in Knowledge Management. Knowledge is constantly tested, updated, revised, and sometimes even "obsoleted" when it is no longer practicable. It is a fluid, ongoing process.

4. **Knowledge Management is value-added**

It draws upon pooled expertise, relationships, and alliances. Organizations can further the two-way exchange of ideas by bringing in experts from the field to advise or educate managers on recent trends and developments. Forums, councils, and boards can be instrumental in creating common ground and organizational cohesiveness.

5. **Knowledge Management is visionary**

This vision is expressed in strategic business terms rather than technical terms, and in a manner that generates enthusiasm, buy-in, and motivates managers to work together toward reaching common goals.

6. **Knowledge Management is complementary**

It can be integrated with other organizational learning initiatives such as Total Quality Management (TQM). It is important for knowledge managers to show interim successes along with progress made on more protracted efforts such as multi year systems developments infrastructure, or enterprise architecture projects.

Q4. State the various benefits of knowledge management.

Ans :

Knowledge Management (KM) helps develop competitive advantage and maximize productivity, quality and profitability by facilitating collective thinking, innovation, learning and execution.

➢ Increases the collective capability of organizations to maintain leadership position

➢ Improves operational performance and maximizes organizational agility

➢ Accelerates learning and innovation through sophisticated KM processes

➢ Facilitates knowledge convergence and enrich the corporate memory

➢ Minimizes reinvention and knowledge evaporation

➢ Drives best practices for "creative and productive working environment"

Benefits for Enterprises

➢ Maximizes brand-image and status in the marketplace and helps attain and sustain leadership position

➢ Helps understand customers better, deliver quality and timely response to meet the highest expectations

➢ Helps develop and retain employees & partners and maximizes their collective mind power

➢ Helps create a connected organization by linking business functions and related knowledge to maximize productivity and profitability

➢ Empowers development, sales, marketing, support and other business functions to make it more effective and valuable

➢ Helps educate customers on the continuously changing environment and make them self-sufficient

Benefits for Educational Institutions

➢ Helps transform the educational institutions into connected "knowledge centers" and expand the campus around the globe

➢ Helps manage distance learning and e-learning effectively

➢ Brings together teachers, students and alumni across campuses and enables collaboration for collective learning

➢ Helps simulate experiential learning model to gain more insights into the subject area

➢ Improves students' self-sufficiency, confidence level and learning potential by improving the quality of learning programs to help face the real-life challenges

➢ Empowers faculties to deliver high quality learning programs in a smart and scalable way

Benefits for Governments

➢ Helps serve citizens and make them smart to maximize nation's wealth

➢ Improves national wealth and standard of living through intellectual capital

➢ Reduces frustrating information searches and the cost of various functions

➢ Connects departments and various ministries to increase their efficiency

➢ Helps manage knowledge community initiatives of e-governance to transform into "knowledge society"

➢ Helps develop "Knowledge Centers" for agriculture, education and administration.

Q5. Explain the functions of Knowledge Management.

Ans :

1. Externalization

Externalization is capturing knowledge in an external repository and organizing it according to a classification framework or taxonomy. The role of externalization is to make your captured knowledge available to knowledge seekers through internalization or intermediation.

2. Internalization

Internalization tries to discover bodies of knowledge relevant to a particular user's need. With internalization, we extract knowledge from the external repository and filter it to identify what is relevant to the knowledge seeker. Internalization helps a researcher communicate a problem or point of interest and map that against the bodies of knowledge already captured through externalization. Internalization focuses on the transfer of explicit knowledge.

3. Intermediation

Intermediation brokers tacit knowledge. It matches a knowledge seeker with the best source of knowledge. By tracking the experience and interests of individuals, intermediation can link people who need to explore certain subjects with people who appear to harbor knowledge in that area.

4. Cognition

Cognition is the application of knowledge that's been exchanged through the preceding three functions and is the ultimate goal of knowledge management.

5.1.1 KM Architecture

Q6. Write a brief note on KM Architecture and its role in human resource management?

Ans :   **(May-16, May-15, May-14, Imp.)**

Introduction

In today's competitive business environment, most organizations are struggling to meet the ever-increasing demands put upon them by their customers, competitors, investors, and regulators. Organizations that excel at leveraging their know-how in a systematic way will create and sustain a competitive advantage that will exceed the current and future demands placed upon them.

It is therefore imperative to create an appropriate KM strategy, corresponding architecture and deployment of effective knowledge systems. They key to leveraging the knowledge of an organization is providing insight, thought, leadership and context to those who benefit the most in generating and using organizational knowledge. As discussed in the preceding chapter and the introductory section above, KM is not a single problem or series of programms or projects, but the synthesis of core business processes that should permit every aspect of an organization.

A holistic approach to managing the knowledge of an organization is very critical to the value proposition. The holistic vision encompasses the creation of a KM strategy and architecture that synchronizes with the organization's mission and strategy, and development of an appropriate mindset that creates cultural norms – trust, sharing, common goals, caring, quest for learning, and acceptance of change – that permeates every aspect of the organization and rewarding those stakeholders who put their own human capital at risk to make an organization succeed.

Organizational Knowledge Progression

The organizational knowledge hierarchy begins with the rules that an individual within the organization controls, followed by the next step or know-how, which comprises the rules established and controlled by forces external to the organization as well as the individual. The highest level is represented by competence, which highlights the ability of the organization to reflect upon and change rules. The organizational knowledge hierarchy can be represented as a pyramid as shown in the figure below.
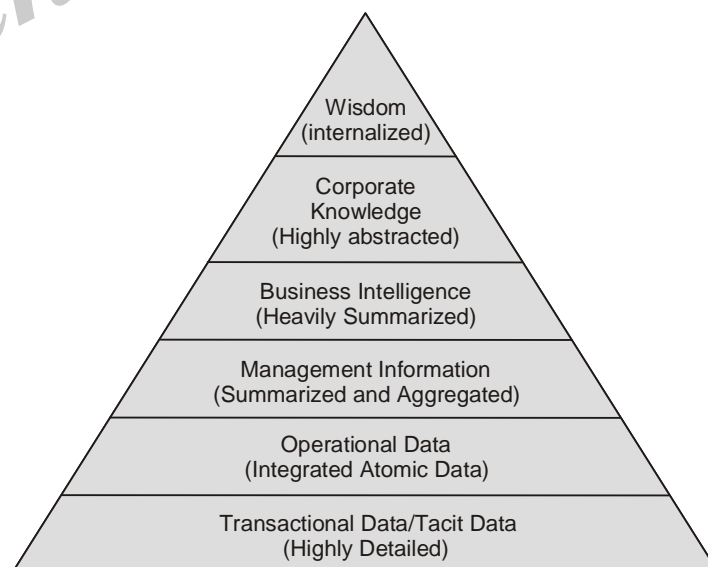

Fig.: Organizational Knowledge Hierarchy

The pyramid also reflects the progression from the raw data available as a part of the organizational transactional systems to knowledge and available as a part of the organizational transactional systems to knowledge and finally the plateau of wisdom. The following are the key components of the organizational knowledge pyramid:

1. Transcation Data

The transaction data at the bottom of the pyramid represents the data or alphanumeric strings stored in databases that represent the data generated by the various departments and divisions within the organization. For example, the instantaneous data output of room temperature recording machine.

2. Operational Data

The operational data at the next level represents complete transactions, which by itself does not have any context. For example, the hourly/daily data output of room temperature recording machine.

3. Management Information

The management information level contains data that has been grouped, sorted and organized to reveal a context. However, this data does not represent knowledge and provides basic information to managers to take decisions. For example the data output of the room temperature recording machine for a particular location for a particular period of time or season.

4. Business Intelligence

Business intelligence level provides aggregated data along with rules that describe the sequences of processes associated with the information. For example, the data output of the room temperature recording machine for a particular location for a particular period of time or season along with the prescribed idea maximum and minimum temperature limits for the region.

5. Corporate Knowledge

Further summarization of the information provided by the preceding layer leads to knowledge, which represents insights derived from the information that can be acted upon

in a variety of ways. For example, the data output of the room temperature recording machine for a particular location for a particular period of time or season along with the prescribed ideal maximum and minimum temperature limits for the region along with the historic and current trends and future predictions.

6. Wisdom

The top of the pyramid represents Wisdom, the most abstract and time independent knowledge or the knowledge that has been absorbed and made completely tacit and reflects itself in every action and decision. For example, the intrinsic knowledge of the ambient temperature conditions and the possibilities of variations.

5.1.2 Knowledge Conversion

Q7. Define Knowledge Conversion. State the various modes of Knowledge Conversion.

Ans :

Knowledge conversion model has helped us to understand how intimately connected the processes of transferring and creating knowledge are. For them, the ideal creation of knowledge in organizations is a process that amplifies the creation of knowledge by individuals and adds its results to the knowledge network of the organization. In the model, the basis of knowledge creation in organizations is continuous interaction (transfer) among individuals, and continuous conversion from tacit into explicit knowledge (and vice-versa) by individuals, supported by the group.

Modes of Knowledge Conversion

➢ Conversion from tacit to tacit knowledge produces socialization where knowledge developer looks for experience in case of knowledge capture.

➢ Conversion from tacit to explicit knowledge involves externalizing, explaining or clarifying tacit knowledge via analogies, models, or metaphors.

➤ Conversion from explicit to tacit knowledge involves internalizing (or fitting explicit knowledge to tacit knowledge.

➤ Conversion from explicit to explicit knowledge involves combining, categorizing, reorganizing or sorting different bodies of explicit knowledge to lead to new knowledge.

5.1.3 Knowledge Management Process

Q8. Explain the Knowledge Management Process.

(OR)

Examine the process of Knowledge Management.

(OR)

Explain Knowledge Management process.

(OR)

Briefly explain the process of Knowledge Management.

(OR)

Discuss the steps in creating Knowledge Management system.

Ans : **(Rahul-19, May-18, May-17**

May-15, May-13, May-12, Imp.)

The knowledge processes and function play a very crucial role in leveraging the IC of an organization. They are responsible for the extraction of knowledge from the various data and information sources within an organization, their storage and flow within the organization. KM implementations involve distinct and repeatable cycles or processes irrespective of the terminologies used or the path followed.

There are five distinct processes that are as follows:

1. Knowledge creation

2. Knowledge acquisition/capture

3. Knowledge organization

4. Knowledge sharing

5. Knowledge renewal

These processes confirm to the organizational knowledge life cycle. KM involves connecting people to people and people to information and in the process creates sustainable competitive advantage for organizations. The subsequent section presents the five key knowledge process as listed above.
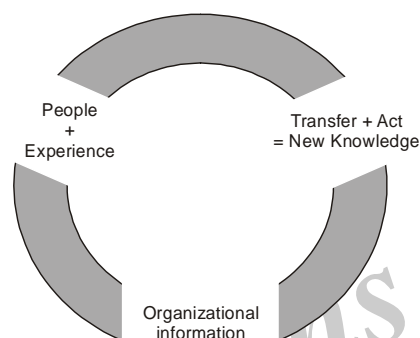
Fig.: Organizational Knowledge Transfer

1. Knowledge Creation

One of the fundamental questions that would arise in the minds of the readers would be "Is knowledge created or is it discovered?". In the normal course of an individual's or an organizations work, knowledge is created, discovered, transformed, and shared. The process is cyclic and contributes to the development of the knowledge base of an organization. The following sections would highlight the above concepts. Organizational knowledge can and does take many forms. Some of these forms are as mentioned below:

i) Competitor knowledge

ii) Customer knowledge

iii) Supplier knowledge

iv) Product knowledge

v) Technology knowledge

vi) Process knowledge

The consistent components of these types of knowledge is the organizational context and the ways in which they are created, and are commonly referred to as the knowledge creation cycle. Generally, knowledge within

organizations is created in two distinct cycles as mentioned below. While these two cycles and types of knowledge are created and often used differently, they are interrelated as illustrated in the figure below.

