

Biyani's Think Tank

Concept based notes

Human Resource Management

(BBA Part-II)

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Preface

I am glad to present this book, especially designed to serve the needs of the students. The book has been written keeping in mind the general weakness in understanding the fundamental concepts of the topics. The book is self-explanatory and adopts the “Teach Yourself” style. It is based on question-answer pattern. The language of book is quite easy and understandable based on scientific approach.

Any further improvement in the contents of the book by making corrections, omission and inclusion is keen to be achieved based on suggestions from the readers for which the author shall be obliged.

I acknowledge special thanks to Mr. Rajeev Biyani, *Chairman* & Dr. Sanjay Biyani, *Director (Acad.)* Biyani Group of Colleges, who are the backbones and main concept provider and also have been constant source of motivation throughout this Endeavour. They played an active role in coordinating the various stages of this Endeavour and spearheaded the publishing work.

I look forward to receiving valuable suggestions from professors of various educational institutions, other faculty members and students for improvement of the quality of the book. The reader may feel free to send in their comments and suggestions to the under mentioned address.

Author

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BBA Part II

Paper-III Human Resource Management

The pattern of question paper shall be as under:

There shall be 7 questions in all. Question No.1 and 2 will be compulsory.

Question No.1-20 marks: 10 very short answer type question of 2 marks each (up to 50 words)

Question No.2-20 marks. 5 short answer type question of 4 marks each (up to 100 words)

There shall be 5 essay type/numerical question. Candidates shall be required to attempt any 3 question. Each question shall be of 20 marks.

Case study related question may be asked wherever necessary.

1. **Human Resource Management:** Concept, functions, importance and role of HRM Management; HRM Environment in India.
2. Human Resource Management: Need importance, process of HRP.
3. **Job Design and job Analysis:** Job design, job analysis, job description, job specification, job enlargement, job enrichment and job rotation.
4. **Recruitment Selection and Placement:** Source and recruitment selection process and placement.
5. **Training and Development:** Need and benefits of training and evaluation of training programmes.
6. **Performance Appraisal :** Objectives, importance and methods of performance appraisal and Employee counseling.
7. **Compensation :** Various modes of compensation, incentives and fringe benefits.
8. **Internal Mobility :** Promotion and transfer of employees.
9. Discipline and grievance handling procedure.
10. Morale.

Human Resources Management

Ques 1: Write the importance of HRM ?

Ans: The importance of HRM is discussed below:

1. At the enterprise level:

- (a) Good HR practice can help in attracting & retaining the best people in the organization planning alerts the company to the types of people it will need in the short, medium or long run.
- (b) It helps in training people for challenging roles developing right attitude towards the job & the company, promoting team spirit among employee & developing loyalty & commitment through appropriate reward schemes.

2. At the individual level: Effective management of HR helps employee thus:

- (a) It promote team work & team spirit among employees.
- (b) It offer excellent growth opportunity to people who have the potential to rise.
- (c) It allows people to work with diligence & commitment.

3. At the society level: Society, as a whole, is the major beneficiary of good HR practice.

- (a) Employment opportunity multiply.
- (b) Scarce talents are put to best use. Companies that pay & treat people well always race ahead of others & delivers excellent results.

4. At national level: Effective use of HR helps in exploitation of natural, physical & financial resources in a better way. People with right skills proper way. People with right skills, proper attitude & appropriate values help the nation to get ahead & compete with the best in the world leading to better standard of living & better employment.

Good HR Practice

- Attract & retain talent
- Train people for Challenging role.
- Develop skills & Competencies
- Promote team spirit
- Develop loyalty & commitment
- Increase productivity & profit
- Improve job satisfaction

- Enhance standard of Living
- Generate employment operating.

Ques 2 What are the function of HRM?

Ans. Personal/Human Resource Management – Functions:

P/HRM is concerned with two sets of functions, namely - managerial functions and operative functions.

1. Managerial Functions

The basic managerial functions comprise planning, organizing directing and controlling.

- **Planning:** This function deals with the determination of the future course and action to achieve desired results, Planning of personnel today prevents crises tomorrow. The personnel manager is expected to determine the personnel regarding recruitment, selection and training of employees.
- **Organizing:** This function is primarily concerned with proper grouping of personnel activities, assigning different groups of activities to different individuals delegation of authority. Creation of a proper structural framework is his primary task. Organizing, in fact, is considered to be the wool of the entire management afford and hence afford to be ignored.
- **Directing:** This involves supervising and guiding the personnel. To execute plans, direction is essential without direction there is no destination. Many a time, the success of the organization depends on the direction of things rather than their design. Direction then consists of motivation and leadership. The personnel manager must be an effective leader who can create winning teams. While achieving results, the personnel manager must, invariably, take care of the concerns and expectations of employees at all levels.
- **Controlling:** Controlling function of personnel management comprises measuring the employee's performance, correcting negative deviations industrial assuring an efficient accomplishment of plans. It makes individuals aware of their performance through review reports and personnel audit programmes. It ensures that the activities are being carried out in accordance with stated plans.

2. Operative Functions

The operative functions of P/HRM are related to specific activities of personnel management, viz; employment development, compensation and industrial relations. These functions are to be performed in conjunction with managerial functions.

(a) Procurement functions: The first operative function of personnel management is procurement. IT concerned with procuring and employing people who possess necessary skill, knowledge and aptitude. Under its purview, you have job analysis, manpower planning, recruitment, selection placement, induction and internal mobility.

- i. **Job analysis** : It is process of collecting information relating to the operations and responsibilities pertaining to a specific job.
- ii. **Human resources planning**: It is a process of determining and assuring that the organization will have an adequate number of qualified persons, available at proper times, performing jobs which would meet their needs and provide satisfaction for the individuals involved.
- iii. **Recruitment**: It is the process of searching for prospective employees and stimulating them to apply for jobs in the organization.
- iv. **Selection**: It is the process of ascertaining qualifications, experience, skill and knowledge of an applicant with a view to appraising his/her suitability for the job in question.
- v. **Placement**: It is the process that ensures a 360° fit, matching the employee's qualifications, experience, skills and interest with the job on offer. It is personnel manager's reasonability to position the right candidate at the right level.
- vi. **Induction and orientation**: Induction and orientation are techniques by which a new employee is rehabilitated in his new surroundings and introduced to the practices, policies, and people. He must be acquainted with the principles which define and drive the organization, its mission statement and values which form its backbone.
- vii. **Internal Mobility**: The movement of employees from one job to another through transfer and promotions is called internal mobility. Some employees leave an organization due to various reasons leading to resignation, retirement and even termination. These movements are known as external mobility. In the best interest of an organization and its employees, such job changes should be guided by well - conceived principles and policies.

