

HUMAN RESOURCE MANAGEMENT

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STUDY MATERIAL

BY

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HUMAN RESOURCE MANAGEMENT

Meaning :

Human resource management is set of policies, practices and programmes designed to maximize both personal and organizational goals. It is the process of binding people and organizations together so that the objectives of each are achieved.

Definitions:

According to Flippo, human resource management is “the planning organizing, directing and controlling if the procurement, development, compensation, integrating, maintenance and reproduction of human resource to the end that individual organizational and social objectives are accomplished.

Nature :

Human resource management is that part of management concerned with people at work and with their relationship with in the organization. It seeks to bring together men and women who make up an enterprise. Enabling each to make his own best contribution to its success both as an individual and as a member of a working group.

Scope : Setting general and specific management policy for organizational relationships, and establishing and maintaining a suitable organization for leadership and co operation.

- i) Collecting bargaining, contract negotiation, contract administration and grievance handling.
- ii) Staffing the organization, finding, getting and holding prescribed types and number of workers.
- iii) Developing and maintaining motivation of workers by providing incentives.
- iv) Reviewing and auditing man power management in the organization.

Difference between human resource management and personnel management:

Human resource management

It is a set of policies and practices and programmes designed to maximize both personal and organizational goals. It is the process of binding people and organization together so that the objectives of each are achieved.

Personal management :

It 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 own best contribution to its success both as an individual and as a member of a working group.

Function of human resource management

I -Managerial Function :

- i) **Planning** : A plan is a predetermined course of action. Planning is the process of deciding the goals and formulating policies and programmes to achieve the goals.
- ii) **Organizing** : organizing is the process of allocating tasks among the members of the group, establishing authority – responsibility relationships among them and integrating their activities towards the common objectives.
- iii) **Directing** : directing is the process of motivating activating leading and supervising people directing includes all those activities by which a manager influences the acting of subordinates.
- iv) **Controlling** : It implies checking verifying and regulating to ensure that everything occurs in conformity with the plan adopted and the instructions issued.

II operative Function:

i) Procurement Function:

It is the process of studying in detail the operations and responsibilities in a job so as to identify the nature and level of human resource required to perform the job effectively.

b) Human Resource Planning

it is the process of estimating the present and future manpower requirements of the organization preparing inventory of present manpower and formulating action programmes to bridge the gaps in manpower.

c) Recruitment

it is the process of searching for required personnel and stimulating them to apply for jobs in the organization.

d) selection

it implies judging the suitability of different candidates for jobs in the organization and choosing the most appropriate people.

e) Placement :

The means assigning suitable jobs with selected candidates so as to match employee qualifications with job requirements.

f) Orientation:

It involves familiarizing the new employees with the company. The work environment and the existing employees so that new people feel at home and can state work confidently.

ii) Development Function:

(a) Performance and potential Appraisal

It implies systematic evaluation of employees learn knowledge, skills and attitudes to further organizational and personal goals.

iii) Compensation Function:

It refers to providing equitable and fair remuneration to employees for their contribution to the attainment of organizational objectives.

iv) Integration Function:

It is the process of reconciling the goals of the organization with those of its members. Integration involves motivating employees through various financial and non financial incentives. Now rising job satisfaction, handling employee grievances through formal grievance procedure , collective bargaining worker's

participation in management conflict resolution developing sound human relations employee counseling, improving quality of work life etc..

Objectives of HRM:

- i) To help the organization attain its goals by providing well trained and well motivated employees.
- ii) To employ the skills and knowledge of employees efficiently and effectively
- iii) To maintain high morale and good human relation with the organization.

Evolution of HRM

i) The commodity concept:

Before the industrial revolution. The guild system was the beginning of personnel management. Guild was a closely knit group concerned with selecting, training, rewarding and maintaining werleers.

ii) The Facture of production concept:

Under this concept employees were considered a factor of production just like 1 and material and machinery.

iii) The paternalistic concept

Employees organized together on the basis of their common interest and formed trade various to improve their lot. The growing strength of democracy gave impetus to collective bargaining.

iv) The Humanitarian concept:

The humanitarian approach is based on the belief that employees had certain in a lien able rights as human beings and it was the duty or the employer to protect these rights.

v) The Emerging concept:

Now employees are considered as partners in the industry. They are gradually being given share in company's stock membership.

Internal Environment:

Internal environment exercises preformed influence because it interacts closely and frequently with the HRM function in an organization the internal environment consists of organisatural objectives, policies, formal structure and human resource system.

External Environment

- i) **Economic** : low growth rate, high rate inflators and growing unemployment have been main economic problem in India. Increasing user natures in education and employment has created new problems in the job market.
- ii) **Demographic** : The composition of industrial were force has changed considerably due to social mobility.
- iii) **Socio – cultural** : Class structure, social values, occupational structure, religion and such other socio – cultural factors influence the human resource management.
- iv) **Political** : Independence and democracy increase the expectation of working class. Government has enacted a plethora of class of regulate working conditions and employment relations.