PKCC Personal Knowledge Creation Cycle
CKCC Collective Knowledge Creation Cycle
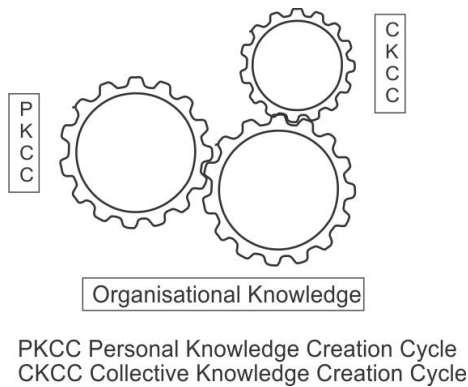
Fig. : Organizational Knowledge Creation Cycle

➢ **Personal Knowledge Creation Cycle**

Personal knowledge is created through the experimental exposure to information. The input (information) can and does take several forms. It can be conversational, reports, memos and papers, etc. This input is then refined based on personal experience, expertise, and through the serendipity factor, which has the effect of building upon or adding to one's existing knowledge that can then be used as new input to the cycle as illustrated in the figure below. This type of knowledge when applied within the organizational context generates new knowledge that can then be applied to the organization, thus creating or enhancing the organization's knowledge.
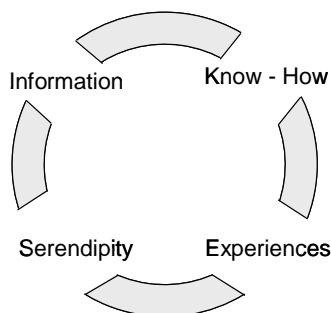
Fig. Personal Knowledge Creation Cycle

➢ **Collective Knowledge Creation Cycle**

The organization and the information within its context constitute collective knowledge. This knowledge is generated by the application of context sensitive personal knowledge derived through the personal knowledge creation cycle, as well as the explicit information contained in systems (procedures, processes or technology). In a normal cycle, information is acquired, shared, and subsequently acted upon. This actionable information is, in turn fed back into the collective knowledge creation cycle (illustrated in the figure below) and acts as further input to the personal knowledge process described above.
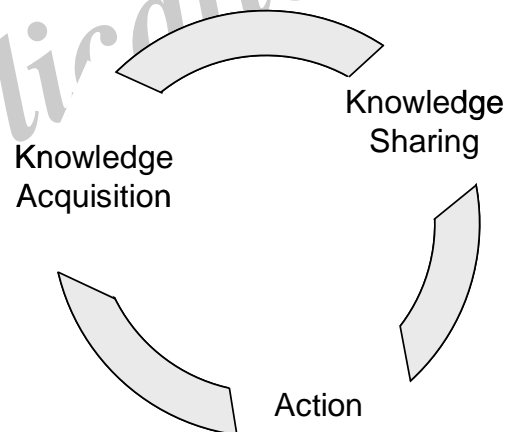
Fig.: Collective Knowledge Creation Cycle

2. **Knowledge acquisition/capture**

In today's internet age, enormous amount of data is available to individuals as well as organizations at the click of a mouse. This has fuelled a growing need to manage explosive amounts of information effectively. Although indexing and linking documents and other information sources is an important step, capturing the knowledge contained within these diverse sources is crucial for the building as well as effectively using organizational information repositories.

233

Knowledge acquisition has been a challenging area of research in artificial intelligence and has stemmed from the initial efforts to develop expert systems. Driven by the modern Internet culture and by knowledge-based industries, the study of knowledge acquisition has a renewed importance. Although there has been considerable work in the area of knowledge-based industries, the study of knowledge acquisition has a renewed importance. Although there has been considerable work in the area of knowledge capture, activities has been distributed across several distinct research communities.

3. Knowledge organization

Knowledge organization refers to the design and development of a knowledge base or knowledge repositories and the associated conceptual access structure in order to ensure and easier retrieval, creation and sharing of knowledge for user communities. The organizational KM system has to ensure strategically that all important knowledge assets and flows are known, utilized and enhanced according to their respective long-term contribution to the business value. In order to provide the most useful subject access points for various user communities, developers who generate indexes have to judge the potential subjects of an item within a collection from various viewpoints.

4. Knowledge sharing

Traditional institutional frameworks and static disciplinary boundaries are major impediments in the development of critical knowledge and creative approaches that are needed to solve complex problems. The educational needs and skill set of practitioners need to undergo rapid changes to accommodate increasing specialization of knowledge and the fast pace of technological development.

The sharing and reuse of accumulated knowledge would lead to increase in the productivity of the associated KM system which would be further enhanced by the incorporation of the following three mechanisms:

(i)   Libraries of multiple layers of reusable knowledge bases that could either be incorporated into software or remotely consulated at execution time. Layers in such knowledge bases capture conceptuali- zations, tasks, and problem solving methods.

(ii) System construction will be facilitated by the availability of common knowledge representation systems.

(iii) The ability (comparent) to translate between the various representation systems.

This new reuse-oriented approach will offer tools and methodologies that allow developers to find and use library entries useful to their needs as well as pre-existing services built on these libraries. These tools will be complemented by systems that allow developers to offer their work for inclusion in the libraries.

5. Knowledge renewal

The processes used to create, communicate, and apply knowledge results in the generation of new knowledge and resultant expansion of the organization's knowledge base. This cycle process transform data into information, which is enhanced and converted into knowledge whose application creates new data and information thereby repeating the cycle, as depicted in the figure below.
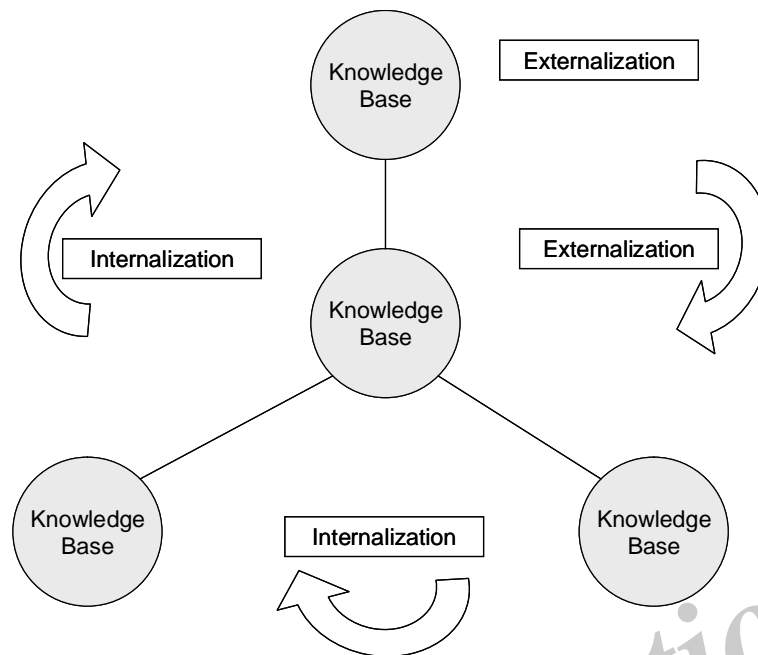
Fig.: Organizational Knowledge Conversion / Renewal

The most critical issue that has to be addressed by any KM system or by any knowledge based application is the process of converting tacit knowledge within an organization into explicit knowledge and building of a self sustaining system that will channel this knowledge back to the knowledge workers thereby enhancing the quality, while providing a channel for dissemination of knowledge.

5.2 VIRTUAL ORGANIZATIONS

Q9. Define the term Virtual Organizations.

Ans :   **(May-19, May-18, May-16, May-13, May-12, Imp.)**

Introduction

A virtual organization is a new kind of technology-enabled organization formed for the internationalization of business operations. In virtual workplaces, employees operate at a remote distance from one another and also from the managers. As a modern concept of the twenty-first century, a virtual organization has established an entirely new kind of relationship among organizations, employees and customers. This new breed of virtual organizations exists mostly on the Internet without any physical location. It is based on the idea that an organization, team, individual, product or service need not be physically present even though it appears to be so. Today, organizations all around the world are spending huge sums of money on information technology just to develop virtual forms of office. The driving force behind such initiatives as a virtual workplace is to make organizations more responsive to the changes in today's business world.

A virtual organization represents the concept of organizational flexibility unrestrained by the traditional barriers of place and time. It is actually a network of cooperation achieved through information and communication technology (ICT). In fact, ICT coordinates the activities of the organization by blending the employee's skills and the resources suitably in order to achieve the strategic goals of the organization.

Definitions

(i) **According to Jeanne L Allert** "A virtual company is where work is performed outside of the definition of place. There's no factory floor, no retail store, no conference room, no cubicle farm. Virtual work is primarily the manufacture, retail, and distribution of intellectual property."

(ii) **According to J. Coyle and N. Schnarr** "A virtual corporation is a temporary network of companies that come together quickly to exploit fast changing opportunities, for example, the making of films."

(iii) **According to W. M. Fitzpatrick and D. R. Burke** "The virtual corporation can be defined as a temporary network of independent companies, suppliers, customers, even erstwhile rivals – linked by information technology to share skills, cost, and access to one another's market."

(iv) **According to - A. M. Townsend et al.** "Virtual teams are groups of geographically and/or organizationally dispersed co-workers that are assembled using a combination of telecommunication and information technologies to accomplish an organizational task."

5.2.1 Features

Q10. What are the Features virtual organization ?

Ans : (May-11, Imp.)

➢ A virtual organization is made up of a temporary network of companies or teams bound by common tasks.

➢ Virtual organizations, like traditional ones, have specific goals which are usually time-bound.

➢ A virtual organization emphasizes a flatter hierarchy and voluntary commitment from members.

➢ The organizational structure of a virtual organization is typically short-lived, fluid and flexible.

➢ Virtual corporations are normally customer-driven organizations with the presence of highly skilled people working in a collaborative environment.

➢ Virtual organizations combine talents and capabilities for creating virtual products.

➢ Their members are mostly geographically dispersed but interdependent and connected by information and communication technology (ICT) tools.

➢ The membership is usually dynamic, with members joining when their task begins and leaving when it ends, without waiting for the whole project to be completed.

➢ A virtual organization requires the development of relationships with a wide variety of potential partners, each having specific capabilities that complement the others.

5.2.2 Types

Q11. Explain the various types of virtual organization ?

(OR)

Discuss different types of virtual organization ?

(OR)

What are the types of virtual organization?

Ans : (May-19, May-14, May-13, May-11, Imp.)