Development : It is the process of improving, molding, changing, and developing the skills, knowledge creative ability, aptitude, attitude, values and commitment based on present and future requirements both at the individual's and organization level. This function includes:

- i. **Trainings**: Training is a continuous process by which employees learn skills, knowledge, abilities and attitudes to further organizational and personnel goals.
- ii. **Executive development**: It is a systematic process of developing managerial skills and capacities through appropriate programmes.
- iii. **Career planning and development**: It is the planning of one's career and implementation of career plans by means of education, training, job search and acquisition of work experiences. It includes succession planning which implies identifying developing and tracking key individuals for executive positions.
- iv. **Human resource development**: HRD aims at developing the total organization. It creates a climate that enables every employee to develop and use his capabilities in order to further both individual and organizational goals.

Motivation and compensation: It is a process which inspires people to give their best to the organization through the use of intrinsic (achievement, recognition, responsibility) and extrinsic (job design, work scheduling, appraisal based incentives rewards) motivation.

- i. Job design: Organizing tasks, and responsibilities towards having a productive unit of work is called job design. The main purpose of job design is to integrate the needs of employers to suit the requirement of an organization.
- ii. Work scheduling: Organizations must realize the importance of scheduling work to motivate employees through job enrichment, shorter work weeks flexi-time, work sharing and home work assignments, Employees need to be challenged at work and the job itself must be one that they value. Work scheduling is an attempt to structure work, incorporating the physical, physiological and behavioral aspects of work.
- iii. Motivation: Combining forces that allow people to behave in certain ways is an integral aspect of motivation. People must have both the ability and the motivation if they are to perform at a high level. Managers generally try to motivate people through properly administered rewards (financial as well as non-financial).
- iv. Job evaluation: Organizations formally determine the value of jobs through the process of job evaluation. Job evaluation is the systematic process of determining the relative worth of jobs in order to establish which jobs should be paid more than others within the organization. Job evaluation helps to establish internal equality between various jobs.
- v. Performance appraisal: After an employee has been selected for a job, has been trained to do it and has worked on it for a period of time, his performance should be evaluated. Performance evaluation or appraisal is the process of deciding how employees do their jobs. It is a method of evaluating the behavior of employees at the workplace and normally includes both the quantitative and qualitative aspects of job performance. It is systematic and objective way of evaluating work related behavior and potential of employees. It is a process that involves determining and communicating to an employee how he or she is performing and ideally, establishing a plan of improvement.

The appraisal process consists of six steps; (1) establish performance standards with employees; (2) set measurable goals (manager and employee) (3) measure actual performance (4) compare actual performance with standards; (5) discuss the appraisal with the employees and (6) if necessary initiate corrective action.

- vi. Compensation administrative: Compensation administration is the process of dividing how much an employee should be paid. The important goals of compensation administrative are to design a low-cost pay plan that will attract, motivate and retain competent employees-which is also perceived to be fair by these employees.
- vii. Incentives and benefits; In addition to a basic wage structure, most organization nowadays offer incentive compensation based on actual performance, Unlike

incentives, benefits, and services are offered to all employees as required by law including social security, insurance, workmen's compensation, welfare amenities etc. Organizations have been offering a plethora of other benefits and service as well as a means of sweetening the pot" (employee stock options, birthday gifts, anniversary gifts, holidays, club membership)

Maintenance: It aims at protecting and preserving the physical and psychological health of employees through various welfare measures.

- i. **Health and safety:** Managers at all levels are expected to know and enforce safety and health standards throughout the organization. They must ensure a work environment that protects employees from physical hazards, unhealthy conditions and unsafe acts of other personnel. Through proper safety and health programmes, the physical and psychological well - being of employees must be preserved and even improved.
- ii. **Employee welfare:** Employee welfare includes the services, amenities and facilities offered to employees within or outside the establishment for their physical, psychological and social well being. Housing transportation education and recreation facilitation are all included in the employee welfare package.
- iii. **Social security measures:** Managements provide social security to their employees in addition to fringe benefits. These measures include (a) workmen's compensation to those workers for their dependents who are involved in accidents (b) Maternity benefits to women employees, (c) Sickness benefits and medical benefits (d) Disablement benefits/allowance (e) Dependent benefits (f) Retirement benefits like provident fund, pension, gratuity etc.

Integration function: This tries to integrate the goals of an organization with employee's aspirations through various employee-oriented programmes, like redressing grievance promptly, instituting proper disciplinary measures, empowering people to decide things independently, encouraging a participative culture, offering constructive help to trade unions etc.

- i. **Grievance redressed:** A grievance is any factor involving wages, hours or conditions of employment that is used as a complaint against the employer. Constructive grievance handling depends first on the manager's ability to recognize, diagnose and correct the cause of potential employee dissatisfaction before it converts into a formal grievance.
- ii. **Discipline:** It is the force prompts an individual or a group to observe the rules, regulations and procedures, which are deemed necessary for the attainment of an objective.
- iii. **Teams and teamwork:** Self managed teams have emerged as the most important formal groups in today's organizations. They enhance employee, involvement and have the potential to create positive synergy. By increasing worker interaction, they create camaraderie among team members. They encourage individuals to sublimate their individual goals for those of the group. Teams have inherent strengths which ultimately lead to organizational success at various levels.

- iv. **Collective bargaining:** It is the process of agreeing on a satisfactory labour contract between management and union. The contract contains agreements about conditions of employment such as wages, hours, promotion, and discipline; lay off, benefits, vacations, rest pauses and the grievance procedure. The process of bargaining generally takes time, as both parties tend to make proposals and counter-proposals. The resulting agreement must be ratified by unions, workers and management.
- v. **Employee participation and empowerment:** Employee participation means sharing the decision-making power with the lower ranks of an organization in an appropriate manner. When workers participate in organizational decisions they are able to see the big picture clearly and also how their actions would impact the overall growth of the company. They can offer feedback immediately based on their experiences and improve the quality of decisions greatly. Since they are now treated with respect, they begin to view the job and the organization as their own, and commit themselves to organizational objectives whole heartedly.
- vi. **Trade unions and employees association.** Trade union is an association either of employees or employers or independent workers. It is a relatively permanent a body formed by workers with the objective of countering exploitation and harassment. It strives towards providing economic and social benefits to the labour community trade unions have always played a powerful role in improving the lot of workers in India, using aggressive bargaining tactics. However since the 90's the situation changed dramatically unable to fight the forces of competition, many employers have been forced to shut down units and scale down operations. This has made both parties realize the importance of bargaining for their rights in an atmosphere of give and take.
- vii. **Industrial relations:** Harmonious industrial, relations between labour and management are essential to achieve industrial growth and higher productivity. When the relationship between the parties is not cordial, discontentment develops and conflicts erupt abruptly. It is not always easy to put out the fires with the existing dispute settlement machines, created by the government. Hence both labour and management must appreciate the importance of openness, trust and collaboration.