Human Resource Development:

Evolution :

Human resource development is a newly emerging field of study. Although development of human being has been in existence in some form or the other since the beginning civilization. A planned and systematic approach to HRD in the cerebrate sector emerged in the later hall of the 20th century. In simple words HRD is an organized learning experience aimed at matching the

organizational need for human resource with the individual need for carrier growth and development.

It is a system and process involving organized series of leaning activities designed to produce behavioral change in human beings in such a way that they acquire designed level of competence to present or future role.

Principles of HRD

In elder to make HRD effective the following principle must be followed:

i) Corporate polity of Human Resume

The company must state its human resume policy explicitly. The policy should be communicated throughout the organization and should be vigorously pursued.

ii) Commitment of Top management

Complete faith and support of top management is essential for the success of HRD. Managers at all levels will support HRD effects only when the chief executive considers his people as the greatest asset.

iii) Sound planning

The HRD needs differ from one organization to another. Therefore, the HRD needs of the organization should be properly examined and ascertained. Then a plan should be prepared for the proper utilization of new skills.

iv) Functioning of the system

- Building feed back and reinforcing mechanisms
- Balancing quantitative and qualitative decisions
- Planning for the evolution of HRD

v) Regular monitoring :

Appropriate mechanisms should be created for continuous review of progress in the implementation of HRD. Necessary change/ improvement should be carried out on the basis of such review.

HRD vs Personnel Function:

- i) Personnel function is viewed as a set of independent sub functions but HRD is seen as a sub system of a large system.
- ii) Personnel function is narrow in scope and aims at developing and administering people only. HRD is wide in scope aims at developing the total organization.
- iii) Personnel function is supposed to be the exclusive responsibility of the personnel department. But HRD is regarded as the responsibility of all managers in the organization.

Role of HR managers:

i) As an information source:

The human Resource manager provides valuable information about labour market, labour laws and other related areas. Such information is necessary for the formulation of proper policies and procedures about human resource.

ii) As a change Agent :

The human resource manager can serve as an internal change agent to initiate and spearhead.

iii) As a liaison Man

Very often the HR manager is asked to act as a linking between different departments / divisions of an organization.

iv) As a housekeeper:

The HR manager looks after the safety health, welfare etc.. of employees.

Strategic management

Meaning :

Strategic management is a process. A process denotes that it has various activities and those must be performed in a systematic manner.

Definition :

“strategic management is defined as the set of decisions and actions in formulation and implementation of strategies designed to achieve the objectives of a organization” – by Pearce and Robinson.

Strategic management process:

Strategic management is a process. The logic of a process is that its particular elements are undertaken in a sequence through time. In order to understand the phenomenon, let us take strategic management as an action for a moment.

Every action has two dimensions:

Substantive and procedural. Substantive dimension of action involves determination of what to do and procedural dimension of action involves determination of how to do strategic management process involve establishing strategic intent. Strategy formulation, strategy implementation and strategy control.

Strategic Formulation:**Mission and purpose**

Mission : it relates to that aspect for which an individual has been or seems to have been sent into the world.

Purpose : It means the idea or aim kept in mind as the end of effort.

Organizational Image:

Image of an organization is external manifestation on the basis of which society and its people create a positive or negative view about the organization.

Vision

Vision represent the imagination of future events and prepares the organization for some

Objectives and goals:

Objectives and goals are the end result which an organization strives for since there may be different ways to expressing end results like market in sales in a particular year.

Strategy Implementation :

After the creative and analytical aspects of strategy formulation are settled, the managerial priority is converting the strategy into something operationally effective, that is the implementation of strategy.

From analytical point of view, we may classify the various functions relevant for strategy implementation into the following categories:

- i) Following various procedures to put the strategy in action is procedural implementation.
- ii) Design of organization structure and development of organizational systems ie structural implementation.
- iii) Developing plans and policies for different functions ie functional implementation.
- iv) Developing leadership styles, building organizational climate, and infusing values, ethical and social considerations ie, behavioral implementation.

Strategic Evolution

Strategic evolution which deals with ensuring whether a particular strategy contributes to the achievement of organization objectives or not may be considered as the last phase of strategic management process. However, since strategic management is a continuous process strategic evolution should be taken as the stop for future course of action through its feedback mechanism.

Concept of strategic Evolution :

Strategic evolution is related to that aspect of strategic management through which an organization ensures whether it is achieving its objectives contemplated in the strategic action if not what corrective actions are required for strategic effectiveness.

“Evolution of strategy is that phase of the strategic management process in which the managers determine whether their strategic choice as implemented is meeting the objectives of the enterprise” - by Glueck and Jauch.

Human Resource Planning

Meaning :

Human Resource Planning is the process by which management determines how an organization should move from its current manpower position to its desired man power position. Through it management strategy to have the right number and the right kind of people at the right places, at the right time, doing things which result in both in organization and the individual receiving maximum long – range benefit.

Definition :

According to Beach “Human resource Planning is a process of determining and assuming that the organization will have are adequire number of qualified persons, available at the proper times, Performing jobs which meet the needs of the enterprise and which provide satisfaction for the individual inverted”

Human Resource Information system : (HRIS)

HRIS is an information system that makes use of computers to monitor, control and influence the movement of human being from the time they indicate their intention to join an organization till the time they separate from it after joining it consists of the following sub – systems.

i) Recruitment information

It includes the placement data bank, advertisement module, genrral recruitment and trainee recruitment data.

ii) Personnel information

It includes employee information, transfer monitoring and increment and promotion details.

iii) Health information system

This subsystem provides information for maintenance of people.