Types of Virtual Organizations

Information technology, which caused the disintegration of the organizational hierarchy and physical boundaries, resulted in the birth of various forms of virtual organizations. At present, several forms of virtual organization are in existence and each one has a few unique characteristics.
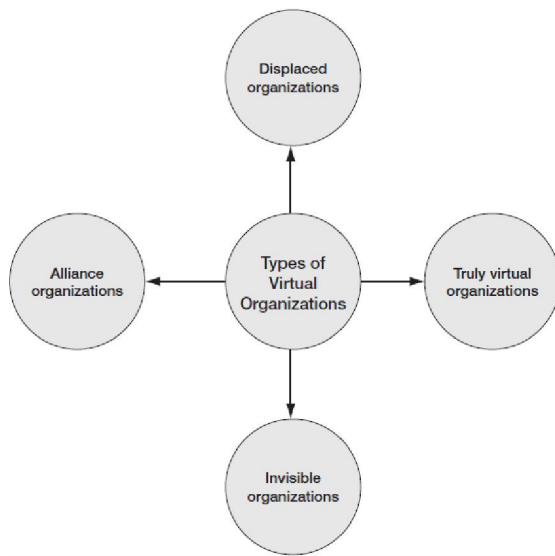
Fig. : Types of Virtual Organizations

1. **Alliance Organization**

The essence of an alliance organization is the horizontal networking among its partners. It replaces the traditional vertical organization, in which all powers were centralized in a single organization and the employees just executed the orders. In case of the alliance type of virtual organization, each partner (an independent organization) linked with the virtual organization performs different but related activities. In fact, the core competencies of the partners are combined to produce synergy effect for the virtual organization. For instance, the marketing aspects can be carried out by the virtual organization, while product manufacturing or assembling, and delivery can be done by its partners.

2. **Displaced Organization**

In a displaced organization, the individual members are geographically dispersed but connected by information technology. However, the physical separation of members is usually not known to the outsiders, who perceive them as a single unit. Tele-conferencing, video-conferencing, e-mail and other modes enable the virtual organizations to make the customers believe that all the employees are functioning from the same office. Many software and investment companies are adopting this style of operation in which employee dislocation is not known to the customers. For instance, internationally, a virtual shift system may operate when different teams around the globe deal with the same project at different times, each group leaving progress reports for the next team in another place to continue as it concludes its working day. Foreign institutional investors (FIIs), who operate in different securities market around the world, are similar to displaced organizations.

3. **Invisible Organization**

An invisible organization will not have a physical structure as such, except that a small place will be used as an office for a few employees. The primary duty of these employees is to attend to the phone calls of the customers in need of the goods or services offered by this kind of virtual organization. The products of such an organization are mostly virtual and directly downloadable from computer. It uses telephones as its primary tool to exchange information with the customers. BSNL Hungama portal is similar to this type of virtual organization. This type of organization keeps no visible high-street branches but operates through a network of call centres and back offices.

4. **Truly Virtual Organization**

This type of organization is a mixture of the characteristics of alliance, displaced and invisible organizations. The Internet is the major platform for performing its operations. In fact, the Internet enables it to offer its products or services to the customers. Book publishing companies often use the truly virtual organization to market their products and pay it a commission for its role in displaying and selling its products. For instance, once orders are received for the books, the virtual companies generally send the hard copy from the publishers' warehouses. Delivery is handled by independent agents. The online Amazon.com bookstore is a typical truly virtual organization.

Q12. State the various benefits and limitations of virtual organization ?

(OR)

Discuss the strength and weaknesses of virtual organization.

Ans :

Benefits of Virtual Organizations

In a technology-enabled business environment, virtual organizations are gaining growing acceptance among the business people. They view virtual organizations as the best means to harness the benefits of information technology in the most productive and profitable way. In fact, the benefits of a virtual organization are so overwhelming that it is all set to occupy a place of prominence in the future business scenario. We shall now see these benefits of virtual organizations here.

1. Absence of Distance Barrier

The physical distance of members is no longer an important factor in establishing an orga-nization. When *everyone* can access everyone else wherever they might be, distance cannot be a hurdle.

2. Reduction of Overhead Costs

The need to reduce costs is the driving force behind the formation of a virtual organization. The usual establishment expenses can be reduced vastly.

3. Faster Response

Virtual organizations save time as they are able to respond quickly to customer requests, and to process or present information in the desired form.

4. Savings in Space Cost

A virtual organization capitalizes on the telecommunications infrastructure to overcome the constraints of space. The cost of space is reduced considerably in this form of organization.

5. Round-the-clock Service

Virtual organizations facilitate the distribution of work across time zones. This makes them work for nearly 24 hours a day.

6. Better Managerial Efficiency

Virtual organizations, through an improved utilization of the electronic equipment for communication, supervision and control, can enhance the efficiency of the managerial personnel.

7. Customer-driven

Virtual organizations are mostly customer-dependent and -driven enterprises. As such, there is a greater emphasis on enhancing customer satisfaction and getting repeat business.

8. Precise Performance Measurement

In a virtual organization, an accurate measurement of productivity and efficiency is possible with the help of electronic devices. This can assist the management in the proper allocation of staff to work tasks.

9. Competitive Edge

Organizations adopt virtual working as part of a long-term strategy to transform the entire business processes eventually in order to face the intensified national and international com-petitive challenges.

10. Exploiting the Labour Market Imbalance

Geographic labour shortage and surplus can be neutralized as virtual organizations cover labour markets of different regions and countries.

11. Avoiding Man-hour Losses

The loss of productivity arising out of absenteeism and sick leave can be prevented when employees are hooked to their offices through electronic devices from their home even when they are ill.

12. Reduced Work Stress and Fatigue

Since the time and duration of work are determined by the employees, work-related stress and fatigue can be reduced considerably.

13. Maintaining the Work-Life Balance

The work-life balance can be well maintained by the employees in virtual organizations as

the time is judiciously shared between work and personal activities like child caring and parent caring.

In other words, virtual corporations can reap the benefits of interdependence—reduced overhead, increased profits, and greater commitment from members and customers. In fact, virtual organizations provide an increased array of opportunities for future business col- laborations. However, for the virtual organizations to be really effective, there should be a reciprocal loyalty in the relationship between the management and the workforce.

Limitations of Virtual Organizations

Although virtual organizations have several benefits to their credit, they also have their own limitations, which retard the faster growth of these organizations. We shall now see the weak-nesses of the virtual organizations, which follow systems like telecommuting and cyber link.

1. **Absence of Managerial Control**

   The major problem of virtual organizations is their inability to ensure adequate supervision and managerial control over the activities of the virtual employees, who work away from the management.

2. **Technology-related Problems**

   When there is a mechanical or technological failure while performing a piece of work, it may not be possible to make alternate arrangements immediately. In such a situation, the work may get affected and there could also be deadline problems for the individual employees and the organization both.

3. **Misuse of Electronic Instruments and Consumables of the Organization**

   There is a scope for dishonest and unscrupulous employees to use the company properties for purposes other than those for which these instruments have been given to them.

4. **Limited Application**

   Virtual organizations are not suitable for all types of business operations. As such, they have very limited utilities and are mostly confined to the creation of virtual products and services.

5. **High Maintenance Cost**

   In addition to the equipment and installation cost, virtual organizations may have to spend huge sums of money on routine maintenance costs like the one related to network.

6. **Aloofness and Job Boredom**

   In the absence of emotional and social support, virtual employees may find it difficult to perform their job all alone. Working with non-living beings for long hours is bound to cause job boredom to the employees.

7. **Absence of Involvement and Commitment**

   Since the employees mostly remain away from the office and keep only a formal and irregular contact with their superiors and colleagues, they may not develop any affinity towards their organizations. Consequently, their level of involvement and organizational loyalty would not be high and the organization may eventually suffer in the form of high labour turnover .

Q13. Delineate the various models of virtual workplace using suitable examples.

Ans :

Models of a Virtual Workplace

Like the different types of virtual organizations, the workplaces within the virtual organizations can also be classified into different kinds on the basis of the nature of networking among the members of the organization. Surely, there would be neither physical office nor physical pres-ence of employees in any of these virtual workplaces. Typically, the models of workplace are categorized on the basis of where the employees of these organizations are located. As shown in Figure, there are three popular models of virtual workplaces available for virtual organizations. These are the (i) telecommuting,

(ii) front-line and (iii) cyber-link models. We shall now see these virtual workplaces in detail.
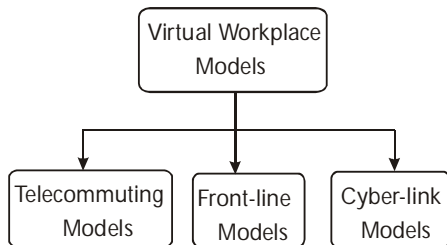
Fig. : Models of Virtual Workplaces

i) Telecommuting Model

In the telecommuting model, employees often perform work from their home and remain away from the office. The organizations can have formal or informal arrangements to facili-tate the employees' skipping office and working from home. A virtual employee of this nature need not attend office for a specified number of days in a week. Depending upon its poli-cies and facilities, the organization may choose any number of employees as telecommuters. However, in reality, it normally permits the senior employees to be telecommuters so that they can save their precious time for performing the job.

The telecommuting model of a virtual workplace has its own merits and challenges. Telecommuting is capable of

(i)   eliminating or reducing the office space requirements,

(ii)   saving the time and cost of commuting by the employees to and from the office,

(iii) ensuring the best work-life balance for employees, and

(iv)   helping the special cases among employees, like women employees during pre- and post-natal stages.

However, it also has several challenges to surmount. These are:

➢ Unlike traditional organizations, setting performance standards for employees in measurable standards is difficult. The

evaluation of employee progress in work and in quality of performance and the extent of goal accomplishments may pose challenge to the management of virtual organizations.

➢ Team unity may become a casualty of telecommuting workplaces. The organizations may find it difficult to coordinate the activities of the employees, who may perform their work at their own convenient time.

➢ Organizations may not be sure about the statutory and non-statutory rights and duties of the telecommuters and the organization. This may cause confusion in labour issues concerning the telecommuting employees.

➢ Determining the criteria for identifying employees to be covered under telecommuting may become a contentious issue for the organization, affecting the cordiality between employer and employee and also between employee and employee.

➢ The development and maintenance of dedicated channels of communication may also be a challenge in a tele-commuting workplace. The organization needs to ensure a hassle-free operation of the electronic instruments on a sustained basis.

ii) Front-line Model

In this model, the employees generally work neither from their office nor from their home. Instead, they perform their work from the client's workplace or site. The purpose of this model is to enable the clients to get the services of the virtual organization onsite. This facili-tates the clients to have a better control and an easy and immediate access to the activities of the virtual organization. In a way, this also helps the virtual organizations in ensuring reduc-tion in space cost and enhancing customer satisfaction. However, the major limitation of this model is that the performance and behavioural problems of the employees would be known to the clients

at once, thus affecting the image of the virtual organization. This model may enhance the space requirements of the clients, causing time and cost inconvenience to them.

iii) Cyber-link Model

In this model, the team of producers, suppliers and customers is networked through cyber-space and works collectively and collaboratively towards the achievement of common goals like creating a product or service. The primary purpose of this model is to ensure complete client satisfaction and get repeat orders. Thus, this model works towards long-term coop-eration between the virtual organization and its clients. However, in the cyber-link model, the teams are formed for achieving specific goals or missions. Once a goal is achieved, the team is dissolved and the members of the team may form new teams with new or existing members to carry out the next goal. An important prerequisite for the success of this model is the complete revamping of the culture and work system. The major strengths of this method are (i) a goal-driven approach and faster execution of work; (ii) the empowerment of employees as they decide their teams; (iii) an effective communication among employees; (iv) self-directed teams that enhance involvement and motivation; and (v) IT-based informa-tion sharing that facilitates shifts in duties and responsibilities of employees.

Q14. What are the differences between virtual organization and traditional organization ?