Emerging issues: Effective management of human resources depends on refining HRM practices to changing conditions. Hence the need to look at other important issues that can motivate people to give their best in a dynamic ever changing environment.

- i. **Personal records:** Personnel records such as papers, files, cards, cassettes and films are maintained to have tangible record of what is actually happening in an organization and to formulate appropriate HR policies and programme based on historical records actual experience and future trends from time to time.
- ii. **Human resource audit:** Human Resource audit refers to an examination and evaluation of policies, procedures and practices to determine the effectiveness of

- HRM. Personnel audit (a) measures the effectiveness of personnel programmes and practices and (b) determines what should or should not be done in future.
- iii. Human resources research: It is the process of evaluation the effectiveness of human resources policies and practices and developing more appropriate ones.
 - iv. Human resources accounting: It is measurement of the cost and value of human resources to the organization. Human resource management is said to be effective if its value and contribution in any organization is more than its most.
 - v. Human resources information system: HRIS is an integrated system designed to improve the efficiency with which HR data is compiled. It makes HR records more useful to the management by serving as a source of information.
 - vi. Stress and counseling: Stress is the psychological and physical reaction to certain life events or situations. At an organizational level, stress results in burn out, substance abuse in the form of alcohol or drug use/dependence reduced job satisfaction, increased absenteeism and increased turnover. Companies, therefore, are closely looking at what should be done to promote the physical and mental well being of employees through proper counseling and employee development programmes.
 - vii. International human resource management: International business is important to almost every business today and so firms must increasingly be managed with a clear global focus. This of course poses many challenges before. International HRM places greater emphasis on a number of responsibilities and functions such as relocation, orientation and training services to help employees adapt to a new and different environment outside their own country.

Q.3 Discuss the stages of origin.& growth of personal functions in India?

Ans: Origin and Growth of Personnel Functions in India:

The history of the evolution and growth of human resource management in India is not very old. The various stages in the growth of HRM are described below:

1. **The Royal Commission on Labour in India:** The origin of personnel management In India can be found as far back as the beginning of 20th century, when welfare work for workers was started in factories during the 1920s. The Royal Commission on labour recommended in 1931 the appointment of labour officers to deal with the recruitment of workers and to settle their grievances. The royal commission observed that :
 - (a) The jobber should be excluded from the engagement and dismissal fo labour and that, instead, a labour officer be appointed for the purpose.
 - (b) The labour officer should have integrity, energy and gift of understanding individuals.
 - (c) All labour should be engaged by him
 - (d) None should be dismissed without consulting him.
 - (e) He should initiate and administer welfare measures.

2. **Appointment of Labour Officers:** Labour Officers were entrusted with the responsibility of promoting welfare activities. They functioned as industrial relations officers to handle grievances.
3. **The Second World War:** During second world war, these labour officers were generally entrusted with the handling of welfare and labour administration. They were to deal with working conditions, canteens, shops, recreation facilities, medical facilities, worker's housing etc.
4. **Appointment of Welfare Officer:** After independence, the factories Act, 1948 made it mandatory to appoint welfare officers in the factories employing 500 or more workers. These officers played a policing role in observing the compliance of statutory requirements. They promoted an amicable settlement of disputes between the workers and employers and maintained discipline.
5. **Social work practices:** Social work education which started in the country in 1936 stressed social work practices in personnel field. On the other hand, trade union movement gathered fast momentum in the country. Hence, industrial relations and collective bargaining soon realized relevance and significance in factories. Thus, two professional bodies, viz; the Indian Institute of Personnel Management and the National Institute of Labour Management were established during the 1950s.
6. **Enactment of Laws:** The enactment of the Industrial disputes act 1947 made adjudication compulsory. This made the welfare officer handle disputes and adjudicate relating to conditions of service, wages, benefits etc. The welfare officer thus became industrial relations officers. In Factories Act, 1948 a welfare officer had a list of duties laid down for him. Thus, they had to perform activities concerned with welfare, personnel administration and industrial relations.
7. **Personnel Function become Wide:** Till 1960 recruitment was untouched by law but the rapid growth of industry and the consequent demand for skilled and semi-skilled workers led to the government enacting the employment exchange Act, 1959 to regulate recruitment of workers. The apprentice act, 1961 was enacted to regulate the training of workers to some extent. During the 1960s, the scope of personnel function began to grow beyond the employee welfare. As a result three major areas of personnel management, viz; labour welfare, industrial relations, and personnel administration emerged as the complimentary branches of this field. In addition, the expansion of public sector undertakings during the five year plans has accelerated growth of personnel management. It also led to professionalization of management.
8. **1970 and After:** Human field of management in India continued to grow with industrial progress. During the 1970s many changes in the scope and nature of personnel management were noticed. The emphasis was shifted from welfare to efficiency, from individuals to groups, social systems, and communication networks. A change in professional values and human ideals was noticed. To solve productivity problems, personnel management turned to supervisory-development programmes, personnel research, public relations programmes and organization analysis. During the 1980s professionals stressed new concepts such

as “human resource management” and “human resource development”. The two professional bodies, IIPM and NILM also merged in 1980 to form National Institute of Personnel Management (NIPM). At a later stage, personnel officers were appointed as “labour welfare officer” to satisfy statutory requirements. Later, the role of a personnel officer was converted into that of an “industrial relations officer”. Today his role is that of a “human resource manager”. He works in the three areas- labour welfare, industrial relations and personnel administration. During the 1990s the human side of organizations has become more important. The emphasis of personnel management is on “human values” and its outlook has become philosophical. Most recently due to the onrush of human relations approach to management. The personnel function has turned into human resource management and human resource development.

Reasons for slow Growth of HRM or Factors Impeding

The Growth of HRM in India

The various factors which have impeded the growth and progress of human resource management in India are described below:

- 1. Sluggish Industrial Growth:** In India, it was late start of factory system. Industry started with the development of railways. Human resource management is conditioned by industrial development. Its growth can be linked to the late arrival of “large industry system.”
- 2. Illiteracy of Industry worker:** The Indian Workers in the early days of industrialization were illiterate and ignorant of employment procedures. They possessed low status, low understanding and low level of knowledge about industrial activities and labour welfare.
- 3. Casual Cheap Labour:** In India, the main source of labour supply has been the agricultural sector. This field is uncertain. Industrial sector draws labour from surrounding rural areas. Hence it adversely affected the growth of industrialization. The other view stated is that since labour was in abundance, good human relations could not develop. There have been arbitrary policies of recruitment, dismissals and lay-offs. This situation retarded the growth of HRM.
- 4. Weak Labour Movement:** In India, casual labour, illiteracy and ignorance, traditional thinking, outside leadership of union, unawareness of self right, heterogeneous nature of workers, etc. have been some of the reasons for weak labour movement. These conditions restricted the proper development of HRM in India.
- 5. Highly Authoritarian Culture:** There have been many feudal and authoritarian traditions and culture in India. This makes employees immature and dependent on superior. Independence is not a value in India. This culture discourages participative style of management. This culture treats workers as “slaves” and “machines” or inanimate things. Hence the proper philosophy of HRM could not develop in Indian industries.

