



## **HUMAN RESOURCE MANGEMENT**

**Human Resource Management:** Human resource management is the process of managing the human resources of an organization in tune with the vision of the top management.

**Personnel Management:** Defines personnel management as the planning, organizing, and controlling of the procurement, development, compensation, integration and maintenance of people for the purpose of contributing to the organizational goals.

### **Personal management versus Human resource management:**

1. Personnel management function is often viewed as a function of the specialized staff.

Human resource management function is the responsibility of all the line managers in the organization.

2. Personnel management goal is employee orientation

Human resource management goal is organization orientation

3. Personnel management managerial function

Human resource management operative function

4. Personnel management cooperative level manager concern

Human resource management top level manager concern.

### **Personnel Management and Industrial Relations:**

The word personnel management is popular with different names, such as staff management, labour management, manpower management, industrial relations and modern times as human resources management. Industrial relations refer to the relation between the employees and management.

### **Features in Personnel Management:**

1. Personnel management is concerned with managing people at all level in the organization
2. It is concerned with employees both as individuals and as a group

3. It is a method of helping the employees to identify and develop their potential.
4. It is a method of channelising this potential for the attainment of organizational goals.

It is required in very organization, in the form of the services of the personnel manager.

### **Characteristics of personnel management:**

**Maximum individual development:** This principle stresses on the development of every person working in an organization. Workers are able to fulfill the objectives of an organization with the minimum cost. Hence, the employees in the organization should be properly developed. By this, employees will be able to develop themselves to the maximum extent of their capabilities. Their ability, productivity and efficiency can be used for achieving the objectives of the organization.

**Scientific selection:** For the proper co-ordination between work and workers, it is necessary to select the right person for the right job. Workers should be selected after a careful weighing of the requirements of the jobs on the other hand, and assessment and evaluation of the abilities and attitudes of man on the other.

**High morale:** It is necessary to have high morale among the workers in an organization. For this purpose, ideal wage policy should be offered in the organization. Workers should be motivated by monetary and non-monetary incentives.

**Dignity of labour:** Human resource management specially act, so that the workers feel proud of their work or labour. Sometimes, like 'work is worship' notion should be developed in workers. This principle requires treating every job and every jobholder with dignity and respect.

**Team spirit:** Team spirit must be developed in the workers. They should work collectively and they should feel collective responsibility for the attainment of the objectives of the organization. For this purpose, workers must have the sense of cooperation, unity and mutual trust.

Effective communication: There must be effective channel of communication between the management and the workers. The orders of higher authorities should reach the workers, while worker's request and grievances should reach the higher authorities in a proper way. If communication system is not effective, then there will arise complex problem like mistrust, hatred and ill-will, and this in turn affects the production of the organization.

Fair remuneration: Labour should be given fair and proper compensation for the work they rendered. They should also be given fair incentives or rewards to recognize good performance. This develops industrial peace.

Effective utilization of human resources: The skills and abilities of human resources should be effectively utilized. Proper training facilities should be provided to workers. Human resource management is an art to get the work done by the people, to get the desired result. For this employees should be given humanly treatment in the organization.

Participation: This principle emphasizes the idea of labour participation in the management of the enterprise. Workers participation in management aims at increasing productivity of labour by improving co-operation between employer and employees.

Contribution to national prosperity: This principle stresses to provide a higher purpose of work to all employees and to contribute to national prosperity. For this purpose, human resource management should develop the sense of participation in labour to make them realize that their efforts alone can contribute to the prosperity of the organization and of the country

## **Functions of Personnel Management:**

### **Managerial Function**

Planning  
Organizing  
Staffing  
Motivating  
Controlling

### **Operative Functions**

Procurement of personnel  
Development of personnel  
Compensation of personnel  
Employees benefits schemes  
Maintaining good industrial relations  
Record keeping  
Personnel planning and evaluation  
Personnel research and audit

### **Managerial Function:**

**Planning:** It is concerned with manpower planning

1. To forecast future vacancies
2. To anticipate retirements promotions and transfer
3. Preparing job analysis, job description and job specifications
4. Analyzing resources of potential employees

**Organizing:** It is concerned with organizing manpower

1. To analysis organization structure
2. Recommending organizational changes
3. To analyze applications and determine suitability of candidates
4. Interviewing conducting test
5. Investigating references
6. Arranging medical examination