Ans :

	Virtual Organization		Traditional Organization
i)	Virtual organizations do not usually have any physical presence or permanence. continuity in their operations.	i)	Traditional organizations have physical existence and permanence like real-world offices and
ii)	There is no face-to-face communication among the members in completely virtual organizations. They rely on electronic communication to share information.	ii)	There exists physical contact and face-to-face communication among the employees.
iii)	The membership is dynamic in nature, with members joining and leaving the organization when their roles begin and end.	iii)	The membership tenure is normally stable and independent of the completion of a specific project or work.
iv)	Virtual organizations keep a flatter hierarchy and insist on voluntary commitment from their members and on self-discipline.	iv)	Traditional organizations maintain a vertical hierarchy and follow an imposed discipline system.
v)	Performance evaluation and work control are virtual and difficult.	v)	They are actual and simple.
vi)	The HR department is usually web-based and built on partnership.	vi)	It is physical and built on personnel management.

vii)	Statutory HR practices governing the functioning of employees are not clear and effective, but evolving.	vii)	They are well-established with proven effectiveness.
viii)	Leadership and control are self-managed. control.	viii)	They are based on external command and
ix)	The employees' skills and knowledge are usually developed through the e-learning process.	ix)	They are usually developed through real training and development programmes.
x)	The power of employees depends on their role in business process.	x)	It depends upon the positions occupied by the employees in the hierarchy.

5.2.3 HR Issues in Virtual Organization

Q15. Bring out the HR issues involved in a Virtual Organization.

(OR)

Discuss some of the emerging HR Issues in Virtual Organization.

Ans :   **(Dec.-20, May-13, May-11, Imp.)**

Recruitment, development and socialization processes are designed to ensure right person for right job. These processes also regulate and control the antecedent condition as of job performance. A virtual organization is staffed by knowledge workers who are brought together under short-term market relationships. These highly proficient employees are left to do their own things in order to provide world class products and service. Jobs in virtual organizations are knowledge-based. Such jobs are assumed to require greater skills, have greater variety and offer better quality of working life (QWL).

Virtual organization has both positive and negative implications for human resources. Positive implications include greater job autonomy and more financial stability due to reduced commuting, lunches and clothing costs. In addition, there are a perceived increase in performance, reduced job stress and better social relationships owing to dissolution of barriers between the home and work interface. Negative implications consist of longer working hours, increased work demands, poor physical working conditions, less social support from work, poor social position skills are required to share and assimilate information easily for quick decision-making.

The main human resource issues in a virtual organization are as follows :

1. Recruitment is conducted under time pressure and requires high performance expectations.

2. Both human capital (knowing one's job) and social capital (knowing each other) become extricably linked.

3. Social relationships do not require much stability.

4. Workplace is variable because there is high need for readiness to be mobilized at any moment.

5. Value of idleness is shown in terms of learning by watching what others do.

6. Master apprentice relationships and craft based learning become significant.

7. Job status and project feedback is short-term. Therefore, virtual organizations require a heavy investment to create systems and staffing structure.

5.3 LEARNING ORGANIZATION

Q16. Define the term Learning Organization.

Ans :   **(May-19, May-16, May-15, May-13, May-12, May-11, Imp.)**

Definition of Learning Organization

The phrase "learning organization" has become popular used nowadays in many different enterprises. It is because most enterprises have shifted from traditional operations to complex and flexible ones.

According to Marsick and Watkins (1994) indicated that "learning organization" learns continuously and can transform itself. It empowers the people, encourages collaboration and team learning, promotes open dialogue, and acknowledges the interdependence of individuals, the organization, and the community.

According to McCutchan (1997) noted that the fundamental source of competitive advantage in today's organizations was shifting from resources to knowledge and from relatively stable sources of technological and market advantage to the capacity to create such advantages.

According to Sphr (1999) further explained that "Learning organizations are firms that recognize the critical importance of continuous performance-related training and development and take appropriate action to provide them".

Therefore, the key characteristic for the success of an organization is its ability to learn. "Learning organization" was invented in the 1980s to describe organizations that experimented with new ways of conducting business in order to survive in turbulent, highly competitive markets.

According to the core theory of the "learning organization" proposed by Peter M. Senge in 1990, there are five disciplines, , "Personal mastery", "Mental models", "Building shared vision", "Team learning" and "System thinking". The applications of the five disciplines should fall into the following four main categories: communication and openness; inquiry and feedback; adequate time; and mutual respect and support.

5.3.1 Characteristics

Q17. State the various characteristics of a learning organization.

Ans :

1. **Personal Mastery**

    personal mastery is one of the core disciplines needed to build a learning organization. Since personal mastery applies to individual learning, organizations cannot learn until their members begin to learn. To start the personal mastery, the organization must define what individual is trying to achieve, and need a true measure of how close one is to the goal. After setting individual goals, critical reflection is significant as people develop personal mastery and continue to expand their ability to create the results they want.

2. **Mental models**

    The mental model was one's way of looking at the world. It was a framework for the cognitive processes of our mind. In other words, it determined how we think and act. Mental models are the deeply ingrained assumptions and paradigms that influence how we understand and act in the world.

3. Building shared vision

 A shared vision began with the individual, and an individual vision was something that one person held as a truth. In systems thinking that goal is most often a long term goal, something that can be a leading star for the individual. However, to shared visions would be very difficult because it is almost impossible for everyone in organization to have the same goals, and the drawing will probably be interpreted differently by people, but still there is something powerful about the imagery that most people can see.

Characteristic	Personal mastery - individual	Mental models - individual	Building shared vision - group	Team learning - group	Systems thinking - group
Definition	The ability to see reality as it exist, and to define what goals are trying to achieve	As one's way of looking at the world; the ability to compare reality or personal vision with perceptions	The ability of a group to hold shared visions of future with commitments and mutual understandings	The capacity of members of a team to suspend assumptions and enter into a genuine "thinking together."	The ability in developing scientific knowledge by adopting an analytical method to understand problems.
Practice	Willing to face limitations and difficulties; ability to deal with change; being responsible to their behavior	Being more openness and positive to things and to colleagues; willing to adopt new challenges	more effective communication flows; easier to ease the arguments, to build team trust and commitment, and being more cooperative	Group self-awareness; learning for everyone; helping and encouraging others' learning; enhanced creativity	Long-term improvement or change; decreased organizational conflict; continuous learning among group members

4. Team learning

Team learning defines as a discipline that starts with "dialogue," the capacity of members of a team to suspend assumptions and enter into a genuine "thinking together." Team learning is vital because teams, not individuals, are the fundamental learning unit in modern organizations. Team learning is not team building, describing the latter as creating courteous behaviors, improving communication, becoming better able to perform work tasks together, and building strong relationships.

5. System thinking

Humankind has successfully developed scientific knowledge by adopting an analytical method to understand and to figure out problems. This method involves breaking a problem into components, studying each part in isolation, and then drawing conclusions about the whole. According to Senge, this sort of linear and mechanistic thinking is becoming increasingly ineffective to address modern problems. This is because, today, most important issues are interrelated in ways that defy linear causation.

5.3.2 Role of Leader in Learning Organizations

Q18. Explain the role of leader in Learning Organizations.

(OR)

Explain the role of leader in Creating Learning Organizations.

Ans :   **(Dec.-20, May-18, May-17, May-16, May-15, May-12, Imp.)**

Senge emphasized the role of the leader in the creation of this learning organization. He defined three leadership roles, that would reshape the old-fashioned approach to being the boss. These are :

1.   **Leader as Designer**

Senge likens this to being the designer of a ship rather than its captain. He defined it in three ways :

> ➤ Creating a common vision with shared values and purpose.

> ➤ Determining the "policies, strategies, and structures that translate guiding ideas into business decisions."

> ➤ Creating effective learning processes which will allow for continuous improvement of the policies, strategies, and structures.

2.   **Leader as Teacher**

The leader here is seen as a coach that works with the mental models present in the organization. He must understand the (usually tacit) concepts of reality and restructure these views "to see beyond the superficial conditions and events into the underlying causes of the problems."

3.   **Leader as Steward**

This is the vaguest of the three and refers largely to the attitude of the leader. He emphasizes the importance of a leader that feels he is part of something greater; whose desire is first and foremost not to lead, but to serve this greater purpose of building better organizations and reshaping the way businesses operate.

The first two roles outlined by Senge shed a lot of light into the requirements of effective KM and organizational learning.

5.4 MANAGING DIVERSITY

Q19. Define Diversity Management. Explain different types of Diversity Management.

Ans :

Diversity management is often referred as acknowledging, understanding, accepting, valuing, and celebrating differences among people with respect to age, class, ethnicity, gender, physical and mental ability, race, sexual orientation, spiritual practice, and public assistance status for better workplace performance. The term diversity manage- ment indicates the implementation of strategies or policies to knit a network of varied individuals together into a dynamic work force.

Types of Diversity Management

The following are the two types of diversity management:

1.   **Intranational diversity management**

Intranational diversity management refers to managing a workforce that comprises citizens or immigrants in a single national context. Diversity programs focus on providing employment opportunities to minority groups or recent immigrants.

For example, a French company may implement policies and programs with the aim of improving sensitivity and providing employment to minority ethnic groups in the country.

2.   **Cross-national diversity management**

Cross-national, or international, diversity management refers to managing a workforce that comprises citizens from different countries. It may also involve immigrants from different countries who are seeking employment.

Q20. What are the Characteristics of Diversity Management.

Ans :

Characteristics of Diversity Management

1.   **Voluntary**

Unlike legislation that is implemented through sanctions, diversity management is a voluntary organizational action. It is self-initiated by organizations with a workforce from different ethnicities, religions, nationalities, and demographics. There is no legislation to coerce or government incentives to encourage organizations to implement diversity management programs and policies.

2.   Provides tangible benefits

Unlike in the past when diversity management was viewed as a legal constraint, companies use the diversity strategy to tap into the potential of all employees and give the company a competitive advantage in its industry. It allows each employee, regardless of his/her color, religion, ethnicity, or origin to bring their talents and skills to the organization. A diverse workforce enables the organization to better serve clients from all over the world since diverse employees can understand their needs better.

3.   Broad definition

While legislation and affirmative action target a specific group, diversity management uses a broad definition since the metrics for diversity are unlimited. The broad definition makes diversity programs more inclusive and having less potential for rejection by the members of the majority group or privileged sections of the society.

5.4.1 Benefits

Q21. State the benefits of diversity management.

Ans :

➢ Improved and enhanced competencies in terms of customer services. As a matter of fact, diverse workforce will often means diverse expertise, talent, experience and capabilities in the employees. If a manager understands the intricacies and complexity of how to manage diversity effective, he will be able to put the right person into the correct position, by minimizing his weaknesses while enhancing the particular employee's strength. From this perspective, a diverse workforce enables a manager to choose the correct candidate for a particular position in the organization.

➢ Able to compile and improve the strength of customer intelligence. As we employ diverse workforce, we can indirectly tap into the knowledge and experience of these workforce. In the era of information, we understand that marketing intelligence or customer intelligence has becoming more and more important. Diversity in workforce in this picture can help a company to compile and collect more relevant and effective data on the market place.

➢ Ability to operate effectively as well as efficiently in a global context. As a well known fact, the entire world is a colorful depiction of diversity. Thus, to go global, a diverse workforce is some sort a basis requirement. We simply need the local experts to assist us in managing business units at foreign countries or simply to expand market share in the other countries. Thus, it is not hard for us to understand that a diverse workforce will enable a company to operate more effectively and efficiently.