- 6. Technological Backwardness:** The huge technological progress in the west has the standard of living of their workers. But in India we had very poor level of technical growth. Our techniques of production have been very traditional and old. This backward technology has also retarded the fast development of HRM in India.
- 7. Instability in Employment:** Workers are not stable in industries. They come from villages. They feel unable to stay long in the cities due to chronic housing problems, high rents, high rates of transportation etc. They face hurdles in settling down in cities and bringing their families from the village. In fact, industrial workers are pushed, not pulled to the city. This instability in employment could not establish the proper image of “human resource” of industries.
- 8. Unhealthy Growth of trade Unions:** Trade unionism in India developed quite slowly as compared to the western countries. This growth was affected by a host of factors like low membership, political leadership, lack of management support lack of funds, dual membership of unions, non-productive activities, etc. Workers do not take active part in union activities. Hence, they could not succeed in taking part in managerial affairs. They were not empowered by management. Thus, the status of HRM could not develop.
- 9. Poor working environment:** The working environment in factories has been extremely poor due to many factors such as long hours of work, monotonous. They tasks, job insecurity, lack of social security and welfare measures, mass illiteracy, etc. Due to this poor work environment, workers could not raise their status.
- 10. Indifferent Attitude of Management:** During the last few decades managers adopted a mechanistic and commodity approach towards the workers. They were treated as machines. They were not allowed any participation in management activities. Their jobs were not designed and enriched; Human resource activities were not organized. This impeded the growth the HRM in the country.
- 11. Other Inhibiting Factors :**
 - a. Lack of personnel management education.
 - b. Lack of professional and socially responsible approach towards workers development.
 - c. A pathetic attitude of Government towards employees” benefit and management.
 - d. Migratory character of Indian labour.
 - e. Rural background of labour.
 - f. Unsympathetic attitude and bureaucratic mentality of management.
 - g. Theory X assumptions of managers towards worker.

Ques 4 Examines New Emerging Environment, Trend and Future of HRM in India

Ans. The function of a personnel manager has gone many changes. The field of personnel management is expanding very fast. It has touched the new frontiers of knowledge. In old times, the job of a welfare officer was – “dealing with employment matters and labour grievances” personnel manager was identified with the paternalistic labour welfare officer. He played role only within legalistic framework. He followed the provisions of labour legislation. With the change in knowledge and philosophies, the personnel functions expanded, new dimensions were opened and the emphasis was shifted. With the result, roles, scope and philosophy of personnel management are changing fast. The greater emphasis on human dignity are more enlightened and changing fast. Labour movement have created many new dimensions for the changing human resource management in India. The consequences of these changes and new trends in the environment of HRM in India are described below:

- 1. Optimum use of Human Resources:** Professional personnel managers are assisting the line managers in such a way that the human resource is put to its maximum use.
- 2. Professional skill :** Various areas of human resource management require professional skills and talents. These areas include wage negotiations, collective bargaining, recruitment, social welfare, training and education, etc. Professional qualities of a personnel manager have become essential for self development also. Prof. Manoria has stated, “ In a fast changing society as our own, self-development in professional field is a continuing feature which must be kept up at all levels lest obsolescent would eat our vitalities.
- 3. Greater Emphasis on Human Resource-Development:** HRD is equipping people with relevant skills to have a healthy and satisfying life in organizations. HRD is a process of increasing the capacity of the human resource through development. It adds value to individuals, teams or an organization as a human system. The future of personnel management will be more about HRD rather than simply administering the personnel activities between individual development and the achievement of organizational goals. He will engage himself in HRD research.
- 4. Joint Decision making:** Industrial organizations are moving towards a joint consultative process of decision making. Employers and managers are voluntarily accepting it. Various methods of joint participation in management have been adopted. This has improved the quality of decisions.
- 5. Change in the profile of worker:** Today there is a lot of change in the profile of industrial worker, educated work force demands greater work autonomy in the work place. The number of women executives is increasing. Women workers have begun to assert and resist discrimination against them. Thus, managers have changed their existing personnel policies.
- 6. Change in Attitude of Top Management.** There is lot of change in attitudes of top management. Top managers treat workers as developing partners. They want to unleash human expertise through organization development. They are

- recognizing “human capital” as the most important factor of organizational growth.
- 7. Emphasis or motivation and morale:** HRM pays more attention on improving morale of employees through the process of motivation and incentives. It is very necessary to stimulate employees to get a desired course of action. The traditional motivation methods such as “carrot and stick” policy, punishment, negative encouragement, etc. are no longer effective. Today, HR manager is using many positive and psychological rewards such as job enrichment, challenging work autonomy, more responsibility participative management etc. They act as better motivators.
 - 8. Better Methods of Performance Appraisal:** Performance appraisal serves as a means of evaluating the effectiveness of workers. Traditional methods of records keeping and annual marking have become ineffective. Employees do not like closer supervision and formal procedures. HR manager use other modern methods to evaluate performance, such as group processes, discussions with middle managers, frequent work talk, self-assessment, mutual interaction on the work problems, goals achieved and future strategies to improve the qualitative aspects of work.
 - 9. Changing Work Ethics :** Today’s HR manager is a professional man who depends on certain rules of conduct and behavior. His decisions and actions are guided by moral values and ethical considerations. He sets quality standards for his work. He is committed to workers and their changing needs. The old philosophies of exploitation, self interest, cheating employers, dishonesty, injustice, etc. are changing, employees are trusted, shared information, and allowed more work Autonomy and more responsibility.
 - 10. Changing Role of Government:** The Government has enacted various labour and corporate laws. The HR manager is specialist. He keeps knowledge of various and legal provision to advise top executives. Government is also formulating various welfare plans and beneficial polices for labour. The personnel function has been broadened. It now includes changing legal obligations on the part of organizations.
 - 11. Worker as a Resource:** Today HR manager views workers, not as a liability but as a key resource which increase wealth in the organization and nation, Hence today workers are carefully nurtured and constantly developed.
 - 12. Human beings First:** Today organization is becoming conscious of the potential of new and latest technologies. But personnel managers have also realized the crucial role that human beings play in managing that technology. Only man can manage technology in a better way.
 - 13. Learning Organizations:** Learning is a process of gaining, influencing, and acquiring new skills. Hence those organizations which are able to give relevant training to their personnel and maintain their willingness to learn new ways to do things can hope to survive in today’s competitive and dynamic environment. Learning organizations are transforming units. HR managers create and nurture

learning segments is organization which could then be synthesized into a “learning whole”

