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BA4203

HUMAN RESOURCE MANAGEMENT

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UNIT I PERSPECTIVES IN HUMAN RESOURCE MANAGEMENT

Evolution of human resource management – The importance of the human capital – Role of human resource manager – Challenges for human resource managers - trends in Human resource policies – Computer applications in human resource management – Human resource accounting and audit

UNIT II HUMAN RESOURCE PLANNING AND RECRUITMENT

Importance of Human Resource Planning – Forecasting human resource requirement – matching supply and demand - Internal and External sources- Organizational Attraction-. Recruitment, Selection, Induction and Socialization- Theories, Methods and Process.

UNIT III TRAINING AND DEVELOPMENT

Types of training methods – purpose- benefits- resistance. Executive development programme – Common practices - Benefits – Self development – Knowledge management

UNIT IV EMPLOYEE ENGAGEMENT

Compensation plan – Reward – Motivation – Application of theories of motivation – Career management – Mentoring - Development of mentor – Protégé relationships- Job Satisfaction, Employee Engagement, Organizational Citizenship Behavior: Theories, Models.

UNIT V PERFORMANCE EVALUATION AND CONTROL

Method of performance evaluation – Feedback – Industry practices. Promotion, Demotion, Transfer and Separation – Implication of job change. The control process – Importance – Methods – Requirement of effective control systems grievances – Causes – Implications – Redressal methods.

UNIT I: PERSPECTIVES IN HUMAN MANAGEMENT

EVOLUTION OF HRM

Definition:

“Human Resource Management is concerned with the people who work in the organisation to achieve the objectives of the organisation. It concerns with acquisition of appropriate human resources, developing their skills and competencies, motivating them for best performance and ensuring their continued commitment to the organisation to achieve organisational objectives.”

“HRM refers to the activities and functions designed and implemented to maximize organisational as well as employees satisfaction”.

EVOLUTION:

The concept of HRM emerged in the mid 1980s against the background of the works of famous writer on management like **Pascale and Athos (1981)** and **Peters and Waterman (1982)**, who produced lists of the attributes that they claimed characterized successful companies.

The **American Society for Training & Development (ASTD)** has developed a Human Resource Wheel in **1983** highlighting different functions of HRM leading to quality of work life, productivity and readiness for change. They are:

- Training&Development
- OrganisationDevelopmentFocus
- Organisation/JobDesignFocus
- HRPFocus
- Selection& Staffing
- PersonnelResearch&Information Systems
- Compensation/Benefits Focus

- Employee Assistance Focus
- Union/Labour Relations Focus.

In **1984, Michigan School** developed a human resource cycle that consists of four generic processes or functions. They are:

- Selection
- Appraisal
- Rewards
- Development.

The **Harvard Framework** of HRM was developed by Beer in **1984**. It suggested that HRM has two characteristics features: a) Line managers accept more responsibility for ensuring the alignment of competitive strategy and personnel policies; b) The personnel function has the mission of setting policies that govern how personnel activities are developed and implemented in a way that make them more mutually re-enforcing. The Harvard model has integrated the history and practice of HRM, particularly emphasizing HRM as a general management function rather than personnel function only. HRM policy should evolve taking into consideration stakeholder interest and situational factors, which will lead to HRM outcomes like commitment, congruence and cost effectiveness. This ultimately will lead to long-term consequences like individual well being, organisational effectiveness and societal well-being which in turn will impact the stakeholder interest and situational factors and also the HRM policy choices.

Walton (1985) has further expanded the concept of HRM stating that the new HRM model is composed of policies that promote mutuality – mutual goals, mutual influence, mutual respects, mutual rewards and mutual responsibility. The theory propounds that policies of mutuality will elicit commitment, which in turn will yield both economic performance and greater human development.

David Guest (1987-1991) has taken the Harvard model and developed it by defining four policy goals which can be used as testable propositions:

- Strategic Integration.
- High Commitment

- High Quality
- Flexibility.

Story (1989) has distinguished between hard and soft version of HRM. The hard approach to HRM emphasizes the quantitative, calculative and business strategic aspects of managing the head count resource in a rational way. Whereas the soft model of HRM traces its roots to the human relations school, emphasizing communication, motivation and leadership.

Karen Legge (1989) had defined the HRM theme that human resource policies should be integrated with strategic business planning and used to reinforce an appropriate organisational culture, that human resources are valuable and a source of competitive advantage that they may be tapped most effectively by mutually consistent policies that promote commitment.

Keith Sisson (1990) suggests that there are four main features increasingly associated with HRM. They are:

- Stress on the integration of personnel policies with one another.
- The focus of responsibility for personnel management no longer resides with HR specialists.
- Focus shifts from manager, trade union relations to management, employee relations and from collectivism to individualism.
- Stress on commitment and the exercise of initiative, with managers now donning the role of enabler, empowerer and facilitator.

The overall purpose of HRM is to ensure that the organisation is able to achieve success through people. HRM has been defined as a strategic and coherent approach to the management of an organisation's most valued assets – the people working there whom individually and collectively contribute to the achievement of its goals.

HRM IN INDIA:

In India, personnel management emerged because of the governmental interventions and compulsions. In the beginning of the 20th Century, various malpractices in the recruitment of workers and payment of wages were prevalent which caused a colossal loss in production due to industrial disputes. The Royal Commission of Labour in India (1931) under the Chairmanship of J. H. Whitley recommended the abolition of the 'Jobber System' and the appointment of labour officers in industrial enterprises to perform the recruitment function as well as to look after the welfare of the employees.

After Independence, a labour welfare officer was identified as personnel manager created by legislation under Factories Act, 1948. The role of a personnel manager was more of a custodian of personnel policy implementation and compliance to different acts of the Factories Act. Two professional bodies were formed namely, Indian Institute of Personnel Management (IIPM) at Kolkata and the National Institute of Labour Management (NILM) at Mumbai. In 1980s, these two professional bodies merged together and formed the National Institute of Personnel Management (NIPM), headquartered at Kolkata. In the year 1990, another milestone was achieved by renaming of American Society for Personnel Administration (ASPA) as Society for Human Resource Management (SHRM). Over the years, a new approach – the Human Resource Management – has emerged which focuses more on developmental aspects of human resource with a pragmatic and flexible approach.

THE IMPORTANCE OF HUMAN FACTOR

It is the human resource, which is of paramount importance in the success of any organisation, because most of the problems in organisational settings are human and social rather than physical, technical or economic. Failure to reorganize this fact causes immense loss to the nation, enterprise and the individual. In the words of Oliver Sheldon, "No industry can be rendered efficient so long as the basic fact remain unrecognized that it is principally human. It is not a mass of machines and technical processes, but a body of men. It is not a complex matter, but a complex of humanity. It fulfills its function not by virtue of some impersonal force, but a human energy. Its body is not an intricate maze of mechanical devices but a magnified nervous system".