➢ Able to produce more satisfied workforce, and thus leading to more productive workforce. If a company can manage diversity in a proper way, then the individual employee will no longer need to clone or purposely changed himself to adaption of the corporate culture. This can often leads to a more satisfied workforce. A more satisfied workforce, will in turn, leads to more productive workforce.

➢ Effective managing of diversity enables reduction in industrial disputes. Of course, proper management of diversity can also ensure less industrial dispute or court case arises from employees' issues.

➢ Diverse workforce can lead to increased creativity and innovation. Diversity can produce synergy and creativity and innovative as well. A group of different people is better than a results produced by a single person. The combined efforts are always much outstanding.

➢ Having better chance to attract higher quality employees from a larger pool of employees. As a company prepare or has already adopted the mindset of having diversity is beneficial, then the company automatically access to a diverse pool of human talents, which means that the company can choose the employees from a larger pool of

workforce. As now the choices are enlarged, then we can have access to better talents around the world, or in other words, we can access to the world class talents around the globe.

5.4.2 Strategies

Q22. Explain the various strategies of managing diversity.

Ans :

Startegies of managing diversity

1.   Prioritize Communication

To manage a diverse workplace, organizations need to ensure that they effectively communicate with employees. Policies, procedures, safety rules and other important information should be designed to overcome language and cultural barriers by translating materials and using pictures and symbols whenever applicable.

2.   Treat Each Employee As An Individual

Avoid making assumptions about employees from different backgrounds. Instead, look at each employee as an individual and judge successes and failures on the individual's merit rather than attributing actions to their background.

3.   Encourage Employees To Work In Diverse Groups

Diverse work teams let employees get to know and value one another on an individual basis and can help break down preconceived notions and cultural misunderstandings.

4.   Base Standards On Objective Criteria

Set one standard of rules for all groups of employees regardless of background. Ensure that all employment actions, including discipline, follow this standardized criteria to make sure each employee is treated the same.

5.   Be Open minded

Recognize, and encourage employees to recognize, that one's own experience, background, and culture are not the only with value to the organization. Look for ways

to incorporate a diverse range of perspectives and talents into efforts to achieve organizational goals.

5.5 WORKLIFE BALANCE

5.5.1 Significance

Q23. Define Worklife Balance. Explain the importance of Worklife Balance.

Ans :   **(Imp.)**

Work life balance is a method which helps employees of an organization to balance their personal and professional lives. Work life balance encourages employees to divide their time on the basis on priorities and maintain a balance by devoting time to family, health, vacations etc along with making a career, business travel etc. It is an important concept in the world of business as it helps to motivate the employees and increases their loyalty towards the company.

Importance

➢   Working on a job for a company and making a career can be an extremely time consuming duty for any employee.

➢   Employees are busy at their offices throughout the day and sometimes even on weekends. This gives them very little time to interact with their family. Because of high pressure of work, often family members get neglected. Also, stressful jobs cause the health of employees to deteriorate. This is where work life balance come into the picture.

➢   Work life balance concept allows an employee to maintain a fine balance in the time he or she gives to work as well as to personal matters. By having a good balance, people can have a quality of work life.

➢   It helps to increase productivity at workplace as the employee is relaxed about his personal commitments.

➢   It also allows the employee to give quality time with family to spend vacations, leisure time, work on his/her health etc.

➢   Hence work life balance is extremely important for employees and increases their motivation to work for the company.

Q24. What are the objectives of Worklife Balance ?

Ans :

(i)   Help employee balance both work and family.

(ii)   Offer unconventional work-hours-flexibility.

(iii)   Provide day-care/child care-creche facility at/or near the work place.

    Example: Transdyne - a medical transcription company based in hyderabad has creche facility.

(iv)   Provide part-time work.

(v)   Job-sharing.

(vi)   Pregnancy and parental leave.

(vii)   Sick children and employees care.

(viii) Summer camp onsite training.

(ix)   Executive transfers.

(x)   Telecommunication.

(xi)   Work at home options.

(xii)   Spousal involvement in career planning, assistance with family problems.

(xiii) Supervisors training for response to work and family needs of employees.

(xiv)   Extended leave.

5.5.2 Steps

Q25. Explain the various steps involved in Worklife Balance.

Ans :

work life balance process

    There are specific guidelines to how an individual can maintain a proper work life balance, some of which are:

1.   Creating a work leisure plan

    Where an individual has to schedule his tasks, and divide time appropriately so that he has allocated appropriate time to his work and his career development goals and at the same time allotted time for leisure and personal development. Employees also use a compressed work week plan to build a balance.

2.   Leaving out activities that waste time and energy

    Individual should judiciously avoid wasteful activities which demand large time and energy and in return not produce output for either the work life or the leisure life. Effective time management can help an employee be less stressed.

3.   Outsourcing work

    Delegate or outsource time consuming work to other individuals.

4.   Set enough time for relaxation

    Relaxation provides better work life balance, and tends to improve productivity on the professional or the work front along with providing ample scope to develop the life part of the balance.

5.   Prioritizing work

    Often employees do not give priority to work and end up doing a lot of work at the last minute. Better planning can help employees save unnecessary time delays, which can be utilized by employees for personal work.

Q26. What are the Benefits of Work life Balance.

Ans :   **(Imp.)**

    There are several advantage of work life balance. Some of them are discussed below:

1.   Work life balance increases the motivation of employees and helps them perform better at job

2.   It helps people to relieve their stress as they can spend leisure time with their near and dear ones

3.   Companies can maximize productivity from an employee who is rejuvenated and refreshed as compared to a over worked employee

4.   Healthy lifestyles can be maintained by having a work life balance. This includes a good diet, regular exercises etc

5.   Employees who are highly motivated can help the business grow as they are more attached to their job and careers

Short Question and Answers

1. Learning Organization.

Ans :

Definition of Learning Organization

The phrase "learning organization" has become popular used nowadays in many different enterprises. It is because most enterprises have shifted from traditional operations to complex and flexible ones.

According to Marsick and Watkins (1994) indicated that "learning organization" learns continuously and can transform itself. It empowers the people, encourages collaboration and team learning, promotes open dialogue, and acknowledges the interdependence of individuals, the organization, and the community.

According to McCutchan (1997) noted that the fundamental source of competitive advantage in today's organizations was shifting from resources to knowledge and from relatively stable sources of technological and market advantage to the capacity to create such advantages.

According to Sphr (1999) further explained that "Learning organizations are firms that recognize the critical importance of continuous performance-related training and development and take appropriate action to provide them".

Therefore, the key characteristic for the success of an organization is its ability to learn. "Learning organization" was invented in the 1980s to describe organizations that experimented with new ways of conducting business in order to survive in turbulent, highly competitive markets.

2. Types of Virtual Organizations.

Ans :

1. Alliance Organization

The essence of an alliance organization is the horizontal networking among its partners. It replaces the traditional vertical organization, in which all powers were centralized in a single organization and the employees just executed the orders. In case of the alliance type of virtual organization, each partner (an independent organization) linked with the virtual organization performs different but related activities. In fact, the core competencies of the partners are combined to produce synergy effect for the virtual organization. For instance, the marketing aspects can be carried out by the virtual organization, while product manufacturing or assembling, and delivery can be done by its partners.

2. Displaced Organization

In a displaced organization, the individual members are geographically dispersed but connected by information technology. However, the physical separation of members is usually not known to the outsiders, who perceive them as a single unit. Tele-conferencing, video-conferencing, e-mail and other modes enable the virtual organizations to make the customers believe that all the employees are functioning from the same office. Many software and investment companies are adopting this style of operation in which employee dislocation is not known to the customers. For instance, internationally, a virtual shift system may operate when different teams around the globe deal with the same project at different times, each group leaving progress reports for the next team in another place to continue as it concludes its working day. Foreign institutional investors (FIIs), who operate in different securities market around the world, are similar to displaced organizations.

3. Invisible Organization

An invisible organization will not have a physical structure as such, except that a small place will be used as an office for a few employees. The primary duty of these employees is to attend to the phone calls of the customers in need of the goods or services offered by this kind of virtual organization.

The products of such an organization are mostly virtual and directly downloadable from computer. It uses telephones as its primary tool to exchange information with the customers. BSNL Hungama portal is similar to this type of virtual organization. This type of organization keeps no visible high-street branches but operates through a network of call centres and back offices.

4. Truly Virtual Organization

This type of organization is a mixture of the characteristics of alliance, displaced and invisible organizations. The Internet is the major platform for performing its operations. In fact, the Internet enables it to offer its products or services to the customers. Book publishing companies often use the truly virtual organization to market their products and pay it a commission for its role in displaying and selling its products. For instance, once orders are received for the books, the virtual companies generally send the hard copy from the publishers' warehouses. Delivery is handled by independent agents. The online Amazon.com bookstore is a typical truly virtual organization.

---

3. Virtual Organizations.

Ans :

A virtual organization is a new kind of technology-enabled organization formed for the internationalization of business operations. In virtual workplaces, employees operate at a remote distance from one another and also from the managers. 1 As a modern concept of the twenty-first century, a virtual organization has established an entirely new kind of relationship among organizations, employees and customers. This new breed of virtual organizations exists mostly on the Internet without any physical location. It is based on the idea that an organization, team, individual, product or service need not be physically present even though it appears to be so. Today, organizations all around the world are spending huge sums of money on information technology just to develop virtual forms of office. The driving force behind such initiatives as a virtual workplace is to make organizations more

responsive to the changes in today's business world.

A virtual organization represents the concept of organizational flexibility unrestrained by the traditional barriers of place and time. It is actually a network of cooperation achieved through information and communication technology (ICT). In fact, ICT coordinates the activities of the organization by blending the employee's skills and the resources suitably in order to achieve the strategic goals of the organization.

Definitions

(i) **According to Jeanne L Allert** "A virtual company is where work is performed outside of the definition of place. There's no factory floor, no retail store, no conference room, no cubicle farm. Virtual work is primarily the manufacture, retail, and distribution of intellectual property."

(ii) **According to J. Coyle and N. Schnarr** "A virtual corporation is a temporary network of companies that come together quickly to exploit fast changing opportunities, for example, the making of films."

(iii) **According to W. M. Fitzpatrick and D. R. Burke** "The virtual corporation can be defined as a temporary network of independent companies, suppliers, customers, even erstwhile rivals – linked by information technology to share skills, cost, and access to one another's market."

(iv) **According to - A. M. Townsend et al.** "Virtual teams are groups of geographically and/or organizationally dispersed co-workers that are assembled using a combination of telecommunication and information technologies to accomplish an organizational task."

---

4. KM Architecture.

Ans :

1. Transcation Data

The transaction data at the bottom of the pyramid represents the data or alphanumeric strings stored in databases that represent the data generated by the various departments and divisions within the organization. For

example, the instantaneous data output of room temperature recording machine.

2. Operational Data

The operational data at the next level represents complete transactions, which by itself does not have any context. For example, the hourly/daily data output of room temperature recording machine.

3. Management Information

The management information level contains data that has been grouped, sorted and organized to reveal a context. However, this data does not represent knowledge and provides basic information to managers to take decisions. For example the data output of the room temperature recording machine for a particular location for a particular period of time or season.

4. Business Intelligence

Business intelligence level provides aggregated data along with rules that describe the sequences of processes associated with the information. For example, the data output of the room temperature recording machine for a particular location for a particular period of time or season along with the prescribed idea maximum and minimum temperature limits for the region.

5. Corporate Knowledge

Further summarization of the information provided by the preceding layer leads to knowledge, which represents insights derived from the information that can be acted upon in a variety of ways. For example, the data output of the room temperature recording machine for a particular location for a particular period of time or season along with the prescribed ideal maximum and minimum temperature limits for the region along with the historic and current trends and future predictions.