**Staffing:** Staffing comprises these are functions induction, transfer/promotion, Manpower development and training.

**Induction:** To ensure new recruits are provided with appropriate training,

1. Orienting new employees into their jobs
2. Reviewing their performances
3. Ascertaining training requirements

**Transfer/Promotion:** To utilize employees enhanced capabilities

1. Continuously analyzing job description
2. Evaluating employee qualification/performance
3. Determining further training requirement

**Manpower development:** To provide individual employees development

1. Developing performance standards
2. Appraising performance
3. Planning individual development program

**Training:** It includes the followings

1. Conducting training program
2. Evaluating training results

**Motivating:** Motivating comprises these are the functions payment recreation, communication, health and safety.

**Payment:** To set pay scales for different job positions and considering pay scales in other organization

1. Analyzing jobs as per job description
2. Evaluating such jobs
3. Develop scales

**Recreation:** To provide facilities for enjoyment

1. Conducting social activities
2. Sports and games
3. Recreational activities

**Communication:** To provide needed exchange of information throughout the organization.

1. Developing channels and media of information system
2. Introducing suggestion scheme
3. Conducting opinion surveys

**Health and safety:** Prevent diseases and provide security measures

1. Providing medical facilities
2. Providing safety measures

**Controlling:** Controlling comprises these are the functions performances appraisal, security, employees' attitude and coordination.

**Performance appraisal:** To appraise performance as per their duties and responsibilities

1. Developing performance evaluating system
2. Conducting performance evaluating interviews
3. Analyzing evaluation results

**Security:** To provide precautionary measure to prevent theft, fire etc.

1. To develop and implement security measures
2. To provide watchman
3. To organize fire fighting training

**Employee attitude and coordination:** To improve employees attitude and coordination of work.

1. Analyzing personal problems arrange consulting
2. Implement improved practices

### **Operative Functions:**

**Procurement of personnel:** It deal with determination of man power requirement, their recruitment, selection, placement and orientation

**Development of personnel:** After personnel have been obtained, they must to some degree be developed before going to work. Development has to do with the increase of skill, through training that is necessary for proper job performance.

**Compensation of personnel:** Compensation means, determination of adequate and equitable remuneration of personnel for their contribution to organization objectives.

**Record keeping:** In this system personnel manager collets and maintain information which is concerned with the staff of the organization

**Personnel planning and evaluation:** Under this system different types of activities are evaluated such as evaluation of performances personnel policy of an organization and its practices, personnel audit, moral survey and performance appraisal etc.

**Personnel research and audit:** This function is concerned with the research in motivational techniques and auditing.

**Job Analysis:** Job analysis can be defined as the process of identifying the tasks comprising a particular job to assess whether they could be organized in a productive manner. This will identify the main features of the job, the major tasks undertaken, the results to be achieved, and how one job is related to the other jobs in the organizational hierarchy. The product of job analysis is job description.

**Job Description:** Job description is an accurate and concise description of (a) the overall purposes of the job (b) the principal duties of the person doing this job. The job description emphasizes the job requirements. Clear job description constitutes the basis for advertising the vacancy positions and for drawing up job specifications. Once individuals are selected to the posts, job description allows them to know exactly what their roles are and what is expected of them.

### **Job Specification**

Job specification identifies the requirements on the part of the person to perform the given job. It provides the interviewer an understanding of the job and helps him to assess the qualities necessary for its performance to an acceptable standard, at the time of interview. This helps him to compare the performance of candidates objectively and to eliminate unsuitable candidates.

**Manpower Planning:** It is the scientific process of evolving the right quantity of right men to be required in future at right time on the right job.

**Definition:** Manpower planning may be defined as a rational method of assessing the requirements of human resources at different levels in the organization. It ends with proposals for recruitment, retention, or even dismissal, where necessary.

### **Objectives of Manpower Planning:**

1. Making correct estimate of manpower requirement
2. Managing the manpower according to the need of enterprises
3. Helps in recruitment and selection
4. Maintaining production level
5. Making employees development programme effecting
6. Establishing industrial peace
7. Reduction in labour costs
8. Minimization of labour costs.

**Recruitment:** Applications are invited at this stage for further scrutiny and short listing. Before advertising for the position, it common to check up of the position could be filled in internally.