Human Resource Accounting :

Human resource accounting is the process of identifying and measuring data about human resources and communication it is information to interested parties.

Human Resource Audit

Audit is an important test of managerial center. It involves examination and verification of accounts and records. Personnel audit implies critical examination and evolution of policies, Programmes and procedures in the area of human resource management.

Job Analysis:

It is the process of studying in detail the operations and responsibilities in a job so as to identify the nature and level of human resource required to perform the job effectively. Job analysis is a formed and detailed study of jobs. It refers to a scientific and systematic analysis of a job in order to obtain all pertinent facts about the job.

Job Description

Job description is a functional description of what the job entails. It is descriptive in nature and defines the purpose and scope of a job. Job description is a written record of the appropriate and authorized contents of a job. It is a factual and organized statement describing the job **inters** of its title, location, duties, responsibilities, working conditions, hazards, and relationship with other jobs.

Job specification :

Job specification or man specification or employee specification is a statement of the minimum acceptable human qualities required for the proper performance of a job. It is a written record of the physical, mental, social, psychological, and behavioral characteristic which a person should possess in order to perform the job effectively.

Recruitment policy

Recruitment policy specifies the objectives of recruitment and provides a framework for the implementation of the recruitment programme. It may involve commitment to principles such as enriching the organization's human resource by filling vacancies with the best qualified people, attitude towards recruitment handicaps, minority groups, women, friends and relatives of present employees, promotion from within.

Recruitment Procedure:

Recruitment procedure may be the following ways:

Transfers and promotions:

Present employees – permanent, temporary and casual employees already on the pay of organization are a good source. Vacancies may be filled by from such employees through promotion, transfer, upgrading and even demotion and educational and training institutions', secretary agencies employment exchanges, call our contractors, recommendatory and press advertisements.

Recruitment methods & Evaluations

Recruitment methods or techniques are the means by which an organization establishes contact with potential candidates, provides them necessary information and encourages them to apply for jobs. Various methods employed for recruiting employees may be classified into the following.

- 1) Direct method : under direct recruitment scouting employee contacts, manned exhibits and waiting lights are used.
- 2) Indirect method : advertisements in newspapers, journals on the radio and television are used to publicize vacancies.
- 3) Third party methods.

Various agencies can be used to recruit personnel. Public employment exchanges. Management consulting firms. Professional societies trade unions labour contractors are the main agencies.

Systematic approach to selection

Selection is the process of choosing the most suitable persons out of all the applicants. In this process relevant information about applicants is considered through a series of steps so as to evaluate their suitability for the job to be filled selection is the process of matching the qualifications of applicants with the job requirements. It is a process of weeding out unsuitable candidates and finally identify the most suitable candidate.

Selection procedure

Employee selection may be described as under

i) Preliminary Interview

First of all initial screening is done to weed out totally unqualified candidates at the outset preliminary interview is essentially a sorting process in which prospective candidates are given the necessary information about the nature of the job and the organization.

ii) Application Blank

Application form is a traditional and widely used device for collecting information from candidates. The application form should provide all the information relevant to selection.

iii) Selection test

A first is a sample of some aspect of an individual's attitudes, behavior and performance Test are based on the assumption that individuals differ in their job related traits which can be measured.

iv) Employment interview

An interview is a conversation between two persons. In selection it involves a personal observational and face to face appraisal of candidates for employment.

v) Medical Examination

Applicants who have closed the above steps are sent for a physical examination either to the company's physician or to a medical office approved for the purpose .

vi) Reference check

The applicant is asked to maintain in his application form the names and addresses of two or three persons who know him well. These may be his previous employers heads of educational institutions or public figures.

vii) Final approach

In most of the organizational, selection process is carried out by the human resource department. The decision of this department are recommendatory. The candidates short listed by the department are finally approved by the executives of the concerned departments

Selection methods :

A psychological test is an objective and standardized measure of a sample of behaviors from which inferences about future behavior and performance of the candidate are drawn. Psychological test are being used in selecting employees. These tests provide a systematic procedure for sampling human behavior. Test should be used as a supplementary device in selection and the test scores should be verified through other devices.

Training and Development

Human resource development has in recent years become the focus of attention of planners policy makers and administrators. Human resource development may be the process of increasing the knowledge, skills and capacities of people. It is important not only for an enterprise but for a nation to develop its human resources. A country can develop only when its human resources are developed through health, nutrition education, training and research. At the enterprise level employee training and executive development are main areas of human resource development.

Employee training is distinct from management development. Training is a short term process utilizing a systematic and organized procedure by which non managerial personnel learn technical knowledge and skills for a definite purpose. Development is a long – term educational process utilizing a systematic and organized procedure by which managerial personnel learn conceptual and theoretical knowledge for general purpose.