6. Wisdom

The top of the pyramid represents Wisdom, the most abstract and time independent knowledge or the knowledge that has been absorbed and made completely tacit and reflects itself in every action and decision. For example, the intrinsic knowledge of the ambient temperature conditions and the possibilities of variations.

5. Define Knowledge Management.

Ans :

i) **According to Ron Young,** "Knowledge Management is the discipline of enabling individuals, teams and entire organizations to collectively and systematically create, share and apply knowledge, to better achieve their objectives".

ii) **According to Sir John Steely Browne,** "Most activities or tasks are not one-time events. Whether its drilling a well or conducting a transaction at a service station, we do the same things repeatedly. Our philosophy is fairly simple: every time we do something again, we should do it better than the last time".

iii) **According to Glaxo Smith Kline** "The capabilities by which communities within an organization capture the knowledge that is critical to them, constantly improve it and make it available in the most effective manner to those who need it, so that they can exploit it creatively to add value as a normal part of their work"

iv) **According to West Midlands Regional Observatory, UK** "Knowledge management will deliver outstanding collaboration and partnership working. It will ensure the region maximizes the value of its information and knowledge assets and it will help its citizens to use their creativity and skills better, leading to improved effectiveness and greater innovation".

v) **According to Care Services Improvement Partnership (CSIP)** "We recognize that our most important asset is people and their knowledge. We understand Knowledge Management (KM) as the cultivation of an environment within which people are willing to share, learn and collaborate together leading to improvement".

vi) **According to Peter Drucker** Knowledge as "Information that changes something or somebody either by becoming grounds for actions or by making an individual (or an institution) capable of different or more effective action."

6.   Functions of Knowledge Management.

Ans :

1.   Externalization

Externalization is capturing knowledge in an external repository and organizing it according to a classification framework or taxonomy. The role of externalization is to make your captured knowledge available to knowledge seekers through internalization or intermediation.

2.   Internalization

Internalization tries to discover bodies of knowledge relevant to a particular user's need. With internalization, we extract knowledge from the external repository and filter it to identify what is relevant to the knowledge seeker. Internalization helps a researcher communicate a problem or point of interest and map that against the bodies of knowledge already captured through externalization. Internalization focuses on the transfer of explicit knowledge.

3.   Intermediation

Intermediation brokers tacit knowledge. It matches a knowledge seeker with the best source of knowledge. By tracking the experience and interests of individuals, intermediation can link people who need to explore certain subjects with people who appear to harbor knowledge in that area.

4.   Cognition

Cognition is the application of knowledge that's been exchanged through the preceding three functions and is the ultimate goal of knowledge management.

7.   Knowledge acquisition.

Ans :

In today's internet age, enormous amount of data is available to individuals as well as organizations at the click of a mouse. This has fuelled a growing need to manage explosive amounts of information effectively. Although indexing and linking documents and other information sources is an important step, capturing the knowledge contained within these diverse sources is crucial for the building as well as effectively using organizational information repositories.

Knowledge acquisition has been a challenging area of research in artificial intelligence and has stemmed from the initial efforts to develop expert systems. Driven by the modern Internet culture and by knowledge-based industries, the study of knowledge acquisition has a renewed importance. Although there has been considerable work in the area of knowledge-based industries, the study of knowledge acquisition has a renewed importance. Although there has been considerable work in the area of knowledge capture, activities has been distributed across several distinct research communities.

8.   Features virtual organi- zation ?

Ans :

➤   A virtual organization is made up of a temporary network of companies or teams bound by common tasks.

➤   Virtual organizations, like traditional ones, have specific goals which are usually time-bound.

➤   A virtual organization emphasizes a flatter hierarchy and voluntary commitment from members.

➤   The organizational structure of a virtual organization is typically short-lived, fluid and flexible.

➤   Virtual corporations are normally customer-driven organizations with the presence of highly skilled people working in a collaborative environment.

➤ Virtual organizations combine talents and capabilities for creating virtual products.

➤ Their members are mostly geographically dispersed but interdependent and connected by information and communication technology (ICT) tools.

9. Limitations of Virtual Organizations.

Ans :

1. Absence of Managerial Control

The major problem of virtual organizations is their inability to ensure adequate supervision and managerial control over the activities of the virtual employees, who work away from the management.

2. Technology-related Problems

When there is a mechanical or technological failure while performing a piece of work, it may not be possible to make alternate arrangements immediately. In such a situation, the work may get affected and there could also be deadline problems for the individual employees and the organization both.

3. Misuse of Electronic Instruments and Consumables of the Organization

There is a scope for dishonest and unscrupulous employees to use the company properties for purposes other than those for which these instruments have been given to them.

4. Limited Application

Virtual organizations are not suitable for all types of business operations. As such, they have very limited utilities and are mostly confined to the creation of virtual products and services.

5. High Maintenance Cost

In addition to the equipment and installation cost, virtual organizations may have to spend huge sums of money on routine maintenance costs like the one related to network.

6. Aloofness and Job Boredom

In the absence of emotional and social support, virtual employees may find it difficult to perform their job all alone. Working with non-living beings for long hours is bound to cause job boredom to the employees.

10. Worklife Balance.

Ans :

Work life balance is a method which helps employees of an organization to balance their personal and professional lives. Work life balance encourages employees to divide their time on the basis on priorities and maintain a balance by devoting time to family, health, vacations etc along with making a career, business travel etc. It is an important concept in the world of business as it helps to motivate the employees and increases their loyalty towards the company.

Importance

➤ Working on a job for a company and making a career can be an extremely time consuming duty for any employee.

➤ Employees are busy at their offices throughout the day and sometimes even on weekends. This gives them very little time to interact with their family. Because of high pressure of work, often family members get neglected. Also, stressful jobs cause the health of employees to deteriorate. This is where work life balance come into the picture.

➢   Work life balance concept allows an employee to maintain a fine balance in the time he or she gives to work as well as to personal matters. By having a good balance, people can have a quality of work life.

➢   It helps to increase productivity at workplace as the employee is relaxed about his personal commitments.

11.   Benefits of Work life Balance.

Ans :

1.   Work life balance increases the motivation of employees and helps them perform better at job

2.   It helps people to relieve their stress as they can spend leisure time with their near and dear ones

3.   Companies can maximize productivity from an employee who is rejuvenated and refreshed as compared to a over worked employee

4.   Healthy lifestyles can be maintained by having a work life balance. This includes a good diet, regular exercises etc

5.   Employees who are highly motivated can help the business grow as they are more attached to their job and careers

Choose the Correct Answers

1. _____ accessible Indirectly only with difficulty through knowledge elicitation   [c]

   (a) Implicit   (b) Explicit

   (c) Jacinta   (d) All of the above

2. _____ stores and organize vast amount of date for retrieval and mining.   [b]

   (a) Expert system   (b) Date warehouse

   (c) Data mining   (d) None of the above

3. _____ is a capturing knowledge is an external repository and organizing in according to a classification
   framework _____   [a]

   (a) Externalization   (b) Internalization

   (c) Cognition   (d) None of the above

4. _____ is a term gives to company that facilitates them and continuously transforms.   [c]

   (a) Thinking   (b) Organization

   (c) Learning organization   (d) None

5. _____ Referred to unreal but looking real.   [c]

   (a) Informal organization   (b) Formal organization

   (c) Virtual organization   (d) None

6. ACOG stands for _____   [a]

   (a) Atlanta Committee for the Olympic Games.

   (b) Atlanta Commission for the Olympic Games.

   (c) Atlanta Committee for the Olympic groups.

   (d) Atlanta Commission for the Olympic groups.

7. _____ defines the information and knowledge are accessible for anyone at anytime.   [c]

   (a) Capturing   (b) Organizing

   (c) Retrieval   (d) Storing

8. _____ defines the information are filtered and summarized.   [b]

   (a) Capturing   (b) Organizing

   (c) Retrieval   (d) Storing

9. _____ technology that stores and organizes vast amount of data for easy retrieval.   [a]

   (a) Data Warehouse   (b) Data Mining

   (c) DSS   (d) Speed System.

10. _____ computer programs that utilize knowledge and experience speed to solve complete problems
                                                                                            [d]

   (a) Data Warehouse   (b) Data Mining

   (c) DSS   (d) Speed System.

Fill in the blanks

1. _____ is the process involves the conversion of tacit knowledge to explicit knowledge through experiences ands ideas.

2. _____ is the term given to a company that facilitates the learning of its members.

3. _____ is crea5ted through the experimental exposure to information.

4. _____ approach involves the cessation of enterprise with repositories.

5. Improvement of quality by means of _____ system.

6. _____ is the major objective foster knowledge sharing.

7. _____ is the ;most common approaches to knowledge management employed by organization

8. _____ focus is on developing products and services to meet the customer requirement.

9. COP stands for _____

10. _____ has been recognized as on essential component of a proactively managed organization.

ANSWERS

1. Socialization

2. learning organization

3. personal Business Intelligence

4. quality control

5. Networking

6. Repository model

7. Organization

8. Communities of practice

9. Knowledge management

FACULTY OF COMMERCE

M.Com (CBCS) (New Syllabus) II - Semester Examination
December - 2020
HUMAN RESOURCE MANAGEMENT

Time : 2 Hours]   **[Max. Marks : 80**

PART - A - (4 × 5 = 20 Marks)

Aɴsᴡᴇʀs

Note : Answer any four questions.

1.	Talent Management	**(Unit-I, SQA-10)**
2.	Job Enrichment	**(Unit-II, Q.No.8)**
3.	Potential Appraisal	**(Unit-III, Q.No.38)**
4.	Collective Bargaining	**(Unit-IV, SQA-5)**
5.	Knowledge Management	**(Unit-V, SQA-5)**

PART - B - (4 × 15 = 60 Marks)

Note : Answer any four questions.

6. Why is Human Resource Management essential or an organization?

   How is it different from Human Resource Development?   **(Unit-I, Q.No.4, 27)**

7. Discuss the essentials of effective Human Resource Development in an

   industrial organization.   **(Unit-I, Q.No.22)**

8. Explain the various techniques used for analyzing the job.   **(Unit-II, Q.No.18)**

9. Discuss the various Sources of Recruitment.   **(Unit-II, Q.No.30)**

10. Explain Briefly the general methods of Training of Personnel.   **(Unit-III, Q.No.9)**

11. Describe the situations of Worker's Participation in India.   **(Unit-III, Q.No.52)**

12. Discuss the essentials of Sound Wage Structure.   **(Unit-IV, Q.No.13)**

13. Explain the various approaches to Industrial Relations.   **(Unit-IV, Q.No.38)**

14. Explain the role of Leaders in Learning Organizations.   **(Unit-V, Q.No.18)**

15. Discuss the Emerging issues in Virtual Organizations.   **(Unit-V, Q.No.15)**

FACULTY OF COMMERCE

M.Com II - Semester (CBCS) Examination
May / June - 2019
HUMAN RESOURCE MANAGEMENT

Time : 3 Hours]   **[Max. Marks : 80**

Note: Answer all the questions from Part - A and Part - B

Each question carries 4 marks in Part - A and 12 marks in Part - B

PART - A (5 × 4 = 20 Marks)

[Short Answer Type]

ANSWERS

1.	Significance of HRM	**(Unit-I, SQA -1)**
2.	Induction	**(Unit-II, SQA - 9)**
3.	360 Degree Appraisal	**(Unit-III, SQA - 1)**
4.	Minimum Wage	**(Unit-IV, SQA -1)**
5.	Leaming Organization	**(Unit-V, SQA - 1)**

PART - B (5 × 12 = 60 Marks)

[Essay Answer Type]

Note: Answer the following questions in not more than FOUR pages each

6. (a) Define HRM. Explain various functions of HRM.   **(Unit-I, Q.No. 1,7)**

(OR)

   (b) What is HRD ? Also explain the scope and objectives of HRD.   **(Unit-I, Q.No. 21,22,24)**

7. (a) Define Human Resource Planning. Explain the process and problems in Human Resource Planning   **(Unit-II, Q.No. 19,23,25)**

(OR)

   (b) Explain in detail the process of selection.   **(Unit-II, Q.No. 33)**

8. (a) What is performance appraisal ? Explain modern methods of performance appraisal.