**Selection:** The process of identifying the most suitable persons for the organization is called selection. Selection is also called a negative function because at a stage the applications are screened and short-listed based on the selection criteria. The main purpose of selection is to choose the right person for the right job. The job analysis, job description, and job specifications are carried out before the position is advertised. These provide adequate insight about nature of the job, its description, and its specifications,

and further focus on what type of person is to be selected for a given position. These simplify the process of selection.

Selection process involves the following stages:

1. Initial screening/Short listing
2. Comprehensive application/bio data screening
3. Aptitude or written tests
4. Group discussion
5. Personal interviews
6. Group discussion
7. Personal interviews
8. Medical examination
9. Employment offer letter

## Training and development

**Training:** Training is short-term process of utilizing systematic and organized procedure by which the staff acquires specific technical knowledge and functional skills for a definite purpose. The focus of training is the job or task.

### Training Needs:

- High turnover among the new recruits
- Increase in wastage of materials
- Increase in the number of rejected units of production
- Increase in the number of customer complaints
- Increase in the accident rate
- Reduced productivity levels
- Increase in machine breakdowns

**Methods of Training:** There are two methods of training

- A. On-the job training
- B. Off-the job training

**A) On-the job training:** It is designed to make the employees immediately productive. It is learning by physically doing the work. The focus here is to provide specific skills in a real situation. These methods include:

**1) Job instruction training:** This is a method used for such jobs which can be performed with relatively low skill. Here, the trainees systematically acquire skills by following routine instructions in key processes from a qualified instructor.

**2) Experiential learning:** This is a modern approach to the learning process. This method is more . used for training the senior executives. It is a technique, which empowers the manager-trainee with the freedom of choice to act upon and the capacity to initiate, rather than simply respond, to circumstances.

**3) Demonstration:** Here, the work procedures are demonstrated to the trainees. Each of the trainees is asked to carry out the work, on a sample basis, based on his/her observation and understanding of the demonstration.

**4) Apprentice training:** Those who are selected to work in the shop floor are trained as apprentices in the factory for a brief period ranging from three months to one year, depending upon the complexity of the training. Those who show good progress in this training are likely to be absorbed in the same organization. Those who complete apprentice training are likely to get good jobs outside also.

**B) Off-the-job training methods:** provide a relatively broad idea relating to a given job or task. These are meant for developing an understanding of general principles, providing background knowledge, or generating an awareness of comparative ideas and practice. These methods include:

**1) Lectures/talks and class room instructions:** These techniques are designed to communicate specific interpersonal, technical, or problem-solving skills. Here, the trainer can maintain a tight control over learning. However, this method restricts the trainee's freedom to develop his/her own approaches to learning.

**2) Conferences:** Conferences refer to get-together of the experts from different areas of a given topic. These experts present their views based on their work experience and research results. When employees participate in such events they get a feel of the real world. They may also get motivated to perform better.

**3) Seminars:** Seminars are held periodically by the professional organisations for the benefit of all the practicing managers by taking into consideration the recent advances in a specialized area. Participation in such seminars enables the executives to get exposed to the recent developments in the area of their interest.

**4) Team discussions:** This technique develops team spirit among the executives from different departments. It also enables them to understand and appreciate each other's problems. It reinforces a feeling of unity among those who work towards common goals.

**5) Case study:** This is a predominant technique followed even in premier management institutes. This technique helps to provide an understanding of

what has gone wrong in a particular case, such as Delhi Cloth Mills (DCM). Similarly, what are the factors responsible for the success of organizations such as Reliance or Hindustan Lever. Case study technique is a very good method of learning the principles and concepts. However, this method has one weakness. The circumstances you are likely to face in your life may be very different from the cases you have analyzed earlier! Case studies help to enhance the analytical & decision making skills.

**6) Role-playing:** The participants are assigned roles and are asked to react to one another, as they would do in their managerial jobs. These roles are eventually exchanged. In other words, each participant will get a turn to play all the roles. For instance, the role-playing in a grievance-handling situation involves two players: In the first step, the worker presents his grievance to the personnel manager. In the second step, the worker plays the role of the personnel manager while the personnel manager plays the role of the worker. Role-playing allows participants to understand problems of each other. It enhances the interpersonal-handling skills.

**7) Programmed instruction:** It is a system of instruction within which pre-established subject matter is broken into small, discrete steps and carefully organized into logical sequence in which, it can be learned by the trainee. Each step is built upon the previous one. The programmed instruction techniques can be in the form of programmed tests and manuals, or video displays. For instance, withdrawal of money through automatic teller machines (ATMs) involves responding to programmed instructions; working on a personal computer or internet involves responding to a series of programmed instructions.