Purposes of Training

- i) To impart to new entrants the basic knowledge and skills required for efficient performance of definite tasks.
- ii) To assist the employees to function more effectively in their present position by exposing them to the latest concepts, information and techniques and developing the skills they would require in their particular fields.
- iii) To build up a second line of competent officers and prepare them to occupy responsible positions.

Methods of Training

The methods employed for training of operatives may be described as under

i) On –the – job training

In this method the trainee is placed on a regular job and taught the skills necessary to perform it the trainee learns under the guidance and supervision of the superior or an instructor. The trainee learns by observing and handling the job.

ii) Vestibule Training

In this method a training centre called vestibule is set up and actual job conditions are duplicated or simulated in it. Expert trainers are employed to provide training with the help of equipment and machines which are identical with those in use at the work place.

iii) Apprenticeship Training

In this method theoretical instruction and practical learning are provided to trainees in training institutes.

iv) Class room training

Under this method, training is provide a company class room or in educational institutions lectures, case studies, group discussions and audio visual aids are used to explain knowledge and skills to the trainees classroom training is suitable for teaching concepts and problem serving skills.

v) Internship Training

It is a joint programme of training in which educational institutions and business firms cooperate. Selected candidates carry on regular studies for the prescribed period.

Training and development programmes:

Training courses are typically designed for a short – term stated set purpose. Such as the opera term of some pieces of machining while development involves a broader education for long term purposes. Training involve helping and individual learn how to perform his present job satisfactions. Development involves preparing the individual for a future job and growth of the individual in all respects.

HUMAN RESOURCE MANAGEMENT

UNIT – IV

CONCEPT OF PERFORMANCE APPRAISAL:

Performance appraisal is the systematic and periodical assessment of employee performance. It is aimed at development of the employee and the organization. Performance of employee is measured on factors such as job knowledge, quality and quantity of output, initiative, commitment, co-operation and learning ability.

DEFINITION: According to Wayne Cascio, performance appraisal is the systematic description of an employee's relevant strengths and weaknesses.

FEATURES OF PERFORMANCE APPRAISAL :

1. Performance appraisal is not a one-time process. It assesses employee performance at regular intervals of time.
2. It is goal-oriented.
3. Performance appraisal serves as a link between an organization's strategy and its results.
4. Performance appraisal is the process of assessing an employee's performance and also aims at spotting their potential.
5. Performance appraisal is the basis for various HR actions such as promotion, transfer, dismissal, pay increase, incentives, and training.
6. It is not a fault-finding exercise. Its focus is on employee development.
7. Performance appraisal is future-oriented. It points out deficiencies to improve future performance.

PURPOSE (or) OBJECTIVE OF PERFORMANCE APPRAISAL :

1. To promote employee based on skills and performance.
2. To decide whether to confirm the services of an employee.
3. To decide increments based on performance.
4. To assess training needs of employee.
5. Enable the firm to assess the capabilities of the staff which is essential for human resources planning.
6. To inform employees about their level of performance.
7. To improve the communication between the superior and subordinates.

PROCEDURE AND TECHNIQUES :-

It is a techniques of measuring the worth of an employees with reference to job requirements .

The merit rating is measuring the performance of employee and comparing it with that of others in the same groups

It is a systematic evaluation by th supervisor of an individual workers performance the rprocess of merits rating during requirement and continues through out the employment of a person.

MAIN OBJECTIVE OF MERIT RATING :

1. To assess the work of employee in relation to their job requirement
2. To consider employee for promotion , transfer layoff.
3. To assess the strengths and weakness of employees and making required .
4. To help the deformation of wages incentive and increments .
5. To evaluate skills of employee and plan suitable training programs.
6. To identify the problems. Faced by workers while doing various jobs.
7. Aids in improving labour relation of reducing labour turnover.

360 DEGREE PERFORMANCE APPRAISAL :

Approvasal made by peers , superiors, subordinates , clients and outsiders with whom an employee interacts in his job is 360- degree appraisal the human resource departments collect the appraisal inputs , consolidate then and provide feedback to the employee. Apart from performance of an employee his talent, behavoius , value and skill are also appraisal.

It was first developed at the general electric company in the Us in 1992.

COMPANIES USING 360 DEGREE FEEDBACK :

Wipro, Infosys reliance industries, maruti vdyog, Thomas cook and HCL are few companies which use this methods.

MERITS :

1. It helps in indentifying the strengths , weakness and potential of employees .
2. Training needs of employee can be assessed and suitable training programs can be organized.

...3..

3. Enables to identify employees for promotions.
4. It encourages open feedback.
5. Helps in self-development of employees

DEMERITS :

1. Difficult to get feedback from multiple sources
2. It is a time-consuming process.

COMPENSATION ADMINISTRATION :

The wage salary administration is the group of activities involved in the design, implementation and maintenance of a compensation system. It is an ongoing process of maintaining wages and salary structure. It is a systematic approach to ensure that employees are paid in a fair, logical and equitable manner.

OBJECTIVE OF WAGE SALARY ADMINISTRATION STRUCTURE :

BALANCED AND RATIONAL STRUCTURE:

The wage and salary structure should be balanced and rational. It should be based on thorough analysis, sound logic and judgement.