(Unit-III, Q.No. 27,35)

(OR)

   (b) Do you think workers participation in management would continue to be relevent, particularly in the changing industrial scenario in India ? Explain   **(Unit-III, Q.No. 52)**

9. (a) What is grievance? Explain the causes for grievance and procedure for settlement.

(Unit-IV, Q.No. 26,27,32)

(OR)

   (b) How can you make collective bargaining effective in Indian organization ?

(Unit-IV, Q.No. 54)

10. (a) Explain the knowledge management process.   **(Unit- V, Q.No. 8)**

(OR)

   (b) Define Virtual organization. Explain the various types of Virtual organizations.

(Unit-V, Q.No. 9,11)

FACULTY OF COMMERCE
M.Com II - Semester (CBCS) Examination
May / June - 2018
HUMAN RESOURCE MANAGEMENT

Time : 3 Hours]   **[Max. Marks : 80**

Note: Answer all the questions from Part - A and Part - B

Each question carries 4 marks in Part - A and 12 marks in Part - B

PART - A (5 × 4 = 20 Marks)

[Short Answer Type]

ANSWERS

1.	Nature of HRD	**(Unit-I, SQA -14)**
2.	Steps in HRP	**(Unit-II, SQA -8)**
3.	Assessment centers	**(Unit-III, SQA - 11)**
4.	Trade Unions	**(Unit-IV, SQA -7)**
5.	Virtual Organization	**(Unit-V, SQA - 3)**

PART - B (5 × 12 = 60 Marks)

[Essay Answer Type]

Note: Answer the following questions in not more than FOUR pages each

6.   (a)   Briefly explain the changing role of HR Manager in the modern world.   **(Unit-I, Q.No. 8)**

(OR)

(b)   Discuss the importance of HRD concept and explain various techniques of HRD

(Unit-I, Q.No. 25,26)

7.   (a)   Explain the various approaches in job design.   **(Unit-II, Q.No. 4)**

(OR)

(b)   Explain the importance and process of selection.   **(Unit-II, Q.No. 32,33)**

8.   (a)   What is performance management and how is it different from performance appraisal ?

(Unit-III, Q.No. 32)

(OR)

(b)   Discuss the significance and techniques of management development. **(Unit-III, Q.No. 19,21)**

9.   (a)   What is grievance ? Explain the factors that lead to grievence. Explain the methods of grievance
redressal mechanism.   **(Unit-IV, Q.No. 26,28,32)**

(OR)

(b)   Discuss the role of trade union in the modern day business environment.

(Unit-IV, Q.No. 48)

10.   (a)   Discuss the steps in creating knowledge management system.   **(Unit- V, Q.No. 8)**

(OR)

(b)   Explain the role of leaders in creating learning organization.   **(Unit-V, Q.No. 18)**

FACULTY OF COMMERCE

M.Com II - Semester (CBCS) Examination

May / June - 2017

HUMAN RESOURCE MANAGEMENT

Time : 3 Hours]   **[Max. Marks : 80**

Note: Answer all the questions from Part - A and Part - B

Each question carries 4 marks in Part - A and 12 marks in Part - B

PART - A (5 × 4 = 20 Marks)

[Short Answer Type]

ANSWERS

1. HRM Concept   **(Unit-I, SQA - 2)**
2. Selection   **(Unit-II, SQA - 1)**
3. Quality circles   **(Unit-III, SQA - 2)**
4. Wage differentials   **(Unit-IV, SQA -2)**
5. Types of Virtual Organisations   **(Unit-V, SQA -2)**

PART - B (5 × 12 = 60 Marks)

[Essay Answer Type]

Note: Answer the following questions in not more than FOUR pages each

6. (a) What is HRD? Explain Techniques pf HRD.   **(Unit-I, Q.No. 21,26)**

(OR)

   (b) What is the significance of HRM iin the over changing business environment?

(Unit-I, Q.No. 4)

7. (a) What is HRP? Explain the process of the planning?   **(Unit-II, Q.No. 19,23)**

(OR)

   (b) Explain Recruitment? What are the sources of Recruitment?   **(Unit-II, Q.No. 26,30)**

8. (a) What is Career Planning? Explain the benefits &problems of career planning?

(Unit-III, Q.No.39,42)

(OR)

   (b) Discuss briefly about workers participate in management?   **(Unit-III, Q.No. 48)**

9. (a) Explain the present sratus and role of trade unions in India?   **(Unit-IV, Q.No. 48)**

(OR)

   (b) Explain different wages concept that govern sound wage structure?   **(Unit-IV, Q.No. 13)**

10. (a) Define Knowledge Management and its process.   **(Unit- V, Q.No. 1,8)**

(OR)

   (b) Explaining Role of Leader in Learning Organisation?   **(Unit-V, Q.No. 18)**

FACULTY OF COMMERCE

M.Com II - Semester (CBCS) Examination
May / June - 2016
HUMAN RESOURCE MANAGEMENT

Time : 3 Hours]   **[Max. Marks : 80**

Note: Answer all the questions from Part - A and Part - B
Each question carries 4 marks in Part - A and 12 marks in Part - B
PART - A (5 × 4 = 20 Marks)
[Short Answer Type]

<u>**ANSWERS**</u>

1. Techniques of HRD?   **(Unit-I, SQA - 3)**
2. Types of interviews?   **(Unit-II, SQA -2)**
3. How do you evaluate the effectiveness of training?   **(Unit-III, SQA - 3)**
4. Grievance resolving mechanism?   **(Unit-IV, SQA -3)**
5. Virtual organizations?   **(Unit-V, SQA -3)**

PART - B (5 × 12 = 60 Marks)
[Essay Answer Type]

Note: Answer the following questions in not more than FOUR pages each

6. (a) Define HRM and explain objectives of HRM.   **(Unit-I, Q.No. 1,5)**

                                      (OR)

    (b) List out the objectives of HRD. Write a brief note on impact of environment on policy framing of HR.   **(Unit-I, Q.No.24,14)**

7. (a) Discuss about job design. Explain the approaches of the job design in an organization.   **(Unit-II, Q.No.1,4)**

                                      (OR)

    (b) What do you mean by selection? What are the various procedures involved in?   **(Unit-II, Q.No. 32,33)**

8. (a) Differentiate traditional and modern methods of performance appraisal.   **(Unit-III, Q.No. 35)**

                                      (OR)

    (b) What do you mean by Participative Management? Explain the form of workers participation in management in India.   **(Unit-III, Q.No. 48,51)**

9. (a) Discuss the role of Trade Unions in the New Economy of India with recent examples.   **(Unit-IV, Q.No. 48)**

                                      (OR)

    (b) What is wage structure? Explain concepts of Minimum, Living, and Fair wages in a company.   **(Unit-IV, Q.No. 13,14,15,16)**

10. (a) Write a brief note on KM architecture and its role in Human Resource management.   **(Unit- V, Q.No. 6)**

                                      (OR)

    (b) What do you mean by learning organization? Explain the role of leader in learning organizations.   **(Unit-V, Q.No. 16,18)**

FACULTY OF COMMERCE

M.Com II - Semester (CBCS) Examination

May / June - 2015

HUMAN RESOURCE MANAGEMENT

Time : 3 Hours]   **[Max. Marks : 80**

Note: Answer all the questions from Part - A and Part - B

Each question carries 4 marks in Part - A and 12 marks in Part - B

PART - A (5 × 4 = 20 Marks)

[Short Answer Type]

ANSWERS

1.	What are the objectives of HRD ?	**(Unit-I, SQA - 4)**
2.	Job Bandwidth	**(Unit-II, SQA - 3)**
3.	Quality circles	**(Unit-III, SQA -2)**
4.	Job Evaluation	**(Unit-IV, SQA -4)**
5.	Virtual organizations?	**(Unit-V, SQA - 4)**

PART - B (5 × 12 = 60 Marks)

[Essay Answer Type]

Note: Answer the following questions in not more than FOUR pages each

6. (a) "Human Resource Manager performs more challenging roles in the changing scenario". Explain.

(Unit-I, Q.No. 8)

(OR)

(b) Explain environment impact of Human Resource Management in recent change?

(Unit-I, Q.No.14)

7. (a) What is job analysis ? Explain the methods of job analysis.   **(Unit-II, Q.No. 11,18)**

(OR)

(b) List out the selection test and bring out the merits and demerits of any two selection tests.

(Unit-II, Q.No. 35)

8. (a) Critically evaluate modern techniques of performance evaluation in an organisation.

(Unit-III, Q.No. 35)

(OR)

(b) "Assessing training needs and evaluation of training and challenging to HR manager" Elucidate.

(Unit-III, Q.No. 5)

9. (a) Discuss about wage structure and explain the wage differentials in India.

(Unit-IV, Q.No. 13,14,15,16)

(OR)

(b) Bring out the essential conditions that must be present for collective bargaining successful.

(Unit-IV, Q.No. 53)

10. (a) Examine the process of knowledge management.   **(Unit- V, Q.No. 8)**

(OR)

(b) What do you mean by learning organisation ? Explain the role of leader in Learning organisations.

(Unit-V, Q.No. 16,18)

FACULTY OF COMMERCE
M.Com II - Semester (CBCS) Examination
May / June - 2014
HUMAN RESOURCE MANAGEMENT

Time : 3 Hours]　　　　　　　　　　　　　　　　　　　　　　**[Max. Marks : 80**

Note: Answer all the questions from Part - A and Part - B
Each question carries 4 marks in Part - A and 12 marks in Part - B
PART - A (5 × 4 = 20 Marks)
[Short Answer Type]

　　　　　　　　　　　　　　　　　　　　　　　　　　　　ANSWERS

1.　HRM functions　　　　　　　　　　　　　　　　**(Unit-I, SQA - 5)**

2.　Job Analysis methods　　　　　　　　　　　　**(Unit-II, SQA - 4)**

3.　Career planning　　　　　　　　　　　　　　　**(Unit-III, SQA - 4)**

4.　Collective Bargaining　　　　　　　　　　　　**(Unit-IV, SQA -5)**

5.　KM Architecture　　　　　　　　　　　　　　　**(Unit-V, SQA - 4)**

PART - B (5 × 12 = 60 Marks)
[Essay Answer Type]

Note: Answer the following questions in not more than FOUR pages each

6.　(a)　Discuss different techniques of HRD.　　　　　　　**(Unit-I, Q.No. 26)**

　　　　　　　　　　　　(OR)

　　(b)　Explain the impact of environment on HRM in an organisation.　　**(Unit-I, Q.No. 14)**

7.　(a)　Explain the process of HR planning.　　　　　　　　**(Unit-II, Q.No. 23)**

　　　　　　　　　　　　(OR)

　　(b)　Discuss the various sources of Recruitment.　　　　**(Unit-II, Q.No. 30)**

8.　(a)　Explain how will you evaluate the effectiveness of training programme.