'People at work' comprise a large number of individuals of different sex, age, socio-religious group and different educational or literacy standards. These individuals

they also show dissimilarity. Each individual who works has his own set of needs, drives, goals and experiences. Each has his own physical and psychological traits. Each human being is not only a product of his biological inheritance but also a result of interactions with his environment. Family relationships, religious influences, racial or caste backgrounds, educational accomplishment, the application of technological innovations, and many other environmental-experimental influences affect the individual as he works.

People come to work with certain specific motives to earn money, to get employment, to have better prospect in future, to be treated as a human being while at the place of work. They sell their labour for reasonable wage/salary and other benefits. It is these people who provide the knowledge and much of the energy through which organisational objectives are accomplished.

The management must, therefore, be aware not only of the organisational but also employee needs. None of these can be ignored.

The importance of human factor can be discussed as follows:

a) Social Significance:

Proper management of personnel, enhances their dignity by satisfying their social needs. This it does by i) maintaining a balance between the jobs available and the jobseekers, according to the qualifications and needs; ii) providing suitable and most productive employment, which might bring them psychological satisfaction; iii) making maximum utilization of the resource in an effective manner and paying the employee a reasonable compensation in proportion to the contribution made by him; iv) eliminating waste or improper use of human resource, through conservation of their normal energy and health; and v) by helping people make their own decisions, that are in their interests.

b) Professional Significance:

By providing a healthy working environment it promotes teamwork in the employees. This it does by i) maintaining the dignity of the employee as a 'human-being'; ii) providing maximum opportunities for personal development; iii) providing healthy relationship between different work groups so that work is effectively performed; iv) improving the employees' working skill and capacity; v) correcting the errors of wrong postings and proper reallocation work.

c) Significance for Individual Enterprise:

It can help the organisation in accomplishing its goals by: i) creating right attitude among the employees through effective motivation; ii) utilizing effectively the available human resources; and iii) securing willing co-operation of the employees for achieving goals of the enterprise and fulfilling their own social and other psychological needs of recognition, love, affection, belongingness, esteem and self-actualisation.

Dynamic and growth-oriented organisations do require effective management of people in a fast-changing environment. Organisations flourish only through the efforts and competencies of their human resources. Employee capabilities must continuously be acquired, sharpened and used. Any organisation will have proper human resource management i) to improve the capabilities of an individual; ii) to develop team spirit of an individual and the department; and iii) to obtain necessary cooperation from the employees to promote organisational effectiveness.

OBJECTIVES OF HUMAN RESOURCE MANAGEMENT

- To provide, create, utilize and motivate employees to accomplish organisational goals.
- To secure integration of individuals and groups in securing organisational effectiveness.
- To create opportunities, to provide facilities, necessary motivation to individuals and groups for their growth with the growth of the organisation by training and development compensation.
- To provide attractive, equitable, incentives, rewards, benefits, social security measures, to ensure retention of competent employees.
- To maintain high morale, encourage value system and create environment of

➤ To provide opportunities for communication expression, participation, appreciation, recognition and provide fair efficient leadership.

➤ To create a sense and feeling of belongingness, team spirit and encourage suggestions from employees.

➤ To ensure that, there is no threat of unemployment, inequalities, adopting a policy recognizing merit and employee contribution, and conditions for stability of employment.

- Measurement and Assessment of individual and group behaviour.

a) Welfare Role:

- Research in Personnel & Organisational Problems
- Managing services – canteens, transports, etc..
- Group Dynamics – Group counseling, leadership, motivation, etc..

b) Administrative Role:

- Time-keeping
- Salary & Wage Administration
- Maintenance of records.
- Human Engineering – Man-Machine Relationship

c) Fire-fighting Role:

- Grievance Handling
- Settlement of Disputes
- Handling disciplinary actions.
- Collective Bargaining
- Joint Consultation.

He performs many other **miscellaneous roles** in accordance with the needs of a situation, such as:

- The **conscience role** is that of a humanitarian who reminds the management of its moral and ethical obligations to its employees.
- He plays the role of a **counselor** to whom the employees frequently go for consultation.
- As a mediator, he plays the role of a **peacemaker**, offering to settle the disputes that may arise among individuals or groups.
- He acts as a **spokesman** for or representative of the company.
- He acts as a **problem-solver** with respect to the issues that involve human resources management
- He works as a **change-agent** within the organisation because he is best suited to introduce and implement major institutional changes.

1.4.1. Qualities of a HR Manager:

- Heshouldbeaspecialistinorganisationtheory.
- Heshouldhaveknowledgeofrelevantlaws,procedures,techniquesandof developments in theory.
- Heshouldadequateknowledgeofbehaviouralscience.
- Heshoulda mindwithacapacityforcreativethinking,foranalyzingsituations and reasoning objectively.
- Heshouldknowproblem-solvingtechniques.
- Heshould havefaith in humanity.
- Heshouldhavecapacityforleadership.
- Personal Integrity.
- Capacityforpersuasion,coupledwithpatienceandtolerance.
- Afriendly,approachable nature.
- Initiativeanddecision-makingability.
- Mobilityoffacial expression.
- Anabilitytogeneratetrustamonghiscolleagues.
- Areadinesstocooperatewith thesubordinatesintimesofdifficulty.

1.5.HUMAN RESOURCE POLICIES

“A **policy** is a man-made rule of pre-determined course of action that is established to guide the performance of work toward the organisation objectives. It is a type of standing plan that serves to guide subordinates in the execution of their tasks”.

HR Policies refer to principles and rules of conduct which “formulate, define, break into details and decide a number of actions” that govern the relationship with employees in the attainment of the organisation objectives.

HRPoliciesare:

- The *Key-Stone* in the arch of management and the life-blood for the successful functioning of the personnel management because, without these policies, there cannot be lasting improvement in labour management relations.
- The *statements of intention* indicating an agreement to a general course of action, indicating specifically what the organisation proposes to do and, thus, suggest the values and viewpoints which dominate the organisation's actions and

➤ A *positive declaration* and a *command* to an organisation. They translate the goals of an organisation into selected routes and provide general guidelines that both prescribe and proscribe programmes which, in turn, dictate practices and procedures.

Aims and Objectives of HR Policies:

- To enable an organisation to fulfill or carry out the main objectives which has been laid down as the desirable minima of general employment policy.
- To establish the conditions for mutual confidence and avoid confusion and misunderstanding between the management and the workers.
- To protect the common interests of all the parties.
- To provide security of employment to workers.
- To provide an opportunity for growth.
- To provide for the payment of fair and adequate wages to the employees.
- To recognize the work and accomplishments of employees.
- To create a sense of responsibility, on the part of those in authority.

Principles of HR Policies:

- Put the right man in the right place.
- Train everyone for the job to be done.
- Make the organisation a co-ordinated team.
- Supply the right tools and the right conditions of work.
- Give security with opportunity, incentive, recognition.
- Look ahead, plan ahead for more and better things.

Essential Characteristics/Test of a Sound HR Policy:

- The statement of any policy should be definite, clear and easily understood by everyone.
- It should be written in order to preserve it against loss.
- It must be reasonably stable but not rigid.
- It must be supplementary to the over-all policy of an organisation.
- It should recognize the desire of all interested parties.
- It must provide a two-way communications system between the management and employees.
- It should be progressive and enlightened.
- Before evolving such a policy, trade unions should be consulted in matters of industrial relations.