- 14. Sharing the Global Thinking:** Today’s human resource managers are visualizing the possibility of a “global Village”. They are preparing employees for the global challenges. Sharing the global thinking, human resource managers, as the behavioral scientists, have accepted and introduced new concepts and models of motivation, learning, leadership, social and human interactions, socio-technical system, job enrichment, social comparison processes participative management, empowerment, managerial grid and kaizen. Thus, Indian personnel managers are prepared for strategic challenges of current times. They are gaining ground and strength to face the accelerating changes in all aspect of business – increasing competition, globalization business, technological change, changing work culture, resource constraints, transition from industrial to information society, unstable market owing to economic conditions, increasing demands by corporate stockholders, and a complex psychological environment.
- 15. More Emphasis on “Feelings” than structural Concepts:** Indian workers do not like being treated as puppets-blamed or belittled. They have more emotions, feelings, empathetic perceptions, impressions, and the affective components. That is why Indian human resource managers have allowed a thinking function also with performing aspect. They honor the feelings of workers with structural concepts such as hierarchy, status authority, responsibility, and accountability.
- 16. Balancing the Boss-Subordinate Relationship:** In India, a good HRM environment is emerging. It has changed the old thinking that boss is always right. New professionals have accepted this challenge. They have created an environment of trust, cooperation and equality. They have rejected the old idea of “superiority of boss”. HR managers have become the co performer and partners with employee. The boss subordinate relationship creates stressful situations, hampering the environment conducive to human resource management. The subordinates expect that the boss should have integrity, higher performance skill, commitment, guidance and leadership qualities, support and patron sing tendencies, accessibility, wider vision, sense of empowerment, and credibility, on the other hand, the boss expects that his subordinates should have a commitment through this new balanced relationship of “Co-partners” “Co-achievers” and “Co-performer” They have formulated the humanity-based personnel policies necessary for good HRM.
- 17. Experiencing Transition and Changes:** The Indian organizations are experiencing some transitions and changes. The workforce of the 50s and 60s have retired. The middle level is now at the top. And the new generation of MBAs are pouring into industrial organizations Moreover, there is now unprecedented growth of information technology, Hence there is a growing need to understand and manage this transition and give direction to this change process.
- 18. First Function to learn and practice:** The need for modern methods of managing human resources is now quite urgent. A survey conducted by Xavier’s

Labour Relations Institute, Jamshedpur, India revealed learn is human resource development (HRD) next to it in importance, it found, is info tech and systems.

19. Growing Importance of HRM: Debi S. Saini has explained that HRD is a conscious proactive arrangement by employers that seek to capacitate employees to give their maximum to the organization and to fully use their potential to develop themselves, HRD is only one of the functions of HRM. A survey of changed RM titles in India would reveal that most organizations use HRD related in India by industrial psychologists-turned-management consultants such as TV Rao and Udai Pareek. Many organizations have no. of HRM policies. Many organizations have no HRM policies hard or soft and uncritically name their personnel department as the HRD department in fact, a large number of people in India from students to managers to academics – mistakenly think that HRM and HRD are synonymous concepts. The Indian HRD discourse is more oblivious to issues of work place pluralism. In reality, therefore, HRD is practiced in the very hardest sense. One key reason for the slow growth the HRM is that Indian companies had not been much exposed to competition from the MNCs in the pre reforms era.

20. Primary of HRD over HRM: Debi S. Saini has made it clear that, “The primary of HRD over HRM in India shows that HRM mainly serves managerial needs. To that extent, it can be called “a sophisticated rejuvenation of crude Taylorism, which denudes the workplace of even semblance of countervailing power” of course, even the Western world also reflects a fairly big gap between the rhetoric of HRM and the actual realization of its projected goals.”

Saini further argues, “From the large number of workshops and conferences in which I have participated, I Find that HRM thinking in India is still quite patchy, short termist, and full of conceptual ambiguity, Perhaps, Indian academics have not sufficiently commented on HRM theory as it has been developed every developed everywhere. The emphasis in India is on major HRD interventions. Most HR thinking is descriptive and exhortations and little attempt has been made to knit the various HRD interventions into a coherent HR strategy with a wider framework. Even in the western world, both hard and soft HRM strategies coexist; but due to comparatively lower labour power in India hard versions predominate. Few organizations resort to soft interventions although so many of them swear by employee empowerment.

21. Proactive Employee Policies: Companies in India have adopted three sets of proactive employee policies – (a) positive work culture (b) HRD and (c) employee participation.

Many companies in India have developed their “ work culture” many public sector companies like CMC, Life Insurance corporation of India (LIC) steel Authority of India ltd. (SAIL) Canara Bank, Housing Development Finance Corporation (HDFC) Gas Authority of India Ltd. (GAIL) India Oil Corporation and Oriental Bank of Commerce (OBC) among other, have develop positive work cultures.

In the private sector, some of the companies that have made progress in initiating HRD interventions are Voltas Ltd. DCM Ltd. The Aditya Birla Group of Companies Mahindra & Mahindra, Eicher Tractors, Modi Zerox, Maruti Udyog Ltd. among others.

Many companies in India are promoting equality and a feeling among the employees. Many companies are emphasizing the model of HR policies featuring transparency, training and development, employee-oriented placement, employee welfare, and employee consultation. OBC is one of the finest examples of HRM in public sector organizations in India.

22. **Need to reorient Labour law framework:** Low labour productivity is a usual malaise in India. Hence HRD should be linked with strategizing for culture building. J.S. Sodhi has emphasized the need to reorient labour law framework to restore managerial prerogatives regarding layoffs, retrenchment, and discharge of employees due to non-performance. He also underscores that managements need to adopt strategies that may help workers develop a stake in the organization.
23. **Effective HRM Strategy:** Biswajeet Patnayak says that in order to achieve an effective HRM strategy, we have to integrate HRM with HRM IR and organization development (OD). The HRM strategies in India in the 21st century have to focus on better individual-organization interface and greater emphasis on organizational effectiveness than on personal success.

Ques 6: Write the concept of HRM .

Ans: Management has been defined by many people as “the art of getting things done through people” It is the field of human behavior in which managers manage HR. Organizations are made up of & run by people without people organization cannot function & exist without human efforts no firm can achieve its goals.

According to Urwick, “Business houses are made or broken in the long run not by market or capital, patents or equipment but by men.” This statement is very true because the physical & financial resources like money material machinery land facilities, facts & figures are collected coordinated & utilized through people.

Appley says “Management is personal administration” He writes “manager does not deal with men money & materials. They deal with money & materials through men he does not deal with schedules costs, quality volume & people. He reaches his objectives through people.