2. **BASED ON RELATIVE WORTH OF JOB :**

The pay structure should be based on the relative worth of jobs. Qualification, talent, skill required and important to the organization should be considered.

3. **RETENTION OF TALENT :**

The pay structure should be able to retain the existing talent in the organization. It should be comparable to industry standards.

4. **ATTRACTION OF TALENT :**

The wages and salary scheme should be designed to attract qualified and talented persons to join the organization.

5. **IMPROVE MORALE AND MOTIVATION :**

The pay structure should be able to improve the morale and motivation of the workforce. It should provide sufficient incentives to perform better.

6. **TO BUILD IMAGE AND REPUTATION :**

Wages and salary policies should establish a good image and reputation of the firms. It should be able to project that the firm is fair, objective and rewards good performance.

7. **WAGE POLICY IN INDIA :**

Before independence, the wage levels were very low and many workers lived in poverty. After independence, the government took several measures to improve the condition of workers.

The first step was the industrial dispute resolution adopted in a conference in December 1947, a number of committees and commissions, wage boards and tribunals.

8. **WAGE POLICY IN THE FIVE YEAR PLANS:**

The first five year plan (1951-1956) contained statements on wages movement and effect on the economic stability of the country.

9. **THE COMMITTEE OF WAGE POLICY :**

The planning commission set up the committee on wage policy in the year 1973. Its scope was to address the problem of wage policy in the organized private sector. The objectives of wage policy are,

1. To ensure minimum wages not below the poverty line.
2. To ensure worker and employer get a due share in the benefit of growth.
3. To rationalize inter-occupational, inter-industrial and inter-regional wage differentials.
4. To remove unjustified wage differentials between the organized and unorganized.
5. To remove malpractices in the payment of wages.

MINIMUM WAGE : It is the minimum amount of remuneration paid to workers as per provision of the minimum wages act 1948. It must provide for the basic necessities of life such as food, clothing and shelter. It must also be able to take care of education and medical care. Wages are calculated for a family of 4 members.

FAIR WAGES:

Wages paid to workers performing work of equal skill, difficulty (or) unskilledness. It is higher than the minimum wages but lower than living wages.

LIVING WAGES:

The amount of wages that enable the male carner to rovide for himself and his family not only the essential requirement of food. Clothing and shelter but also minimum standarad of comfort such as (i) education for children (ii) protection against –illness.

(iii) meeting essential social need (iv)insurance against unexpected events and provision for old age.

INCENTIVE PAYMENT : MEANING : Incentive is extra compensation that is given to an employee for his good performance. It is reward given for performance which is better than the standarad set. Incentive link performance to tewards.

It is tool to motive employee for letter performance . incentives are also known as payment by result pay for performance (or) performance based pay.

FEATURES OF INCENTIVE PLAN :

- 1.Guaranteed minimum wage to all wokrs
2. Incentive are a reward for superior performance.
- 3.incentive are offered for saving in the cost and better quality of performance.
4. incentive are very according to the level of superior performance.
5. incentive are a motivation tool encouraging employee to perform better the standarad set.

TYPES OF INCENTIVE PLANS:-

The following are the two types of incentive plans:

- (i) Individual incentive plans.
- (ii) Group incentive and organization wide incentive plans.

I INDIVIDUAL INCENTIVE PLANS:

Taylor differented place rate system.

This system was developed by F.W. taylor the sather to scientific management . there are two place rate . alower plece rate is paid for achivering upto the standarad and a higher plece rate for those who exceed the standarad.

ii) mericks multiple plece rate system.

There are three plece rate under this method workers producing upto 83% of the standard output will be paid at the ordinary rate, 2.workers prodicing 83 % to 100 % of the standing output 3.workers producing more than 100% of the standing output 3. Workers producing more than 100% standard output will paid at 120% of the orinary plece rate

II.GROUP INCENTIVE PLAND:

Group incentive plans reword all members of a group equally on overall performance group of a unit divison (or) department would receive the same incentive based on overall performance .

Group incentive plan creat a sense of co-operation and team spirit among group members they motivate team members to contribute to overall goals. The idea is to turn members from compcting individual to constributhing group members.

BENEFITS OF GROUP INCENTIVE PLAN:-

(i) **TEAM SPRIT** : Group incentive plan create a sense of co-operation and improe team sprit among members. Members feel that their joint efforts contribute to overall orosperity.

(ii) **EASE OF MEASUREMENT** : - It is generally easy to measure the performance of a group as companel to measuring the performing of each individual .

(iii)**BETTER CONESIVENESS** : it contribute to better cohesiveness among group members. Members voluntary come forward to share knowledgenad help

IV) **REDUCED CONFLICT** :- There is better cooperation and co-ordination among teak members chances of minunderstanding and conflict are reduced

DEMERITS OF GROUP INCENTIVES: -

CENFLICTS : Conflicts may arise between those contributing more and those who contribute less. Team members who contribute more might feel that the others are benefiting from their hard work.

ii. **CHANGE IN TEAM MEMBERS** : If team members keep changing . It become fifficult to determise who should be given what amount of incentive.

iii. **COMPETITION** : Team might focus only on improving team performance ignoring the goal of the organization . competition between teams might lead to negative effects.