- It should make a measurable impact.

Origin and Sources of HR Policies:

- The goals of the organisation.
- The past practice of an organisation.
- The attitudes, ideals and philosophy of the Board of Directors.
- Employees' suggestions and complaints.
- State and national legislation
- Changes in the country's economy.

Types of HR Policies:

➤ **Functional Policies:** These are policies, which are grouped for different categories of personnel e.g., for the management dealing with personnel planning, organizing and controlling or for management concerned with functions of procuring, developing and utilizing manpower.

➤ **Centralised Policies:** These policies are framed for companies with several locations. They are formulated at the head office and applied throughout the organisation.

➤ **Major Policies:** These policies pertain to the over-all objectives, procedures and controls that affect an organisation as a whole. They cover in a general way nearly every phase of an enterprise and its products and methods of financing, its organisational structure, plant location, its marketing and personnel.

➤ **Minor Policies:** These policies cover relationships in a segment of an organisation, with considerable emphasis on details and procedures. Such policies are the outgrowth of major policies and preserve their unity of purpose.

Coverage of the Policies:

- Policy on Recruitment or Hiring of Employees.
- Policy of Manpower Planning & Development.
- Policy on Terms and Conditions of Employment.
- Policy on Industrial Relations
- Policy on Communication with Employees on all levels.

1.6 NEW TRENDS IN HUMAN RESOURCE MANAGEMENT

- Attitude Surveys
- Better Communication Channels
- Change in the Work-Life
- Job Redesign
- Job Enlargement
- New approaches to compensation and rewards
- Career Planning
- Performance Appraisal
- Decentralisation
- Breaking down the hierarchical structure
- Facilitating Empowerment
- Initiating and facilitating process of change
- Enlarging the knowledge base
- Developing team spirit
- Facilitating the employees' desires of self-actualisation.

UNIT-2

RECRUITMENT

Objective:

1. To attract people with skills, experience required by the organization.
2. To infuse fresh blood at all levels in the organization.
3. To search for talent globally and not just within the company.

Evaluation of alternative sources:

[What are the criteria used to determine the choice between internal & external sources of recruitment?]

1. Time lag between requisition & placement
2. **Yield Ratios:** The ratio tells us about the no. of leads or contacts needed to generate a given no. of hires in a given time.
3. **Employee attitude studies:** These studies try to discover the reactions of present employees to both internal & External source of recruitment.
4. **Correlation studies:** Here correlation studies are conducted between the sources of selection & the success of the job which is performed by the employee selected.
5. Data on turnover, grievances & Disciplinary action.

6. **Gross cost per hire.** It can be calculated by dividing the total cost of recruitment by the no. of individuals hired.

SELECTION

Types of error:

a. Reject error:

It is the error whereby the company is rejecting the candidates who will perform better in the future.

b. Select error:

It is the error whereby the company selects the wrong candidates who will not perform better in the future.

STAGES IN SELECTION PROCESS:

I Applications scrutiny:

The main purpose of this stage is to identify those candidates who fit the job specification. We can consider & classify the application forms as follows:

a. Structured application form:

Standard information can be got in the little space which is available in the application form.

b. Unstructured application form:

Here, the applicant can respond as he wishes.

c. Weighted application form:

Here, more weightage will be given to a particular criteria Ex. age, experience and marital status.

II SCREENING:

- (i) Screening the applicants
- (ii) Screening through interview

III Application blank:

The blank provides preliminary information as well as it will indicate the areas of interest.

- a. It is a means of collecting accurate basic historical data.
- b. Biographical data
- c. Educational attainment
- d. Work experience
- e. Salary
- f. Personal associations [NCC, NSS, MMA, AIMA]
- g. other items [Name, address of previous employees]

IV TEST

(i) Knowledge test:

This relates to the questions such as the tax laws, audit regulations, accounting systems, current affairs etc.

(ii) Ability or proficiency test: These are the test which measures the skills and abilities which is already present in the candidates at the time of testing.

(iii) Performance simulation test: These tests are aimed to find out if the applicant can do the job successfully by asking him to do it.

a. **Work sampling:** Here standard trait test have been developed for electricians and other low level jobs.

- b. **Assessment centers:** Here, line executives will evaluate the candidates as they go through 3 to 4 days of exercises that stimulate the real problems that the candidates are likely to encounter on the job in future.

(iv) Psychological test:

- a. **Intelligence test:** Here, “Binet simon” test assumes that intelligence is a general trait or quality which is required to perform any task. [comprehension & reasoning]

- b. **Aptitude test:** This test measures whether an individual has the capacity or ability to learn a given job if given adequate training. Some of the tests under this category are as follows:

1. Matrix {Management Trialexercise} designed by Procter & Gamble.
2. CAT [Clerical aptitude test] This test is conducted to assess the vocabulary, spelling, arithmetical ability & checking.
3. PAT [Pilot aptitude test] This test is conducted in order to assess the co-ordination between the hand movement and feet movement.
4. Computer aptitude test: To assess the power of reasoning & analysis.

- c. **Interest test:** These tests are designed to find out the interest of an applicant in the job.

- (v) Personality test:** It is the test which is given to see the emotional reaction of the candidates.

(vi) Individual test

(vii) Group test

- (viii) **Tailor-made test:** These are the tests which are developed to suit their own requirements and it is developed only when there is a continuing demand for large no. of new employees for a single job.

V VALIDATION:

This means that the test should be able to measure what it wants to:-

- a. **Predictive validity:** This is the degree in which the test score is capable of predicting the performance of the candidate actually on the job.
- b. **Content validity:** This test should be a representative of the candidate's efficiency.
- c. **Construct validity:** It refers to the extent to which it measures the psychological attributes like "emotional stability & intelligence"
- d. **Criterion-related validity:** It is the ability of the test to successfully predict & applicants performance on a specific job at a particular index. Following is the procedure to judge the validity of this test.
 - (i) **Job analysis**
 - (ii) **Selection of a test**
 - (iii) **Selection of the criteria**
 - (iv) **Administering the test**
 - (v) **Finding out the relationship between the existing scores & the performance scores.**

VI INTERVIEW

Here, two types of interview will be conducted in general which are preliminary interview and final interview.

Types of interview:

- (i) **Direct planned interview:** It is a straightforward, face-to-face interview.
- (ii) **Indirect non-directive interview:** It refrains from asking direct and specific questions but creates an opportunity where the candidates are allowed to talk freely.
- (iii) **Patterned interview:** It is a series of questions which can illuminate the strategic path of the applicant's background.
- (iv) **Stress interview:** Here, the interviews are conducted in order to test the emotional characteristics like anger, silence and emotional quotient.
- (v) **Systematic depth interview:** Here, the interviewer has a plan of areas which he wishes to cover.
- (vi) **Panel or board interview:** Here, the board or the panel consists of people who interview the candidates in different aspects or areas.
- (vii) **Group interview:**

VII MEDICAL EXAMINATION:

The basic purpose is to check the candidate's stamina, strength, physical weakness, & disease.