**8) Simulation exercises:** These include interactive exercises in which trainees practice their skills on working models or in mock situations based on real-life situations.

**9) Group decision-making:** Group decision-making refers to the process of making decisions based on the opinions expressed by all the concerned — may be subordinates, peers, or outside consultants. The manager thus

ensures that more people are involved in taking decisions. Each member of the group will accept the responsibility for the decisions made as he is a party to it. This method facilitates to generate more alternative solutions to a given problem because more people are involved in the thinking exercise. This facilitates coordination among the groups also.

**Development:** Development is an activity aimed at career growth rather than immediate performance. Employee development is the process, which helps him or her to understand and interpret knowledge rather than teaching a specific set of functional skills. Development, therefore, focuses more on employee's personal growth in the near future.

**Placement:** After training, the employee is placed in his/her position under the charge of a manager. The new recruit is allowed to exercise full authority and is held responsible for the results.

**a) Promotion:** Promotion refers to the advancement of an employee to a job with a higher authority and responsibility. It may also carry a better compensation package. Promotion can also be viewed as a means of filling up vacancies in the organization occurring from time to time.

**b) Demotion:** Where an employee is not in a position to perform a given job, he may be demoted or transferred to a position with a lower authority and salary. In other words, demotion is a punishment.

**c) Transfer:** It is a lateral shift that moves an individual employee from one position to another. It may be in the same department, or to a different department or location. This does not involve any changes in the duties, responsibilities, or skills needed. The salary benefits also may remain the same.

**d) Separation:** Separation refers to termination of employment. In other words, the employee is separated from his job. In case of misconduct or misbehavior, where the employee is not in a position to improve his performance despite notice, his/her employment is terminated. This is also called dismissal.

**e) Absenteeism:** Absenteeism refers to the practice of an employee who does not report to work for any particular reason. Absenteeism affects the productivity adversely. It becomes difficult for the departments to cope up with the work pressures, if any particular employee is absent. As a measure of control, the employees are not allowed to be absent without prior permission from the management.

**Wages and Salary Administration**: Wages and salary administration is the process of fixing wages/salary for different jobs in the organization through job evaluation, negotiations with the unions, and so on.

**Grievance Handling**: A complaint from employees, when ignored, takes the form of a grievance. Grievance is a complaint genuine or otherwise, about any issue relating to the job such as about supervisor, wages, working conditions and so on. It is necessary to create an in-built mechanism to redress the grievances, at the earliest, at the departmental level. If the individual grievances are ignored, they may take the form of industrial disputes.

**Performance Appraisal**: Performance appraisal is the process of measuring and evaluating the performance or accomplishments, including behaviour, of an employee on the job front for a given period. The purpose is to assess the worth and value of a person to the organization. It is also meant for assessing his/her potential for future development in an objective manner.

**Why appraise the performance**:

1. To assess the employee's present level of performance
2. To identify the strengths or weaknesses of individual employee
3. To provide feedback to the employee so that he can improve his/her performance
4. To provide an objective basis for rewarding the employees for their performance
5. To motivate those employees who perform
6. To check and punish those employees who fail to perform
7. To identify the gaps in performance, and thus, assess training and development needs
8. To identify the employee's potential to perform
9. To provide a database for evolving succession strategies
10. To provide a basis for many other decisions such as fixation of incentives or increment, regularization or confirmation of the services of the employee, promotion, transfer or demotion.

Steps in performance Appraisal:

1. Create set up performance standards
2. Mutually set identifiable and measurable
3. Measure present level of performance
4. Compare and appraise present level of performance with standard
5. Discuss the appraisal with employee
6. Identify and initiate the corrective action

**Job Evaluation:** An attempt to determine and compare the demands which the normal performance of particular job makes on normal workers without taking account of the individual abilities or performance of workers concerned. It rates the job not the rank.

**Objectives:**

1. To establish correct wage differentials for all jobs within the factory
2. To bring new jobs into their proper relative position with jobs previously established
3. To help clarify lines of authority, responsibility and promotion
4. To accomplish the foregoing by means of the facts and principles, which can be readily explained to and accepted by all concerned
5. To establish a general wage level for a given factory which will have parity with those of neighboring factories

**Advantages:**

1. It is simple, inexpensive and expeditious
2. It is easily understood and easily administered
3. It helps setting better rates than the arbitrary rates based purely on judgment and experience
4. Some unions prefer it, because it leaves more room for bargaining.