Human Resources represent the “people at work” They are the sum total of interest abilities, acquired knowledge, skills & aptitudes of employees.

According to Jucins, HR or Human Resources refer to “A whole consisting of interrelated, interdependent & interacting physiological, psychological, sociological & ethical components.

HRs have unique features comparable with other resources.

1. HR of a business is the product of their inherited abilities & interaction with the environment.
2. They have unique personality different needs attitudes & values.
3. They are dynamic & behave differently.
4. They control & utilize other resources.
5. They have the greatest potential to develop a growth.
6. They can produce or “real whole” that is something greater than the sum of its parts.
7. Human being himself determines what he contributes.

Ques 7 Write the role of HR manager?

Ans: HR manager plays a variety of roles:

1. A specialist & counselor
2. An information provider
3. A liaison man
4. A controller
5. A Charge Agent
6. Welfare officer
7. A problem solver
8. As spokesperson
9. Productivity Enhance
10. As an intellectual
11. An education
12. Humanist
13. As a Leader
14. As a discrimination
15. Strategic Partner
16. Human capital developer.

Need & Importance of HRD

Ques 1: Discuss the need & importance of HRD?

Ans: Need: Major reasons for the present emphasis on manpower planning include the following:

1. **Shortage of Skills:** There is acute shortage for a variety of skills. This emphasizes the need for more effective recruitment & retaining people.
2. **Technological changes:** Technological changes create problems relating to redundancies, retraining & redeployment. Technology however, is a double edged weapon & have, its impact on HR plans is difficult to predict.
High technology with all its attendant benefit may compel organization to go learn & downsize workforce suddenly. Employment planning under such situations becomes complicate.
3. **Organizational changes:** The changes is organizational environment activities & structure affect requirement of HRs & require strategic planning.
4. **Demography Changes:** The changes in work force in terms of age, sex, literacy technical ability social background etc., greatly require proper manpower planning.
5. **Specialist Skills:** Specialist skills are rare scarce, problems arise when such employs leave the organization because it gives a great loss to the organizations.
6. **Governmental influences:** Government control & changes in laws with regard to working condition house of work, casual labour, employment restrictions need a systematic HRP in industries.
7. **Legislative Controls:** The days of hire or fire policies have gone. The recent change relating to lay, offs, classers, strikes create the need to solve manpower problem.
8. **Pressure Groups:** Pressure group such as unions, politicians, displaced persons, sons & the soils have been raising contradictory pressures on management. This compels for sys. Thematic HRP.
9. **System Concepts:** It emphasizes planning & always of handling voluminous personnel records.
10. **Size:** The large size of organization creates the features of complexity, certainty & variable that requires HRP.

Other Factors:

1. Irregular age structure occurs when organization size has changed rapidly.
2. Cost of manpower is a major factor in the price of most goods & services.
3. An HR plan can provide adequate lead time for recruitment selection & Training.

Importance of HRP: HRP is a highly important & useful activity. If used properly, it offers a number of a benefit:

- a) Resereres of talent: The organization can have a reservoir of talent at any point of time. People with requisite skills are readily available to carry out the assigned tasks.
- b) Prepare people for future. People can be trained, motivated, a developed in advance & this helps in meeting future needs for high quality employee quite easily. Likewise, HR shortage can also be met comfortably when people quit the organization for various reasons through proper HRP.
- c) Expand or contract: It the organization wants to expand its scale of operations, it can go ahead easily. Advanced planning ensures a continuous supply of people with requisite skills who can handle challenging jobs easily.
- d) Cut costs: Planning facilitates the preparation of an appropriate HR budget for each department. This helps them in controlling HR Costs by avoiding shortage or excesses in HR supply. The physical facilities such as center, quarters, schools, medical help etc can also be planned in advanced.
- e) Succession planning: HRP, as pointed out previously, prepare people for future challenging the stars can be picked up & kept reay for further promotion whenever they arise all multinational companies for example have this policy of having hot list of promising candidness prepared in advance e.g. P & G HLL, Godrej consumer products its such candidates are rolled over various jobs & assessed continuously when the time comes, such people switch hats quickly & replace their respective bosses without any broken.

Ques 2. What is HRP? Explain its process?

Ans: According to robins & coulter, “Human Resource Planning is the process by which management ensure that it has the right number & kinds of people in the right places, and at the right time, who are capable of effectively & efficiently completing those tasks that will help the organization achieve its overall objectives.

Process: The process of HRP usually followed is a large organization, consists of the following steps :

Forecasting the demand for human resources: Most firms estimates how many employee they require in future. The demand for human talent at various levels is primarily due to the following.

- a) **External challenges:** These challenges arise from three important sources:
 1. Economic Development: - Liberalization, opening up a banking sector, capital market reforms, the on line trading systems have created huge. Demand for finance professionals during 1990-1995 in India. The late 90s saw the rise of manufacturing FMCG, Pharmaceuticals, Auto components, Health Care & Chemical Industries in a steady manner consequently the demand for

engineering management graduates, scientists, Health professionals has picked up in recent times.

2. Political, legal, social & technical changes:-The demand for certain categories of employees & skills is also influenced by changes in political, legal & social structure in an economy. Likewise, firms employing latest technology in construction, power, automobiles software, etc. have greatly enhanced the worth of technicians & however it is a double edged weapon & hence, its impact on HR plan is difficult to predict. High technology with all its attendants benefit may compel organizations to go lean & downsize work force suddenly. Employment planning in such situation become complicated.
 3. Competition: Companies operating in these fields where a large number of players are bent upon cutting each other's throat often reduce their workforce competition. It is beneficial to customers but suicidal for companies operations on thin margins, such companies have to necessarily go lean by reducing their work force. On the other hand, companies that are doing well & progressing smoothly will always look for people with critical skills.
- b) **Organizational Decision:** The organization's strategic plans, sales & production forecasts & new ventures must all be taken into account in employment planning.
- For example: If Tata expects high demand for memo the long term plan must be taken into consideration.
- (c) **Workforce factors:** Demand is modified by retirements terminations, resignations, death makes the rate of occurrence of these actions by employees fairly predictable.
- (d) **Forecasting techniques:** The manpower forecasting technique commonly employed by modern organization are given below:
- a. Expert forecasts: In this method, managers estimate future HR requirement using their experiences & judgment to good effect.
 - b. Trend Analysis: HR need can be estimated by examining past trend. Post rates of charge can be projected into the future or employment growth can be estimated by its relationship with a particular index.
- (d) **Other methods:** Several mathematical modules with the aid of computer are also used to forecast HR Needs. e.g. regression, optimization module, budget & planning analysis. Let's examine their steps as applied in a commercial
1. Workforce analysis: The average loss of manpower due to leave retirement, death transfer discharge, etc. during the last 5 year may be taken into account. The nature of competition say from foreign banks, other non-banking financial institutions, may also be considered here to find out actual requirements in a year.