FRINGE BENEFITS ::

Extra benefit provided to employees in addition to salary (or) wages is known as fringe benefits. They have become an important part of the compensation package to employees . They satisfy the economic, social and psychological needs of employees.

FEATURE :

1. They are in addition to the salary or wages paid
2. They have made available to all employees
3. They are not related to performance
4. They satisfy the social economic and psychological needs of employees.
5. Some of the fringe benefit are statutory while some are voluntary medical facilities to employee family, educational facilities to employee family educational facilities.

ADVANTAGES OF FRINGE BENEFITS:

- (i) Benefit all employee of an organization \improved morale and motivation of the workforce.
- (ii) Better employee management relations.
- (iii) Useful for attracting and retaining talent.
- (iv) Improve employee loyalty and commitment.

HUMAN RESOURCE MANAGEMENT

UNIT - V

DISCIPLINE :

Meaning – discipline mean orderly behavior in organization , It means that employee follow rules, regulations and procedure while doing that work , discipline is an essential condintion to acitivities urganlsational goal and objectives.

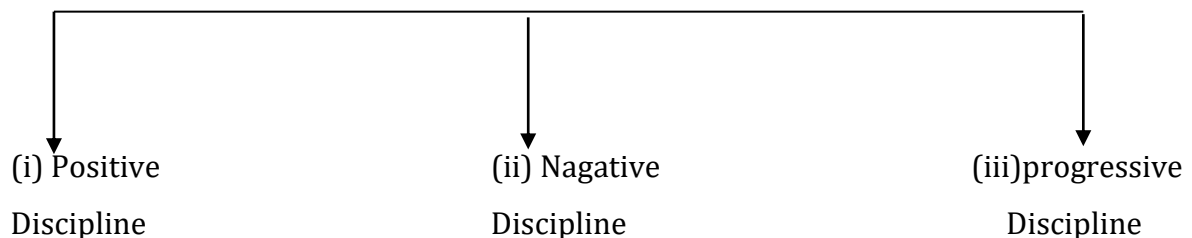
DEFINITION :

Define the discipline is the force that prompts individual or groups to observe , rules regulation , standarad and procedure deemed necessary for an organization .

OBEJCTIVE OF DISCIPLINE :

- (i) To ensure that employee follow that the rules to the organisation.
- (ii) To maintain underline in the functioning of the organisation .
- (iii) To improve efficiency and motivate employee. To perform self control among employee.
- (iv) To develop self control among employee.
- (v) To improve the overall performance of the organisation.
- (vi) To provide direction and guide employee in their behavior and performance .
- (vii) To develop a sense of responsibility and fix accountability.
- (viii) To increase morals and motivate of employee.
- (ix) To inprove mutual trust between employee and management.
- (x) To foster industrial peace.

TYPES OF DISCIPLINE :



(i) **POSITIVE DISCIPLINE** :

It is also known as self discipline or preventive discipline . The organisation seeks the willing co-operative of employee to maintain discipline . The employee are informed about the rules and expected standard of behaviors.

(ii) **NAGATIVE DISCIPLINE** :

It is known as punitive discipline (or) enforced discipline .employee are forced to follow the rule of the organisation through fear of punishment since indiscipline would be punished employee follow rules to escape form punishment . negative discipline result in poor employee management relation , distrust , low morale and motivation and high labour turnover .

(iii) **PROGRESSIVE DISCIPLINE** :

It is a step by step approach to deal with employee indiscipline . In case of indicipline , moderate action would be taken against the employee. Increasingly sever steps would be taken , if an employee does not correect him even after several oportunites.

DISCIPLINANY PROCEDURE AND PRINICIPLES : -

- (i) Rules and reulations should be framed by the management in consulation with employees.
- (ii) It management discusses with employee frame rules it would improve employee commitment to able by them.
- (iii) Rule should be based on the nature of work and working condition.
- (iv) Rules and regulation and policies should be written in a clear and easily under standable manners.
- (v) The Management ensure that rule and regulation are communicated to all employees.
- (vi) All employee should know the penalties for violation of rules.
- (vii) Rules and regulation should be reviewed regularly . They should be updated to ensure their relevance and use fullness.
- (viii) Employee should he provided for opportunity to appeal against discipline proceedings.
- (ix) The Act of discipline enquiry conducted and action taken should be property documented .

RECEIPT OF COMPLAINT :

The first steps in disciplining procedure is receipt of complaint of employee misconduct from a superior (or) another employee.

INITIAL INVESTIGATION :

The complaints in investigation by the industrial relation officer or by the HR manager. Investigation is conducted to verify whether any offence was committed, its nature, seriousness and employee involved.

APPEAL :

If the employee is dissatisfied with management decision he may appeal to the appellate authority. The appellate authority decides based on the merits of the case. It may go in for adjudication.

GRIEVANCE : Meaning : Grievance is a sign of an employee discontent with his job and its nature. The discontent - must arise from employment and not from personal issue. Discontent because a grievance, when an employee complaint is not given prompt attention and he feels a sense of injustice.