VIII INDUCTION:

It is the process of inducting or orienting a new employee into the social setting of his work.

Steps:

- i) Familiarising the new employee with his new surroundings and company rules & regulations.
- ii) Integrating his personal goals with the organization goals.

PROGRAMME:

Induction programme is conducted in any organization by group lecturers, company films, interviews with key people.

Socialisation:

It is the process of adaption. It is not confined to new recruits. It is needed like transfer, promotion. Induction is only a part of socialization. "Socialisation can be conceptualized as a process made up of 3 phases:

- prearrival
- Encounter
- Metamorphosis

Assumptionsof socialization:

- i) It strongly influence employee performance and organizational stability.
- ii) New members suffer from anxiety [Stress]-induced stress.

Training:- meaning:

It is a process of learning a sequence of programmed behaviour. It is the application of knowledge.

Purpose of training:

1. To prepare the employee, both new & old to meet the present as well as the changing requirements of the job & the organization.
2. To develop the potentialities of the people for the next level job.
3. To ensure smooth & efficient working of a department.
4. To ensure economical output of required quality.
5. To build up a second line of competent officers & prepare them to occupy more responsible position.
6. To prevent obsolescence.

Benefitsof training:

1. Increasedproductivity
2. Heightenedmorale
3. Reducedsupervision
4. Reduced accidents
5. Increasedorganizational stability

Resistanceto training:

Whydoemployeesresist training?

- a. Normally people experience difficulties in learning new skills & knowledge. Hence, they resist training.
- b. The employees feel that management will entrust more work or new kinds of work which would require additional skills & knowledge. Hence, employees resist training.
- c. Training programme& sessions disturbs the employees from performing the routine duties & tasks.
- d. Theyareexpectedtolearnmoredifficultactivities&unlearnalreadypractisedskills.
- e. They loose their job authority & are expected to learn like students duringtheir training programme.

Objectivesoftraining:

1. Totraintheemployeeinthecompaniesculturepattern.

2. To train the employee to increase his quantity & quality of output.
3. To train the employee to avoid mistakes.
4. To train the employee towards better job adjustment & high morale.

Determining the need for training:

a. Whether training is needed

Training may be necessary due to the following problems:

- *Standard of work not being met.
- *Accidents
- *Excessive scrap
- *Frequent need for equipment repair
- *High rate of turnover
- *Excessive fatigue, struggling with the job.
- *Bottlenecks & deadlines not being met.

Sources where information can be gathered:

- Informal observation
- Performance appraisal.
- Suggestions system
- Group discussion
- Morale surveys

- Interviews with union officials
- Employee counseling

b. Where training is needed:

- i) Knowledge—for the person who does not know
- ii) Skill—for the person who knows but cannot do
- iii) Attitude—for the person who does not care
- iv) Habits—for the person who knows, can do [cares but just has not made the desired behaviour part of his daily routine.]
- v) Understanding—for the person who is not properly motivated to accept what he is told.

c. Which training is needed:

Here, there are different types of training methods available for operatives, executives and management.

Steps in training program:

- i) Preparation of the instructor
- ii) How to instruct?

Step:-1 Prepare the worker:

- Put him at ease, state the job & find out what he already knows about it.
- Get him interested in learning the job.
- Place him in correct position.

Step-2: Present the operation:

- Tell, show and illustrate one step at a time.
- Stress each key point
- Instruct clearly, completely and patiently.

Step-3: Try out the performance:

- Make him do the job - correct the errors.
- Continue until you know that he knows.

Step-4: Follow-up

- Put him on his own.
- Check frequently
- Encourage questions
- Tap for extra coaching & close the follow-up.

Methods of training:

1. On Job training:

- Job Rotation:*** Here the employees are sent to various jobs and given training in all the areas.
- Internship training:*** This is a joint program of training in which schools and business co-operate to enable the students to gain a good balance between theory and practice.

- a) **Directed case study:** Here the case study or the problems to be discussed is given and the questions are put forward to the students to answer
- b) **Non-directed case study:** Here the case study is presented with a material and he or she is expected to explore all the possible outcomes.

ii) Incident method:

It is developed at Massachusetts Institute of Technology, California. Here a brief incident is presented to provoke the discussion in the class. The group then puts the question to the instructor to draw out the salient facts or additional information which is needed to arrive at the solution.

iii) In-basket method:

Here, documents, reports are redesigned in such a way to simulate the job reality and their problems.

iv) Management games:

It is a dynamic exercise training program. Here, the participants are divided into various teams where they have to solve the problem and should arrive at the solution.

b) Methods which aim at improving interpersonal skills of executives:

- i) Sensitivity training (Laboratory training)
- ii) Role playing
- iii) Transactional Analysis

i) Sensitivity Training:

This involves 10 to 15 members of different roles from different departments. This is also known as 'T'-group. Since the persons are not aware to each other, it creates tension and anxiety. Through observation and analysis of experience, one can learn their own behaviour.

ii) Role playing:

In this method, the instructor assigns different parts which is taken from case study to different group members. It lasts for 20 to 30 minutes and the data are collected about the performance of different role players.

iii) Transactional analysis:

It is introduced by Berne. A transaction is a process whereby social intercourse between two or more people who encounter each other. In every social intercourse, there is a stimulus provided by one individual and the response to that stimulus given by other individual.

“This stimulus responds between two individuals is o transaction. Analysis of transaction can be done by analyzing the personality of an individual”

a) Parent:(Characteristics)

- i) Overprotective
- ii) Distancemaintenance
- iii) Verbsused
 - Always
 - Never
 - Should
- iv) Physical gestures
 - ✓ Raisingeyebrows
 - ✓ Pointinganaccused finger

b) Child:(Characteristics)

Curious,impulsive,fearful,affectionate,dependant Verbal

❖ Iwish,Iguess,I don'tcare

Physical gestures

❖ Attention seekers

c) Adult

I see, I think, It's my opinion

TA gives an insight into the fundamentals of human psychology and helps to improve interpersonal skills.

d) The Johari window

- ❖ It is a conceptual model for increasing personal effectiveness
- ❖ It was developed by Joseph Luft and Harry Ingham (JOHARI)
- ❖ Here individual personality is divided into 4 parts:

	Known to self	Not known to self
Known to others	Arena	Blind
Not known to others	Closed	Dash

c) Methods which aim at improving the executives knowledge

1. Conferences:

Mutual problem – subject of the discussion Attitude –

2. Autonomy Training

- It aims in developing individual ability to manage his own training
- Improving oneself by his own
- He should select from the articles, management games, psychological test

Factors should be considered while selecting training & development methods

1. Training Objective
2. Level of trainees in the organizational hierarchy
3. Methods, ability to hold and arouse the interest on trainees during the training period
4. Availability of competent trainers
5. Availability of finance
6. Availability of time

Evaluation of Training & development

Dimension of evaluation:

1. Evaluation of contextual factors:

a. Pre-training work:

- TrainingNeeds
- Criteriaforselectingpeoplefor training
- Howmany people
- Sequenceofselecting people

b. Post-trainingwork

- Planningtousehetrained workers
- Providingsupportinbuildinglinkagesbetweentrainingandotherline departments.