Promotions Out

Transfers In

Job Hopping

Transfer Out

Retirements

URS Scheme

Reesuits In

Discharge& dismissal

Termination

Resignation

Promotion In

Retrenchment

Attraction in other

Banks etc.

Manpower Flows in a book

1. With some of the interchanges & internal supply could be predicted. (Growth opportunities, promotion transfers, retirements etc). Others are not so easy to predict past experience & historical data may help the bank manager in this regard.
2. Work load analysis : The need for manpower is also determined on the basis of work – load analysis wherein the company tries to calculate the number of persons required for various jobs with reference to a planned output after giving weight age to factors such as absenteeism....., idle time. etc. The following example would throw light on this:

Work load analysis

Planned output for the year – 1000 piece

Standard hours per piece – 3 hours

Planned hours required – 30,000 hours

Productive hours per peuom per year – 1000 hours

Following for absenteeism, turn over idle time etc.

No. of workers required

If span of control in the unit is 10 per offices, then

3 officers are also required

While determining manpower requirement through work load analysis commercial banks may have to take the following into account:

1. The number of transactions to be handled by an employee.
2. The amount of deposit & advance per employee.
3. Special requirements in respect of managing extension counters, currency chests mobile branches etc.
4. Future expansion plans of the bank concerned managerial judgment – a study of the past trend may serve as a useful guide in this regard statistical & econometric models may also be pressed into service sometimes, depending on the requirement.

- 3. Job analysis:** It helps in finding out the abilities or skills required to do the jobs efficiently. A detailed study of jobs is usually made to identify the qualifications & experience required for them the qualification & experience required for them job analysis include things:

1. Job description: Is a factual statement of the duties & responsibilities of a specific job. It gives an indication of what is to be done how it is to be done & why it is to be done.

2. Job specification: Provided information on the human attributes in terms of education, skills aptitudes & experience necessary to perform a job effectively.

2. Preparing manpower inventory (supply for costing)

The basic purpose of preparing manpower inventory is to find out the size of quality of personnel available within the organization to man various positions in every organization. Organization will have two major source of supply of manpower.

a. **Internal labour supply:** A profile of employees in terms of age, education training, experiences, job level, past performance & future potential should be kept ready for use whenever required. Requirement in terms of growth/diversification, internal movement of employees (transfer, promotions, retirement etc.) must also be assessed in advance the possibilities of absention & transfer should be kept in mind while preparing the workforce analysis. Through placement charts or succession plans, the organization can even find out the approximate date by which important position may fall vacant. Frequent manpower audit may be carried out for the available talent in terms of skills, performance & potential.

b. **Some of the important forecasting, technique may be summarized as follows:**

Staffing table: It shows the number of employees in each job. It tries to classify employee on the basis of age, sex, position, category, experience qualifications, skills, etc. A study of the table indicates whether current employee is properly utilized or not.

Source of Inflows

Transfers Promotion

Promotion

New Recruits

Recalls

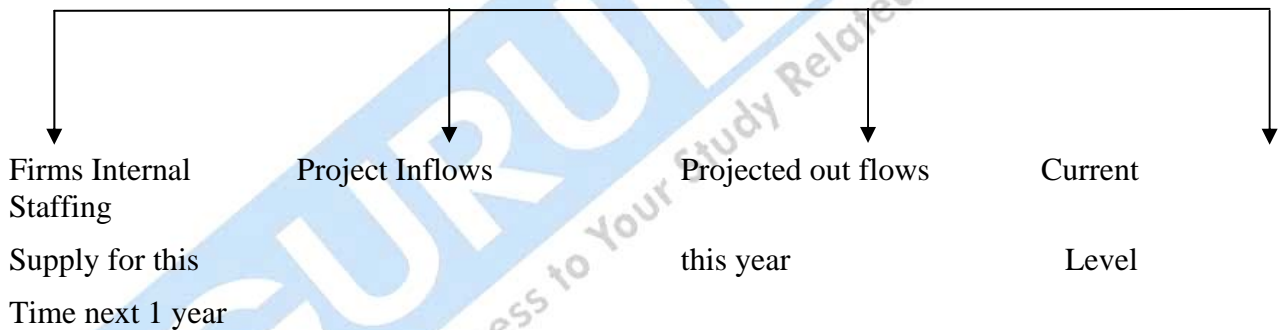
HHE Firm

Employees in

Employees Out

Projected outflows

- Promotion quits
- Terminations
- Retirements
- Baths
- Lay Off



Markov Analysis:

This technique uses historical rates of promotion, transfer & turnover to estimate future availabilities & Turnover to estimate future availabilities in the workforce based on past probabilities one can estimate the number of employees who will be in various position with the organization in future.

2003-04	Store Managers	Asst. Store Managers	Section Heads	Dept. Heads	Sales Executive	Exit
Store Managers (n=15)	80 percent					20 percent 3
Asst. Store Mgrs (n=36)	11 percent	83 percent 30				6 percent 2
Section Head		11 percent 11	66 percent	81 percent		15 percent

(n=94)			63	8		14
Deptt. Heads (n=288)			10 percent 29	72 percent 207	2 percent 6	16 percent 46
Sales Executive (n=1440)				6 percent 86	74 percent 1066	20 percent 28
Forcest supply	16	41	92	301	1072	353