DEFINITION : Any real or imagined of personal injustice which an employee has concerning his employment relationship.

FEATURES OF GRIEVANCE :

- (i) A grievance refers to any form of discontent or dissatisfaction.
- (ii) The grievance should relate to any aspect of the organisation.
- (iii) The dissatisfaction must arise out of employment.
- (iv) Dissatisfaction may arise from actual or imaginary reasons. The reason may be valid or invalid.
- (v) Grievances which are not properly redressed lead to dissatisfaction, low productivity, lack of interest in work, absenteeism, labour turnover.

HANDLING OF GRIEVANCE :

- i) **OPPORTUNITY FOR REPORTING** : employee should be made aware of the grievance redressal system it is better to direct talk to the employee and understand his grievance.
- ii) **IMPORTANCE** : Every grievance must be given importance. It is better to get the grievance in writing.
- iii) **IMPARTIAL** : Manger should be impartial while handling grievance their personal like and dislike should not influence the grievance redressal process.
- iv) **CONFIDENTIAL** : Grievance especially against superior should be kept confidential . ony than employee will have the coverage and confidence to report - grievance.
- v) **VERIFICATION** : The personal records of the employee should be verified . It is better to actually visit the workspport tohave a better idea of the grievance.

PROMOTION: MEANING: promotion is advancement of an employee of a better designation having higher pay, power , benefit and responsibility . It is upward movement of an employee to a higher position. Promotion is a motivation tools and is a reward for good performance (or) loyalty.

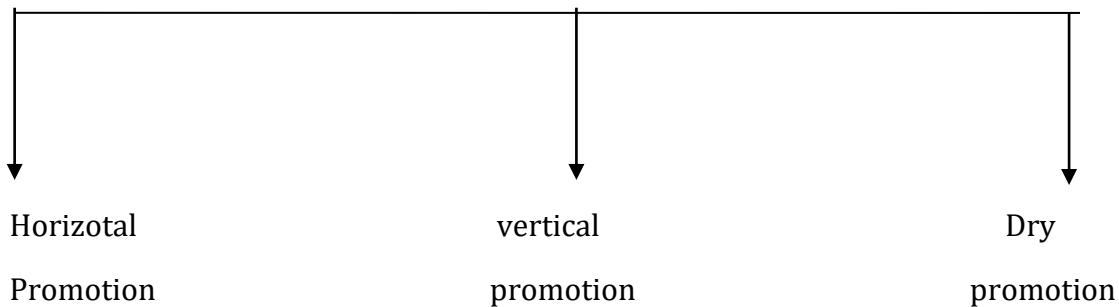
DEFINITION :

A Promotion is the transfer of an employee to a job that pay more money or that enjoy more preferred status.

PURPOSE OF PROMOTION :

- 1) To ration skilled and talented employees .
- 2) To attract qualified and talented employee to joint the organisation.
- 3) To improve employee loyalty
- 4) To build employee morales.
- 5) To motivate employee for better performance.
- 6) T recognize good performance of employees.
- 7) To improve job satisfaction.
- 8) To private opportunities for carres advancement.
- 9) To reduce dissatisfaction among employees.

TYPES OF PROMOTION :



(i) **HORIZONTAL PROMOTION** : it is promotion involving increase in responsibility , salary and change in designation however , there is no change in Job classification. The employee does not rise in the organizational hierarchy. This type of promotion is given when the chance of going up the organizational hierarchy is limited.

(ii) **VERTIFCAL PROMOTION** : An employee is promoted from his current job to a higher position in the organisation. The employee move to a higher level in the organizational hierarchy.

(iii) **DRY PROMOTION** :When an employee is moved to a higher level without increase in pay it is known as dry promotion.

ADVANTAGES :

- 1) **RETENTION** : Promotion helps in retaining talented and skilled employees in the organisation it there no promotion, such employee might leave for better opportunities
- 2) **ATTRACTION OF TALENT** : Good promotional opportunities serve as a magnet for attracting talented people to join the organisation this result in imporving productions .
- 3) **INSPIRICTION** : promotional chance inspire employee to put in their best effort to grow in their carres.
- 4) **INTEREST IN TRAINING AND DEVELOPMENT** : Promotion improve employee interest in training and development employee who lack certain skill effend training programs to improve their skill and promotion chance .

- 5) **IMPROVED JOB SATISFACTION** : Promotion result in higher motivation and better job satisfaction . employee feel happy that their performance and loyalty is recongnised and rewarded .

TRANSFER :

Transfer refers to shifting of an employee form one location to another , one job to another or one unit to another. Transfer do not inove any change in rank, status and compensation . It is a lateral movement of employee. Transfer can happen due to the requirement of the oragnisation or based on employee request.

OBCEIVES , PURPOSE , (OR) REASON FOR TRANSER :

1. Placing employee in position which are best suited to their skills and abilities.
2. To anable employee acquire wide range of skill and knowledge different job .
3. Training employee for the purpose of promotions.
4. To meet organizational requirement – during expansion, retrenchment .
5. To meet a department requirement of employee during peak seasons.
6. To absorb excess employee during slack seasons.
7. Filling vacancies in a department through transfer of employee from oversheet department orgnisational structure.
8. To fill position caused by changes in organisational structure.
9. Moving employee to position which are important for achieving organizational goals

TYPES OF TRANSFER :

1. **TEMPORARY TRANSFER :**

They happen during the temporary absence of an employee or to meet requirement of employee during peak period. This can also happen when a person in temporarily deputed to another division.