2. Evaluationoftraininginputs

Curriculum,inputs

3. Evaluationoftraining process

- Climate
- Relationshipbetweenparticipantsandtrainees
- Attitude

4. Evaluationoftraining outcomes

Measuring the carry home value of a training programme in terms of what has been achieved and how much is the main task of evaluation.

5. How evaluation is done?

- i) Reaction evaluation
- ii) Outcome evaluation

i) Reaction Evaluation:

- a. Questionnaire is given to the participants at the end of the programme which asks him to rate about the training programme.
- b. Participants are required to give daily ratings for each segment of the programme.
- c. Informal observation
- d. Opinions sent by mail

ii) Outcome evaluation

a) Immediate:

- It measures improvement in learning skills, knowledge
- By giving performance tests (operating machine)

b) Ultimate:

It measures the changes in the ultimate results achieved by trainees (accidents, turnover, and grievances)

Principles of training:

I Knowledge results:

*What is expected of him.

*How well he is doing

*Feedback

1. Motivation
2. Reinforcement
3. Supporting climate & practice
4. Part Vs. Whole learning
5. Transfer of learning

III Intermediate: It measures the changes in the behaviour of the trainees when they have returned to the jobs.

a. Physical fidelity:

Devices&facilitiesusedintrainingaresimilartothe devicesandfacilitiesusedon the job.

b. Psychological fidelity:

Humanelementsinvolvedintrainingaresimilartothoseonthejob.

“If these both are same then, there will be positive transfer of learning or there will be negative transfer of learning.”

LEARNING

Learning can't be measured but the changes in the behaviour that occur as a result.

Principles of learning:

1. Every human being is capable of learning
2. It is easier for the trainee to understand when the contents are meaningful.
3. Any programme should be planned in a logical manner.
4. Learning objectives should be established for every task.
5. Learning is active and not passive
6. Environments should be relaxed and they should not be put under pressure.
7. It is clearly related to attention and concentration.

LEARNING CURVE:

- ❖ **FIRST PHASE**—Rapid, initial rise in learning
- ❖ **SECOND PHASE**—tendency of the curve to rise less and less rapidly and finally level off.
- ❖ **THIRD PHASE**—There are daily ups and downs in the curve because of the changes in incentives, psychological condition.

EXECUTIVE DEVELOPMENT

Skills required by managers:

i. **Technical skills:** These skills are developed through experience and education.
These skills are most important for operating managers' z "how things work"

ii. **Human skills:** It refers to the ability to work effectively with others on a person-to-person basis.
Ability to communicate, motivate, lead.

iii. **Conceptual skills:**

Top mgt. need these type of skills as they are framing the long range planning Here the enterprise is considered as a whole rather than parts.

Characteristics of managers:

- He should be flexible
- He should be such a person who is capable of handling critical situations rather than doing routine jobs.
- He engages in anticipatory socialization at each stage he copies the values of those who are a step above him.

Objectives of executive development:

- To improve inter-departmental co-operation
- Highlight the individual weakness
- Ensuring that the qualification of key personnel roles is better known.
- Creating reserves in management ranks
- Stimulating junior executives to do better work.

a. Top management:

1. To acquire knowledge about the problems of HR.

2. To think through problems this may confront the organization now and future.

b. Middleline management:

1. To develop the ability to analyze the problems and to take appropriate actions.
2. To develop familiarity with the managerial uses of financial accounting psychology, law.

c. Middle functional executives & specialists:

1. To increase knowledge of business functions & operations in specified field in marketing, production, finance and personnel.
2. To increase proficiency in management techniques [work study, inventory control, OR]

UNIT-4

MENTOR-PROTÉGÉ RELATIONSHIP

Developing Mentor-protégé relationship:

“The relationship between an experienced employer and a junior employee in which the experienced person helps the junior person with effective socialization by sharing information gained through experience with the organization.”

Requirements for effective mentor-protégé relationship:

1. The status & characteristics of the mentor:

Mentors should be seniors in status, experience, age, skills, knowledge.

2. Protégé: Junior employees should have the zeal to learn from their senior employees regarding their career, social and psychological aspect.

3. The relationship: It is based on mutual dependence & mutual trust.

4. The activities:

- ❖ Developing the potentials of the protégé.
- ❖ Improving protégés performance
- ❖ Interlinking formal learning & practices
- ❖ Guide, support, providing feedback

5. Developing higher skills:

It should encourage their junior towards high task performance by reducing weakness & strength of the protégés.

6. Response of the protégé:

Protégés should learn carefully regarding career opportunities, personal goals.

3.CARRER MANAGEMENT

Definition:- Flippo

“Asasequenceofseparatebutrelatedworkactivitieshatprovides continuity, order and meaning in a persons life.”

Objectives:

1. Empowerment
2. Reductioninfrustration
3. Competitiveadvantage
4. Acquisition& retention
5. Equity&fairness

DIMENSIONS:

- a. **Internal:**Individualperceptionsabouttheircareer.[personality,heredity, work environment, education.]
- b. **External:**
 - (i) **Factoryworkers:**Itistheprogresswhichheachievesinriseofpay& may not be upward promotion in a vertical hierarchy.
 - (ii) **Managers:** It is the upward promotion to higher posts which are clearly laiddowninthesuccessionplanandinthehierarchyofjobs.[higherpay, authority, responsibility]

STAGESOFCAREER DEVELOPMENT:

I EXPLORATION:

- Influencefromparents,relatives,teachers.
- Financialresources
- Endsearly20’swhenonelearns thestudiesgoesfor employment.

II ESTABLISHMENT STAGE:

- Searching job, getting first appointment.
- First time the candidates will be facing control, command through boss.
- By this they will make mistakes & try to learn lesson from it.

III MID CAREER STAGE:

Employees show continuous improvement performance – fly high.

IV LATE CAREER STAGE:

They are in a relaxed stage.

Higher status, recognition, more subordinates, to listen to your words.

V DECLINE STAGE:

This stage is inevitable and has to be faced by each & every one of us.

Plateaued employees:

At the age of 40, upward mobility stops for many employees.

To reduce de-moralising effects:

- a. monitors should help in reducing the hurt feelings.
- b. Adding career ladder
- c. Giving them importance by assigning the task force.

MOTIVATION

Motives: They are the expressed needs & could be conscious or subconscious. These motives drive people to act.

MOTIVATIONAL THEORIES:

CONTENT THEORY:

This theory is people-centered "what"

a. Abraham Maslow's need hierarchical theory:

- **Physiological need:** water, food, pay
- **Security need:** shelter, clothing, pension, insurance
- **Social need:** affection, friends in workplace
- **Esteem need:** Recognition, job title.
- **Self-actualisation needs:** achievements, challenging jobs

b. Herzberg's two-factor theory:

(i) Maintenance or dissatisfier factor:

- These are the extrinsic factors
- They will remove discomfort dissatisfaction.