　　　　　　　　　　　　　　　　　　　　　　　　(Unit-III, Q.No. 6,7)

　　　　　　　　　　　　(OR)

　　(b)　Explain career planning and development of an organisation.　**(Unit-III, Q.No. 39)**

9.　(a)　Outline the components of wage structure.　　　　　**(Unit-IV, Q.No. 1,3)**

　　　　　　　　　　　　(OR)

　　(b)　Describe the procedure for disciplinary action.　　　**(Unit-IV, Q.No. 25)**

10.　(a)　Discuss different types of virtual organisations.　　　**(Unit- V, Q.No. 11)**

　　　　　　　　　　　　(OR)

　　(b)　Discuss the role of Leader in Learning Organizations.　**(Unit-V, Q.No. 18)**

FACULTY OF COMMERCE

M.Com II - Semester (CBCS) Examination
May / June - 2013
HUMAN RESOURCE MANAGEMENT

Time : 3 Hours]   **[Max. Marks : 80**

Note: Answer all the questions from Part - A and Part - B
Each question carries 4 marks in Part - A and 12 marks in Part - B
PART - A (5 × 4 = 20 Marks)
[Short Answer Type]

                                                                                          ANSWERS

1.   Significance of HRM.   **(Unit-I, SQA - 1)**

2.   Placement.   **(Unit-II, SQA - 5)**

3.   Performance appraisal.   **(Unit-III, SQA - 15)**

4.   Grievances.   **(Unit-IV, SQA - 6)**

5.   Learning organization.   **(Unit-V, SQA - 1)**

PART - B (5 × 12 = 60 Marks)
[Essay Answer Type]

Note: Answer the following questions in not more than FOUR pages each

6.   (a)   Explain the concepts and functions of Human Resource Management. **(Unit-I, Q.No. 1,7)**

                                                       (OR)

    (b)   Explain concepts and objectives of HRD in Indian context.   **(Unit-I, Q.No. 21,24)**

7.   (a)   Discuss the process of Human Resource planning.   **(Unit-II, Q.No. 23)**

                                                       (OR)

    (b)   What is job analysis ? What are the different methods used in Job analysis process ?

                                                            (Unit-II, Q.No. 11,18)

8.   (a)   What is needs of training and explain methods of training and development.

                                                          (Unit-III, Q.No.1, 9, 21)

                                                       (OR)

    (b)   Concept of empowerment and explain for nation of workers participation in management in India.   **(Unit-III, Q.No. 47,48)**

9.   (a)   What is job evalution ? Discuss the different methods of job evalution.

                                                      (Unit-IV, Q.No. 8,10   )

                                                       (OR)

    (b)   What is objectives of trade union ? Explain role of trade unions in India.

                                                       (Unit-IV, Q.No. 43,48   )

10.   (a)   What is concept of knowledge management and explain knowledge management process.

                                                       (Unit- V, Q.No. 1,8)

                                                       (OR)

    (b)   What is a virtual organisation ? Bring out the HR issues involved in a virtual organisation.

                                                       (Unit-V, Q.No. 9, 15)

FACULTY OF COMMERCE
M.Com II - Semester (CBCS) Examination
May / June - 2012
HUMAN RESOURCE MANAGEMENT

Time : 3 Hours]   **[Max. Marks : 80**

Note: Answer all the questions from Part - A and Part - B

Each question carries 4 marks in Part - A and 12 marks in Part - B

PART - A (5 × 4 = 20 Marks)

[Short Answer Type]

ANSWERS

1.   Functions of HR Manager.   **(Unit-I, SQA - 5)**

2.   Recruitment.   **(Unit-II, SQA - 6)**

3.   Training.   **(Unit-III, SQA - 7)**

4.   Trade Union.   **(Unit-IV, SQA - 7)**

5.   Virtual organization.   **(Unit-V, SQA - 3)**

PART - B (5 × 12 = 60 Marks)

[Essay Answer Type]

Note: Answer the following questions in not more than FOUR pages each

6.   (a)   What is meant by HRD ? Explain its scope and objectives.   **(Unit-I, Q.No. 21,22,24)**

(OR)

(b)   Explain the scope and significance of Human Resource Management in an organization.

(Unit-I, Q.No. 4,6)

7.   (a)   Discuss various methods of Job Analysis.   **(Unit-II, Q.No. 18)**

(OR)

(b)   Explain about the concept of selection and its procedure.

(Unit-II, Q.No. 32,33)

8.   (a)   Examine the concept and different methods of performance appraisal.

(Unit-III, Q.No. 27, 35)

(OR)

(b)   What are the main objectives of participative management ? Discuss about the types of participative management.   **(Unit-III, Q.No. 48,51)**

9.   (a)   Define collective bargaining. List out the essential conditions for the success of collective bargaining.   **(Unit-IV, Q.No. 49,53)**

(OR)

(b)   What do you mean by Grievance ? What are the causes for grievance in an organization ?

(Unit-IV, Q.No. 26,27)

10. (a)   Define learning organization. Explain the role of leader in learning organization.

(Unit- V, Q.No. 16,18)

(OR)

(b)   Briefly explain the process of Knowledge management.   **(Unit-V, Q.No. 8)**

FACULTY OF COMMERCE

M.Com II - Semester (CBCS) Examination

May / June - 2011

HUMAN RESOURCE MANAGEMENT

Time : 3 Hours] [Max. Marks : 80

Note: Answer all the questions from Part - A and Part - B

Each question carries 4 marks in Part - A and 12 marks in Part - B

PART - A (5 × 4 = 20 Marks)

[Short Answer Type]

ANSWERS

1. Objectives of HRM **(Unit-I, SQA - 6)**

2. Job Analysis **(Unit-II, SQA - 7)**

3. Performance management **(Unit-III, SQA - 6)**

4. Wage differentials **(Unit-IV, SQA - 2)**

5. Learning organisation. **(Unit-V, SQA - 1)**

PART - B (5 × 12 = 60 Marks)

[Essay Answer Type]

Note: Answer the following questions in not more than FOUR pages each

6. (a) Define HRM. Discuss the functions performed by HR managers. **(Unit-I, Q.No. 1,7)**

(OR)

   (b) Distinguish between HRM and HRD. What are the techniques employed by HRD managers ?

(Unit-I, Q.No. 27,26)

7. (a) What is Job Design ? What are the approaches to job design ? **(Unit-II, Q.No. 1,4)**

(OR)

   (b) Describe the process of HR planning. **(Unit-II, Q.No. 23)**

8. (a) Distinguish between training and development. What are the methods of executive development ? **(Unit-III, Q.No. 23,21)**

(OR)

   (b) Distinguish between performance appraisal and performance management. Discuss the problems in performance appraisal. **(Unit-III, Q.No. 32,34)**

9. (a) Discuss the concepts of minimum wage, living wage and fair wage. What factors affect wage fixation ? **(Unit-IV, Q.No. 14,15,16)**

(OR)

   (b) What do you mean by Grievance ? What are the causes for grievance in an organization ?

(Unit-IV, Q.No. 53)

10. (a) What are the types and features of virtual organisations ? Discuss some of the emerging HR issues in virtual organisations. **(Unit- V, Q.No. 10,15)**

(OR)

   (b) What is knowledgement management ? Explain its significance. **(Unit-V, Q.No. 1,3)**

FACULTY OF COMMERCE

M.Com II - Semester (CBCS) Examination
MODEL PAPER - I
HUMAN RESOURCE MANAGEMENT

Time : 3 Hours]   **[Max. Marks : 80**

Note: Answer all the questions from Part - A and Part - B

Each question carries 4 marks in Part - A and 12 marks in Part - B

PART - A (5 × 4 = 20 Marks)

[Short Answer Type]

                                                     ANSWERS

1. Techniques of HRD.   **(Unit-I, SQA - 3)**
2. Job Analysis Methods   **(Unit-II, SQA - 4)**
3. 360 Degree Appraisal   **(Unit-III, SQA - 1)**
4. Minimum Wage   **(Unit-IV, SQA -1)**
5. Learning Organization   **(Unit-V, SQA - 1)**

PART - B (5 × 12 = 60 Marks)

[Essay Answer Type]

Note: Answer the following questions in not more than FOUR pages each

6. (a) Define HRM. Explain various functions of HRM.   **(Unit-I, Q.No. 1,7)**

                                              (OR)

    (b) Explain the Impact of Environment on HRM in an Organization   **(Unit-I, Q.No. 14)**

7. (a) Define Human Resource Planning. Explain the process and problems in Human Resource Planning   **(Unit-II, Q.No. 19,23,25)**

                                                (OR)

    (b) Explain Recruitment ? What are the sources of Recruitment.   **(Unit-II, Q.No. 26,30)**

8. (a) What is performance appraisal ? Explain modern methods of performance appraisal.

                                            (Unit-III, Q.No. 27,35)

                                                (OR)

    (b) Explain the various methods of Training .   **(Unit-III, Q.No. 9)**

9. (a) What is grievance? Explain the causes for grievance and procedure for settlement.

                                            (Unit-IV, Q.No. 26,27,32)

                                                (OR)

    (b) Define collective bargaining. List out the essential conditions for the success of collective bargaining.   **(Unit-IV, Q.No. 49,53)**

10. (a) Explain the knowledge management process.   **(Unit- V, Q.No. 8)**

                                                 (OR)

    (b) Define Work life Balance. Explain the importance of Work life Balance.

                                                 (Unit-V, Q.No. 23)

FACULTY OF COMMERCE
M.Com II - Semester (CBCS) Examination
MODEL PAPER - II
HUMAN RESOURCE MANAGEMENT

Time : 3 Hours]   **[Max. Marks : 80**

Note: Answer all the questions from Part - A and Part - B
Each question carries 4 marks in Part - A and 12 marks in Part - B
PART - A (5 × 4 = 20 Marks)
[Short Answer Type]

ANSWERS

1.	Talent management.	**(Unit-I, SQA - 10)**
2.	Job design	**(Unit-II, SQA - 15)**
3.	Assessment centre	**(Unit-III, SQA - 11)**
4.	Industrial conflict	**(Unit-IV, SQA - 13)**
5.	Benefits of work life balance	**(Unit-V, SQA - 11)**

PART - B (5 × 12 = 60 Marks)
[Essay Answer Type]
Note: Answer the following questions in not more than FOUR pages each

6. (a) Explain the significance of Human Resource Management.   **(Unit-I, Q.No. 4)**

(OR)

(b) Explain briefly the development of talent management.   **(Unit-I, Q.No. 16)**

7. (a) Explain the various approaches of job design.   **(Unit-II, Q.No. 4)**

(OR)

(b) Explain the process of selection.   **(Unit-II, Q.No. 33)**

8. (a) Explain the various Techniques of Management Development.   **(Unit-III, Q.No. 21)**

(OR)

(b) Discuss about various types of participative management.   **(Unit-III, Q.No. 51)**

9. (a) What are the various quantitative and non quantitative methods of job evaluation.

(Unit-IV, Q.No. 10)

(OR)

(b) Narrate the stages of grievances procedure.   **(Unit-IV, Q.No. 29)**

10. (a) Write a brief note on KM Architecture and its role in human resource management.

(Unit- V, Q.No. 6)

(OR)

(b) Explain the various types of virtual organizations ?   **(Unit-V, Q.No. 11)**