2. **PERMANENT TRANSER :** There are done use the special skills and abilities of an employee where it is most required . They can also be undertaken during layoff or it a section is being closed down.

3. **PRODUCTION TRANSFER** :Employees are moved from overstuffed department to departments having vacancies . They prevent – layoff in overstuffed department and stabilise employment in the organisation.

4. **REMEDIAL TRANSFER** ; They are undertaken to recting faulty selection and placement of employee. It an employee is placed is a job which does not match his skills, he can be transferred to a suitable job.

5. **PROMOTIONAL TRANSFER** :Transfer among with promotion is known as promotion transfer promotional transfer are made to better utilise employee skill in a different location where it is required and another transfer to as follows.

1. Versatility transfer
2. Intra department transfer
3. Inter departmental transfer
4. shift transfer
5. penal transfer
6. replacement transfer
7. request transfer.

SEPARATION : Separation is the final stage in the staffing process. It is the process of providing a structured and orderly exit to an employee . The employer employee relationship come to an end in the event of separation, separation can be happen due to death, accident , resignation, retirement , discharge , layoff or retrenchment of employee separation is also known as labour.

REASONS FOR SEPARATION :

1. Voluntary separation
2. In voluntary separation

VOLUNTARY SEPARATION :

- (i) **PROFESSIONAL REASONS** : Employee may quit their job better position in other firm . They may move to jobs which provide better pay. Faster growth , leaning , organisation and chances to go aborad . some may have to start their own business.
- (ii) **PERSONAL REASON** : The personal reason include , marriage , looking after aged parent (or) relative going back to native place maternity , taking care of children , generally women , may quit their job because of marriage maternity and to take care of children.
- (iii) **INVOLUNTARY SEPARATION** : Involuntary separation is caused by the factors which are not with in the control of employee. It can accur because of the (a) health problem
(b) behavioural problem (c) organisational problem.

(a) Health problem : Death, accident causing permanent disabilities , critical illnesses such as stoke, paralysis , massive heart attack , cancr. Firce employee to quit their job.

(b) Behavioural problem : In efficiency and continuous poor performance of an employee may result in his termination . If an employee indulge in serious misconduct disciplinary action may be initiated against him. He may be terminated if the charges against him are proved.

(c) Organisational problem : If an organisation performs badly and incurs heavy losses It may close down certain division and terminate employee, replacement , of manual labour with machine, restruchring merger, and closure of companies lead to termination of employee.

RESIGNATION : It happen when an employee decide to quit his job voluntarily . employee may resign for the following reason. Pursuing higher studies (ii) starting own businee (iii) joining higher another firm which ofter higher salary, growth leaning and opportunities to go aborad

iv) dissatisfaction in the exisiting , marriage , meternity .

DISCHARGE (OR) DISMISSAL :

Dismissal is termination of an employee for serious misconduct consist poor performance. It is a strong punitive measure taken by an organisation against an employee. The charges against the employee should be communicated to him and an enquiry conducted. The employee should be given an opportunity to defend himself. In the charges are proved, the provided retirement benefits an act of victimisation. The reasons for dismissed are (i) continuous and wilful violation of rule (ii) drinking alcohol during long period, working hours, (iii) unauthorised absence for a long period, (iv) dishonesty (or) theft (v) violent of behaviours.

LAY OFF: lay off is temporary separation of employee from the organisation. Organisation declare layoff to overcome slow down (or) other business problem. Employee would be recalled and offered job once business revives, The reason for layoff (i) shortage of raw material (ii) Accumulation of stock, (iii) Natural calamity (iv) shortage of coal and power.

ESSENTIAL ELEMENTS OF LAYOFF :

- (i) It is failure, refusal (or) inability of an employer to give employment to a workman.
- (ii) The name of the worker is on the muster roll of the industrial undertaking
- (iii) Layoff does not mean retrenchment. The relationship between employer and employee does not end.

RETRENCHMENT :

Retrenchment is involuntary and permanent of separation of an employee from the organisation. It is termination of the service of an employee for reason other than retirement, resignation, disciplinary action.

The employee eligible for compensation from their employer under sec 25/f of the industrial disputes Act 1947. The Act lays down that retrenchment employee should be given preference in future employment.

STEPS TO REDUCE LABOUR TURNOVER :

Labour turnover affect the growth of both employee and the organisation, the measure to check labour turnover.

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- i) A well planned and designed HR policy
- ii) Selection of suitable employee.
- iii) Proper induction of employee.
- iv) Providing safe and comfortable working condition.
- v) Fair salary and wages.
- vi) Incentive to recognise and reward performance
- vii) Ensuring Job. Stabilities and security
- viii) Training programs for employee development.
- ix) Transparency in management
- x) Focus in retention of talented employees.