➤ They are not motivators.
Presence: will not motivate

Absence: demotivate

Ex: Company policy

(ii) Motivational factors or satisfiers:

These are the intrinsic factors to work [job content]

Presence: motivate

Absence: will not demotivate

Ex: recognition, responsibility

c) Douglas McGregor's theory : "X&Y"

Theory X:

- ✓ People dislike work and will avoid it as far as possible.
- ✓ They must be threatened, controlled with punishment to make them work towards objectives.
- ✓ No ambition, avoid responsibilities.
- ✓ They want security

Theory Y:

- They will consider the work as natural activity like play, sleep
- Self-directed, self-control, committed to the objectives
- Learn to accept & seek responsibility
- Creativity

d) David McClelland's 3 need theory

- (i) **Need for achievement** [n-ach]: People have the desire to achieve and advance up in the ladder of success.
- (ii) **Need for affiliation**: [n-aff]: Desire for friendly & close relationship
- (iii) **Need for power** [n-pow]: Desire to be influential to control people & change situations.

e) Alderfer's ERG Theory:

Alderfer's Needs	Concerned with	Maslow's needs
Existence	Basic material needs for existence	Physical & safety
Relatedness	Desire to maintain input skills	Social needs
Growth	Intrinsic desire for personal development & to be creative and to achieve full potential.	Esteem and self-actualization needs.

II PROCESS THEORIES:

These are work-centered [how] and explain how behaviour is energized, directed and maintained.

a. Vroom's expectancy theory:

Victor H. Vroom believed that motivation is the outcome of the values an individual seeks.

Motivation=valence*expectancy* instrumentality

Valence: It is the strength of a person's preference for an outcome or reward. Ex: Promotion.

Expectancy: It is the strength of belief that a particular action will lead to a particular outcome.

b) Adam's Equity theory: [1965]

J. Stay Adams propounded that people are tend to do the following:

- Comparing one's input to one's own output.
- Comparing others input to their output
- Surplus-happy
- Deficit-demotivated

III Drive theories:

Here, it is believed that the internal drive motivates an individual to work.

IV Incentive theories:

These theories state that there is sometimes the goal itself which motivates the behaviour. They are also called as "Pull Theories".

REWARDS

Features:

1. Monetary&Non-monetary
2. Timingaccuracy&frequency
3. Communication

Typesofreward:

1. Directcompensation:

Itconsistsofbasicsalary,overtime,holidaypremium,bonus,basedon performance and opportunities to purchase the stock options.

2. Indirect compensation:

Itincludesprotectionprogramslikeinsuranceplan&pensions.Sinceitisoffered to all employees irrespective of their performance they will remain in the organization.

3. Intrinsicreward:

Thesearetherewardswhichanindividualreceivesforhimselfex:participationin decision making, adding more responsibilities.

a. Performancebasedrewards:

Itispurelybasedontheperformanceoftheemployees&theyarerewarded proportionately to their performance.

b. Membershipbasedrewards:

This is the reward which is paid to an employee for being a member of the organization which has no link to performance or productivity. Ex: DA, which is linked to cost of living index.

4. Extrinsic reward:

These are the rewards which can be classified into 3.

- i) **Direct compensation:** Basic wage & salary, performance bonus, profit-sharing, stock options.
- ii) **Indirect compensation:** Service facility, protection program.
- iii) **Non-financial compensation:** Duration of lunch hours, parking spaces, impressive job title.

Guidelines for effective incentive plan or reward plan:

1. Ensure that efforts & rewards are directly related.
2. The reward must be valuable to the employees.
3. It should be clearly identifiable.
4. It should be understandable.
5. It should be paid promptly
6. It must minimize the frictions between the workers.

Cafeteria compensation:

The assumption here is such that every employee needs are different. Therefore, he is permitted to select that combination of rewards which is most attractive to him. The philosophy here involved is the workers will be highly motivated if they can select those rewards that have the greatest pay off for them.

COMPENSATION

Compensation: “White collar workers”

It may be defined as money received in the performance of work, plus many kinds of benefits & services that organization provides their employees.

Money: Direct compensation

Benefits: Indirect compensation

Wage: It is the remuneration paid for the service of labour in production, periodically to an employee. It usually refers to the hourly rate paid to such groups as production–maintenance workers “blue collar” workers.

Earnings: It is the total amount of remuneration received by an employee during a given period. It includes

Salary: DA, HRA, CCA, OT

Nominal Wage:

It is the wage paid or received in monetary terms.

Real wage: It is the amount of wage arrived after discounting nominal wage by the living cost.

Take home salary:

It is the amount of salary left to the employee after making authorized deductions like E.S.I, PF IT.

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 civilized society.”

Objectives of wage & salary administration:

1. To acquire qualified competent person
2. To retain the present employee
3. To secure internal & external equity
4. To ensure desired behaviour
5. To keep labour & administration costs.

Principles of wage & salary administration:

1. There should be definite plan for different jobs.
2. The general level of wages should be in line with prevailing labour market.
3. Equal pay for equal work
4. A equitable practices should be adopted.
5. There should be a clearly established procedure for hearing & adjusting wage complaints.
6. The wages should be sufficient to ensure for the worker & his family reasonable std. of living.

THEORY OF WAGES**ISUBSISTENCE THEORY:**

- Also known as “iron law of wages”
- David Ricardo [1772-1823]
- If workers are paid more than subsistence level – no. of employment will increase.
- If workers are paid less than subsistence level – no. of workers will decrease.

II WAGES FUND THEORY:

- Adam Smith [1723-1790]
- Wages are paid out of surplus – savings from wealthy persons.
- When the funds are large, wage – high
- When the funds are small, wage – reduced to subsistence level.

III THE SURPLUS VALUE THEORY OF WAGES:

- Karl Marx [1818 -1883]
- Labour is considered as a commodity which can be purchased on payment of subsistence price.
- Labour was not paid on the proportion of time he spends on work but much less than the time needed to do the job. So, whenever there is surplus it can be used for paying other expenses.

IV RESIDUAL CLAIMANT THEORY:

- Francis A. Walker [1840-1297]
- Factors of production land, labour, capital, entrepreneurship
- Wages are the amount of value created in the production process, after paying to the factors of production. [Residual claimant – labour]

V MARGINAL PRODUCTIVITY THEORY:

Philips Henry Wicksteed [England] & John Bates Clark [USA]

Wages are paid depending on the demand & supply of labour.

If the worker contributes more to the total value than to the cost the employer continues hiring otherwise it will start to hire superior technology.

VI THE BARGAINING THEORY OF WAGES:

- John Davidson
- Wages are determined by the relative bargaining power of workers/trade unions.

VII BEHAVIOURAL THEORIES:

1. The employee's acceptance of wage level: size, prestige, power, wages, benefits.
2. The internal wage structure – Social norms, customs, prevalent in the organization & prestige attached to the jobs, demand for specialized Labour all affects the internal wage structure of an organization.

WAGE INCENTIVE PLAN: BLUE COLLAR WORKERS

1. HASLEY PREMIUM PLAN:

A standard output within a standard time is fixed as the basis of previous experience. The bonus is based on the amount of time saved by the worker [33.5%]

Wages is paid on the time rate basis. If he doesn't complete the standard output within the stipulated time, he is paid on the basis of a time wage.