**Disadvantages:**

1. Job may be ranked on the basis of incomplete information and without the benefits of well defined standards
2. The rank position of different jobs is likely to be influenced by the prevailing wage ranks
3. No one committee member is likely to be familiar with all the jobs

**Method of Job Evaluation:** It is broadly classified as

- 1) Qualitative Method
- 2) Quantitative Method

**1) Qualitative Method:** It can broadly be classified as ranking or classifying the job from lowest to highest.

**a) Ranking technique:** In this method, the jobs in the organization are arranged in either in the ascending or descending order and numbered serially. The basis of such arrangement could be the job description in terms of duties, responsibilities, qualifications needed, relative difficulty involved in don the job, or value to the company.

**Points considered:**

1. Amount of work involved
2. Supervision needed
3. Extent of responsibility required
4. Difficulties involved in the work
5. Work conditions required

**b) Classification Method:** This is also called job-grading method. Here, the number of grades and the salary particulars for each grade are worked out first. The grades are clearly described in terms of knowledge, skill and so on.

**Major steps for job evaluation:**

1. Deciding the number of grades
2. Writing grade descriptions
3. Identifying/listing of the jobs to be evaluated
4. Preparing job descriptions

**2) Quantitative Method:** Where point values are assigned to the various demands of a job and relative value is obtained by summing all such point values.

**a) Factor comparison method:** Every job requires certain capabilities on the part of the person who does the job. These capabilities are considered as critical factors, which can be grouped as follows:

- Mean effort
- Skill
- Physical
- Responsibility
- Working conditions

Step involved in the factor comparison method:

- ✓ Identify the key jobs
- ✓ Rank the key job, factor by factor
- ✓ Apportion the salary among each factor and rank the key jobs
- ✓ Compare factor ranking of each job with its monetary ranking
- ✓ Develop a monetary comparison scale
- ✓ Evaluate non-key jobs based on the monetary comparison scale

b) Point-rating method: There are four widely accepted factors used in the point-rating method, skill, effort, responsibility and job conditions each of these factors is divided into sub-factors.

Skills	-	1. Education and training 2. Experience 3. Judgment and initiative
Efforts	-	1. Physical 2. Mental
Responsibility towards	-	1. Materials or product 2. Equipment or process 3. Safety of others 4. Work of others

**Merit Rating:** Merit rating is the process of evaluating the relative merit of the person on a given job. It is an essential task of the personnel manager to distinguish the meritorious employees from the other. The data collected from this task is used for strategic decisions such as releasing an increment in pay, promotion, transfer, and transfer on promotion to a critical assignment or even discharge.

Objectives of Merit Rating:

- To determine salary increments
- To decide who has to be transferred, promoted, or demoted
- To discover the workers needs for retaining and advanced training

- To unfold the exceptional skills among the employees based on their innate potentials
- To guide and monitor the performance of those who are lagging behind.

### **Method of Merit Rating:**

**Ranking method:** In this method, all the staff of a particular cadre or a department are arranged either in the ascending or the descending order in order of merit or value to the firm. Though this is a simple method, it cannot be followed where the employees in the department are many in number.

**Paired comparison method:** Here, every employee is compared with all others in a particular cadre in the department. By comparing each pair of employees, the rater can decide which of the employees is more valuable to the organization.

**Rating scale:** Here, the factors dealing with the quantity and quality of work are listed and rated. A numeric value may be assigned to each factor and the factors could be weighed in the order of their relative importance. All the variables are measured against a three or five point scale.

**Forced distribution method:** Here, employees are given a set of alternatives and they have to choose one, which reflects their understanding of the true nature of the job. Their thinking is conditioned by the given set of answers.

**Narrative or essay method:** Here, the candidate is required to narrate in an essay format his/her strengths, weaknesses, and potential to perform. Here, the candidate is not restricted by any given set of alternatives. The candidate is free to decide what to furnish or what not to furnish.

**Management by objectives (MPO):** The short-term objectives mutually agreed upon by the management and the employees are used as performance standards. This method considers the actual performance as the basis for evaluation. It is a systematic method of goal setting. In addition, it provides for reviewing performance based on results rather than personality traits or characteristics. However, this is not practical at all levels and for all kinds of work in the organizations.