Markov Analysis for a Hypothetical Retail Company

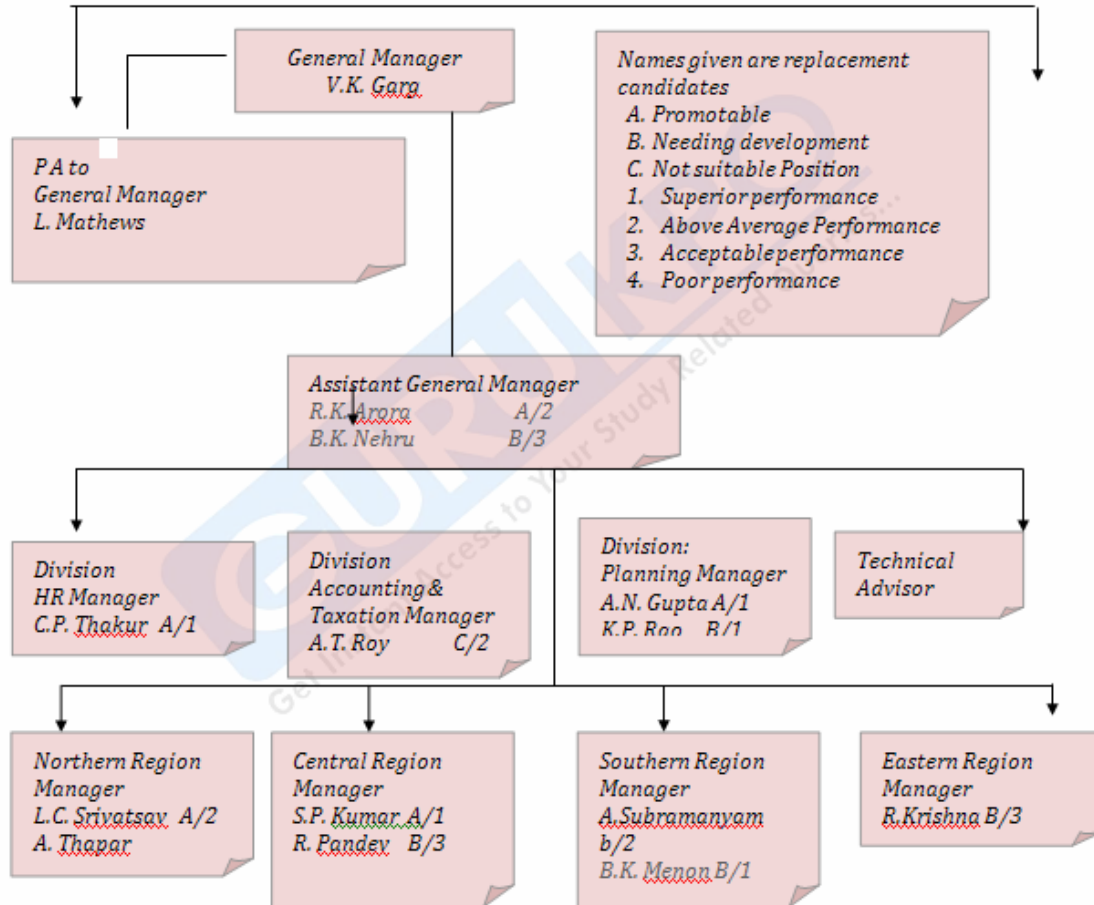
Skill Inventory: A skills inventory is an assessment of the knowledge skills abilities, experience & career aspirations of each of the current employees. This record should include-

Figure: 5.3

An Example of a skills Inventory

Name : A.K. Sen Number : 429			Date Printed : 01.04.2004 Department : 41			
Key Words			Work Experience			
Word	Description	Activity	From	to		
Accounting	Tax	Supervision And Analysis	1998	2000	Tax Clerk	ABC Co.
Book Keeping	Ledger	Supervision	2000	2002	Accountant	XYZ Co.
Auditing	Computer Records	Analysis	2002	2003	Chief Account Officer	TT Bank
Education			Special Qualification		Memberships	
Degree	Major	Year	Course	Date	1. AIMA	
MBA	Finance	1998	DBF	1996	2. ISTD	
B.Com	Accounts	1995	Risk Management	1999	3. ICA	
Computer Literacy	Languages	Position	Location Choice		Hobbies	
Tally Banking Software	French	<ul style="list-style-type: none"> Preference Accounting Auditing 	<ul style="list-style-type: none"> Kolkata Delhi Bangalore 		<ul style="list-style-type: none"> Chess Football Boating 	
Employee Signature			HR Department			
Date.....			Date.....			

Replacement chart: It shows the profile of job holders department wise and officer a snapshot of who will replace whom if there is a job opening. (See figure n executive replacement chart



It should be updated at least every 2 years & should include changes such as new skills additional qualification, changed job duties etc. Of course, confidentiality is an important issue in setting up such an inventory.

Diagram page 113

Replacement Chart page 113

B) External labour supply: When the organization grows rapidly diversifies into major area of operation (merchant banking, caption market operator, mutual funds etc in the case of a bank) or when it is not able to find the people initially to fill the vacancies; it has to look into outside sources. To the extent an organization is able to anticipate its outside recruitment needs & looks into the possible sources of supply keeping the market trends in mind, its problem in finding the right personnel with appropriate skill at the required time would become necessary.

Important Barometers of Labour Supply-

1. Net Migration into & out of the area.
2. Education levels of work force.
3. Demographic changes are population.

4. Technological development & shift.
 5. Population mobility.
 6. Demand for specific skills.
 7. National regional unemployment rates.
 8. Action of competing employees.
 9. Government policies, regulations, pressures.
 10. Economic forecasts for the next few years
 11. Attractiveness of an area.
 12. Attractiveness of an industry in a particular.
3. **Determining Manpower Gaps :** The existing number of personnel & their skills (from HR inventory) are compared with the forecasted manpower needs (demand forecasting) to determine the quantitative & qualitative gaps in the work force a reconciliation of demand & supply forecasts will give us the number of people to be recruited or made redundant as the case may be. This forms the basis for preparing the HR plan. The diagram shows how demand & supply forecasts can be related over period of three years.

Determining HR requirements

1. No. required at the beginning of the year.
 2. Changes to requirement for cost during this year.
 3. Total requirement at the end of the year.
 4. No. Available at the beginning of the year.
 5. Additional (Transfer, promotions).
 6. Separations (Retirement, wastage, promotion out).
 7. Total available at the end of the year.
 8. Deficit or surplus.
 9. Losses of those recruitment during the year.
 10. Additional no. needed during the year.
4. **Formulating HR plans:** Organization operation in a changing environment consequently HR requirement also changes continuously. Changes product mix, union, agreement competitive action is some of the important things that need special attention. The HR requirement identified along the procedure outlined in the above box needed to be translated into concrete HR Plan, backed up by detailed policies, programmes & strategies (for requirement, selection training, promotion, retirement, replacement etc.)

Recruitment plan: It indicates the number & type of people required & when they are needed. Special plans to recruit right people & how they are to be dealt with via the recruitment programme.

Redeployment Plan: It indicates the programme for transferring or retraining existing employee for new jobs.

Redundancy Plan: It indicates who is redundant when & where, the plans for retraining where this is possible & plans for golden handshake, retrenchment Lay off etc.

Training Plan : It indicates no. of training or apprentices required & the programme for recruiting or training them; existing staff requiring training or retraining; new course to be developed or changes to be effected in existing course etc.

Productivity Plan: It indicates reasons for employee productivity or reducing employee costs through work simplification studies, mechanization, productivity bargaining incentives & profit sharing schemes redesign.

Retention plan: It indicates reasons for employee turnover & show strategies to avoid wastages through compensation policies, changes in work requirement & improvement in working conditions.

Central Points: The entire manpower plan can be subjected to close monitoring from time to time. Control points be set up to find out deviations, parodied updating of manpower, inventory in the light of changing circumstances can be undertaken to remove deficiencies & develop future plans.

Send your requisition at
info@biyanicolleges.org