Ex: 20 hrs std time to do the job, 3.50 daily wage

Wagebonus= $\frac{1}{2}$ *time saved/timetaken *daily wage

$$= \frac{1}{2} * 6/14 * 3.50$$

$$= 0.75$$

$$= 3.50 * 0.75 = 4.25$$

2. Hasleyweirpremium plan:

Similar to the Hasley plan except that 50% of the time saved is given as a premium to the worker.

Bonus = $\frac{1}{2}$ * time saved * hrly wages

$$= \frac{1}{2} * 6 * 0.25$$

$$= 0.75$$

3. Rowan premium plan:

Here the time saved is expressed as a % of the time allowed & hourly rate of pay is increased by that % .

Total earnings of the worker = Total no. of hrs * increased hrly wages.

Ex. Std. hrs for doing job 8 hrs 4.00 Rs. /hr

Hrs	Premium	Totalwages
5	1	4 + 1 = 5
4	2	?

Bonus = $\frac{\text{timesaved}}{\text{timeallowed}} * \text{timetaken} * \text{hourlyrate}$

$$= \frac{3}{8} * 5 * 0.50$$

$$= 0.937 \text{ or } 0.094 \text{ or } 1.00$$

4. The 100% Premium plan:

Here task standards are set by time study. Rates are expressed in time rates rather than money.

Definite hourly rate is paid for each task hour of work performed.

Ex: A worker completes the task in 10 hrs than 8 hrs. hrly rate is 0.50

5. The Beadeaux point plan:

Here, the wage is paid on the basis of minutes which an employee is taking for completing a task.

Ex: A worker earns 600 B's in a day; rate per point is 0.01

1b = 60 secs

Therefore for 8 hrs $8 \times 60 = 480$

$480 + 75\% (600 - 480) \times 0.01$

$480 + 0.90 = 480.9$ or 5.00Rs

6. Taylor's Differential piece rate plan:

This system is designed to encourage the specially efficient workers with a higher rate of payment & to penalize the inefficient by a lower rate of payment.

7. Merrick's Multiple piece rate system:

Based on the principle of "low piece rate for slow worker, higher piece rate for higher production."

83% = + 10% time rate bonus

>83% = 100% = same piece rate + 20% of time rate

>100% = same piece rate but no bonus

8. The Gantt task & bonus plan:

- Devised by H.C. Gantt
- Fixed time rates are guaranteed.

- Both output standards, time standards are established.

3 stages of payment:

I STAGE: Below the standard performance, only the minimum guaranteed wage is paid.

II STAGE: Std. Performance wage + 20% of time rate will be paid as bonus

III STAGE: Std. is exceeded, higher piece rate is paid but there is no bonus

9. Emerson Efficiency plan:

Efficiency: $\text{Ratio between the standard time fixed / time actually taken by a worker.}$

10. Co-partnership system:

Workers share not only profit but also control and responsibility:

11. Accelerating premium system:

Under this system, guaranteed minimum wage will be paid for the output when he is not meeting the standards which are given by the organization.

LONG TERM WAGE INTENSIVE PLAN: [WHITE COLLAR WORKERS]

Under this, each member of the group receives a bonus based on the operation of the group as a whole. It applies to small work groups of 5 to 6 people. The incentives are

I STANDARD OUTPUT:

Here, man per hour is laid down when it exceeds, bonus will be paid.

II VALUE ADDED BY MANUFACTURING:

When the worker produces output with less cost compared to the standard cost then bonus will be paid appropriately.

III BONUS CALCULATED ON THE INCREASED VALUE OF SALES:

Here, bonus will be paid to the group when there is increased sales compared to the normal sales.

IV PROFIT SHARING:

a. Industry basis:

Here all industrial units are grouped together to determine the share of the labourers.

b. Locality basis:

Industrial units in a particular locality are grouped together to share their profits among them:

C Unit basis

D Department basis

E Individual basis

Minimum wage:

The wage which must provide not only for the bare sustenance of life, but for the preservation of efficiency of the workers.

Living wage:

Living wage is to provide for a standard of living that would ensure good health for the worker and his family as well as a measure of decency, comfort, education, for his children & protection against the misfortunes.

Fair wage:

It is the wage which is above the minimum wage but below the living wage:

Lower limit - minimum wage Upper limit -

Living wage [capacity of industries]

Need based minimum wage:

Indian Labour conference at its 15th session July 1957 suggested that minimum wage fixation should be need based & should meet the minimum needs.

- Std. working-family should be taken to consist of 3 consumption for the earner.
- The minimum food requirements should be calculated on the basis of net intake of 2700 calories for an organization Indian adult.
- The clothing requirements should be estimated at per capita consumption of 18 yards per annum. So, for a family of 4 it comes to 72 yards per annum.
- Housing norms should be the minimum rent charged by the govt. in any area for houses under the subsidized housing groups for low income groups.

Types of wages:

1. Timewage:

Here wages are paid according to the no. or hrs an employee spends in this organization.

2. Piecewage:

Here, wages are given according to the no. of pieces or no. or units produced by an employee.

3. Balance or debt method:

Under this method, wages are paid by taking both piece & time wage into consideration. If time wage is more than piece wage, then the wage will be paid according to the no. of hrs spent & vice versa.

GROUP INCENTIVE PLAN:

Scanlon plan:

It is the plan which was developed in 1937 by Joseph Scanlon lecturer, Massachusetts Institute of technology, California.

The plan has 2 features:

1. Financial incentive:

Here, the main aim is to ask the cost and thereby to increase the efficiency of the production.

- 2. A network of departmental & plant screening committees are set up to evaluate employee & management cost cutting suggestion.**

This plan acts as a suggestion system and assumes that efficiency requires company wise co-operation. The main objective of this plan is to involve the workers in making suggestions for reducing the cost of operation and thereby to improve the work methods & share the gain of increased productivity. If the suggestion is successful, then 75% of the profit is shared among the employees & rest 25% will be kept aside as reserve for the months in which labour cost exceeds the standard cost.

UNIT-5

PROMOTION

Promotion:

It is an advancement of an employee through a better job – better in terms of greater responsibility, authority, prestige and especially increased rate of pay or salary. – Paul Pigors and Charles A. Myers.

Types of promotion:

1. **Vertical promotion:** Employees move to the next higher level in the organizational hierarchy with greater responsibility, authority, salary and status.
2. **Upgradation:** The job is upgraded in the organizational hierarchy by the way of increased salary, authority and responsibility.
3. **Dry promotion:** Here the employee is moved to the next cadre in the organizational hierarchy without any increase in salary but with an increase in responsibility and authority.

Purpose of promotion

1. To develop competitive spirit.
2. To build loyalty
3. To increase the morale
4. To reward committed and loyal employees.

Basis of promotion:

Merit: It is taken to denote an individual employee's skill, knowledge, ability and aptitude which is measured from past experience.

Pros:

1. It encourages the employee to acquire new skills and knowledge
2. Competent employees are motivated to exert all their resources and contribute to the organizational goals.

Cons:

1. The technique of merit measurement is highly subjective in nature.
2. Merit denotes mostly the past achievements but not the future success.

Seniority:

It refers to the relative length of service in the same job and in the same organization.

Pros:

1. It is easy to measure the length of the service and judge the seniority.
2. There will be no favouritism or discrimination.
3. It minimizes the scope for grievances and conflicts regarding promotion.

Cons:

1. The assumption that the employees learn more relatively with the length of service is not valid.
2. It demotivates the young and more competent employees and results in employee turnover.
3. Judging may be easy theoretically but practically it is very difficult b'z of the following basis:
 - a. Job seniority
 - b. Company seniority
 - c. Regional or zonal seniority.

Seniority cum Merit:

1. **Minimum length of service and merit:** Under this method, all employees who have completed minimum service are eligible for promotion. If this condition is satisfied, then merit will be taken as the sole criteria.
2. **Minimum Merit and seniority:** Those who are scoring minimum scores for their performance are eligible and thereof the seniority is considered.
3. Measurement of seniority and merit through a common factor.

Note: refer in book the following

- a. Problems of promotion
- b. Pros and cons of promotion

TRANSFER

Transfer:

It is defined as a lateral shift causing movement of individuals from one position to another usually without involving any marked change in duties, responsibilities and compensation.”

Types of transfer:

1. **Production transfer:** changes in production will cause the transfer
2. **Replacement transfer:** due to replacement of a long standing employee in the same job.
3. **Rotation transfer:** increase the versatility of employees.
4. Shift transfer
5. **Remedial transfer:** To correct the wrong placements
6. **Penal transfer:** disciplinary action.

Reasons for transfer:

1. **Employee initiated transfer:**
 - a. **Temporary:** ill-health, family problems.
 - b. **Permanent:** Permanent disablement, challenging, creative opportunities, relieving from monotony.
2. **Company initiated transfer:**
 - a. **Temporary:** absentism, fluctuations in quality production.
 - b. **Permanent:** Change in technology, to improve the versatility of the employees, to minimize the corruption.
3. **Public initiated transfer:**
 - a. If an employee's behaviour in the society is against the norms, then the public may initiate the transfer.

Pros and cons of transfer:

Pros:

- a. Reduces monotony
- b. Improves employee skills and knowledge

Cons:

- a. It will affect the employee morale and commitment.
- b. Employees cannot adjust to the new place, environment and superiors.

DEMOTION

Demotion:

It is the reassignment of a lower level job to an employee with delegation of authority and responsibility required to perform in lower level job and normally with lower level pay and salary.

Reasons for demotion:

1. Unsuitability of the employee to higher level jobs.
2. Adverse business conditions.
3. Withdrawal of the production lines
4. Closure of certain departments or plants.
5. Junior employees will be retrenched and senior employees will be demoted.
6. New technology and new methods of operation, demand, new and higher level of skills.
7. Disciplinary grounds.

SEPARATION

Separation:

It means termination of employment. It can be done by the following ways:

1. Voluntary quitting or resignation.
2. Layoff – lack of power, machinery and materials.
3. Discharge – it involves separation of an employee from the payroll for the violation of company rules and regulations.
4. Dismissal – It is the termination of services of an employee by way of punishment or misconduct.
5. Retirement or death

6. Retrenchment—It is the termination of an employee from his services by the organization on account of his incapability to provide the required resources to him. It is permanent in nature.

Separation rate: $(\text{total separation per year} / \text{avg. no. of employees for the year}) * 100$

[Note: If any topic under separation is asked separately in part-by you should write it in detail.
Ex: Explain in detail about retrenchment? Then you should write meaning, characteristics, reasons, pros, cons etc.]

ACCESSION

Accession: These are the new additions of candidates to the existing employees. In short we can say either employment of new candidates or re-employment of former employees.

Accession Rate: $(\text{Total accessions per year} / \text{Avg. no. of employees for the year}) * 100$

[Refer the following for all the topics mentioned below:

Principles and policy of

- a. promotion
- b. transfer
- c. Separation
- d. Demotion.]

GRIEVANCE

Grievance:

A written complaint filed by an employee and claiming unfair treatment. Daleyoder.

Dissatisfaction:

It is any state or feeling of discontent which is unexpressed.

Complaint:

A dissatisfaction which is orally made by one employee to another is known as complaint.

Grievance:

A complaint becomes a grievance when this dissatisfaction which is mostly related to the work is brought to the notice of management.

Redressal Methods or 5 step grievance procedure for solving grievance:

Step-1 :

Here the aggrieved employee verbally explains his grievance to his immediate superior.

Step-2:

When the grievance is not solved by his superior it goes to higher level manager with a note of time, place, nature of action which he requires.

Step-3:

When the problem is not solved with the higher level manager then the grievance committee will try to solve.

Step-4:

If the decision of the grievance committee is not accepted by the grievant employee, then he may approach to top management.

Step-5:

Arbitrator award will be final and it will be binding on both the parties.

[Note: Refer diagram in Mamoria and mamoria]

PERFORMANCE APPRAISAL

Performance Appraisal:

It is a process of evaluating an employee's performance of a job in terms of its requirements.

Methods of Performance appraisal:

It can be broadly classified into 2:

1. Traditional methods
2. Modern methods

Traditional methods:

1. Straight ranking method
2. Man-to-man comparison method
3. Grading
4. Graphic rating scale
5. Forced choice description method
6. Forced distribution method
7. checklist
8. free form essay method
9. critical incident method
10. group appraisal method
11. Field review method.

Modern methods

1. Assessment centre
2. MBO
3. Human asset accounting method.
4. BARS

Feedback:

Before:

- a. Communicate frequently with subordinates about their performance.
- b. Encourage subordinates to prepare for performance appraisal feedback interviews.
- c. Plant use a problem solving approach rather than tell and sell.

During:

- a. Encourage subordinates to participate in judging their performance.
- b. Judge only the performance and not the personality.
- c. Be specific, active listener.

After:

- a. Communicate frequently with your subordinates about their performance.
- b. Periodically assess progress towards your goals.

JOB CHANGE

IMPLICATIONS OF JOB CHANGE:

Job change means systematically moving the employees from one job to another. It can help the person to develop more realistic of what he is and thus the sort of future career will be the best.

Change:

It can be proactive or reactive.

Proactive: This is the change which is planned and an attempt is made to prepare for anticipated future challenges.

Reactive: A reactive change may be an automatic process or a planned response to change which is taking place in the environment.

Types of changes:

1. Work change:

It includes changes in working hours, methods or work, job enlargement and job enrichment.

- 2. Organisational change:** It includes changes in employees due to transfers, promotions, layoff, introduction of new products and services.

Resistanceto change:

- 1. Economic reason:**

- a. Fear of reduction in employment.
- b. Fear of workload
- c. Fear of demotion.

- 2. Personal reason**

- a. Need for training
- b. Boredom and monotony.
- c. No participation in change

- 3. Social reason.**

- a. Need for new social adjustments.

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