



SYLLABUS

Class: - B.Com. (Hons) III Year

Subject: - Human Resource Management

UNIT – I	Concepts and Perspective on Human Resource Management HRM- Definition Concept, Functions, Roles, Human Resource Management in Changing Environment, Corporate Objective and Human Resource Planning
UNIT – II	Career and Succession Planning, Methods of Career Planning, Career Life Stages. Job Analysis and Role Description, HR Audit, Methods of Manpower Search, Attracting and Selecting Human Resource. Advantage of Internal and External Recruitment,
UNIT – III	Induction and Socialization, Manpower training and development concept, Need. Methods, Benefits of Training, Evaluation of Training. Concept & Methods of Management Development, Design of a Training Module. Employee Engagement
UNIT – IV	Performance Evaluation: Performance Appraisal and Potential Evaluation, Various Methods of Appraisal. Uses of Performance Appraisal Job Evaluation & Wage Determination.
UNIT – V	Employee Welfare: Industrial Relation and Trade Unions, Dispute Resolution. Grievance Management. Essentials of Effective collective bargaining. Employee Empowerment. Quality Circles. International Labor Organisation



UNIT-I

“HR IS THE MOST VIBRANT AND DYNAMIC RESOURCE” – P. SUBBA RAO

Introduction:-

Henry Fayol the pioneer in the field of management state “Take out my building take out my machines and all capital but leave my men with me, I will become Henry Fayol again”. This statement of Henry Fayol highlights that human resources in an organization plays a crucial role.

The Human Resource represent the ‘people at work’.

The human resource refers to the knowledge, skills, abilities, values, aptitude & beliefs possessed by the workforce in organization.

Human Resource Management:-

HRM is a process of bringing people & organization together so that the goals of each are met. It is the part of the management process which is concerned with the management of human resources in an organization & tries to secure best from the people by winning their wholehearted co-operation. In short, it may be defined as the art of procurement, developing and maintaining competent workforce to achieve the goals of an organization in an effective and efficient manner.

Definitions:

1. According to **Edwin Flippo**: HRM is planning, organizing, directing, controlling of procurement, development, compensation, integration, maintenance & separation of human resources to the end so that individual, organizational & social objectives are achieved.
2. HRM is the organizational function that deals with issues related to people such as compensation, hiring, performance management, organization development, safety, wellness benefits, employee motivation, communication, administration & training.
3. HRM is the process of attracting developing & maintaining a talented & energetic workforce to support organizational mission, objectives & strategies.

Nature of HRM:

1. Pervasive function
2. Action oriented: Scope of HRM is not only limited to record keeping.
3. Individually oriented
4. People oriented
5. Future oriented
6. Development oriented
7. Integrated Function
8. Comprehensive function: It covers all the type of personnel.
9. Auxiliary service: It is a staff function(Advice)
10. Inter disciplinary function
11. Continuous function
12. Involves team sprit & team work
13. Management function



Scope of HRM:



1. **HR planning:** HRP refers to a process by which the company identifies the no. of jobs vacant, whether the company has excess staff or shortage of staff & to deal with this excess or shortage of staff.
2. **Job analysis:** It gives a detailed explanation about each & every job in the company.
3. **Recruitment & Selection:** Recruitment is searching for the prospective employee & selection is a process used to identify & hire individual.
4. **Orientation & induction:** once a employee is being selected an induction program is conducted.
5. **Training & development:** Every employee goes under training program which helps him to put up a better performance on the job.
6. **Performance Appraisal:** HR department conducts appraisal programs & based on that appraisals decide future promotions, incentives, increments in salary etc.
7. **Compensation Planning & Remuneration:** Compensation Planning ensures that jobs are fairly compensated and more difficult jobs are paid more. It ensures equal pay or equal work.



8. **Motivation, Welfare, Health & Safety:** It deals with working condition and amenities such as canteens, crèches, rest and lunch rooms, medical assistance, education, health and safety, recreation facilities.
9. **Industry Relations:** It includes maintaining relation with the union members, settlement of disputes, grievances handling.

Objectives of HRM –

- 1) Procurement of the Personnel
- 2) Effective Utilization of Human resources
- 3) To Build Desirable Working Relationships
- 4) Maximum Individual Development
- 5) To Secure Integration
- 6) To Satisfy, Individual Needs and Group Goals
- 7) Development of Team Work
- 8) Raising Morale of Employees
- 9) Maintaining Good Relations Between Employer and Employees
- 10) To Create Disciplined Atmosphere

Functions of HRM:

The functions of HRM can be broadly classified into two categories:

1. Managerial Functions
2. Operative Functions
3. Advisory Functions

(I). MANAGERIAL FUNCTIONS:

- i. Planning:** In the area of human resource management planning involves deciding human resource goals, planning human resources, requirements, recruitment, selection, training etc.
- ii. Organising:** It is concerned with proper grouping of personnel activities, assignment of duties and delegation of authority.
- iii. Directing:** It involves the process of motivating, leading, supervising, activating and guiding the personnel as and when necessary.
- iv. Controlling:** It involves measurement of employees performance & taking corrective action.

(II). OPERATIVE FUNCTIONS:

Operative functions are related to specific activities of personnel management through:

1. Procurement or Employment function
2. Development function
3. Compensation Function
4. Integration Function
5. Maintenance

1) Procurement or employment function:

Employment is concerned with securing & employing the right kind and proper number of people required to accomplish the organizational objective. It consists of the following activities:

- a. **Job Analysis:** It is the process of studying in detail the operations and responsibilities involved in a job.
- b. **HR Planning**
- c. **Recruitment**
- d. **Selection**
- e. **Placement**
- f. **Induction or orientation**
- g. **Transfer, Promotion & Demotion**
- h. **Discharge & Separation**



- 2) **Development Function:** It is the process of improving, molding & changing the skill knowledge, creativity, attitude, values, commitments etc. of employees so that they can perform the present and future jobs more effectively. It includes:
- a. Performance appraisal and potential appraisal
 - b. Training
 - c. **Management Development:** It is the process of developing managerial talent through appropriate programmes.
 - d. **Career Planning and Development:** It involves planning the career of employees and implementing career plans so as to fulfil the career aspiration of employees.
- 3) **Compensation Function:** It is the process of providing adequate equitable & fair remuneration to the employees. It includes:
- a. **Job Evaluation:** It is the process of determining the relative worth of a job.
 - b. **Wage & salary administration:** It implies developing and operating a suitable wage and salary programme.
 - c. Bonus & incentives
 - d. **Fringe Benefits:** These are the various extra benefits provided to employees in addition to the compensation paid in the form of salary or wage. Ex .Recreation facilities, Education facility to children etc.
 - e. **Social Security Measures:** Ex. Medical benefits, sick benefits, maternity benefits etc.
- 4) **Integration Function:** It is the process of integrating the goals of an organization with employees goals through various employee oriented programmes. It includes
- a) grievances handling,
 - b) Instituting proper disciplinary measures,
 - c) Employee participation
 - d) Communications
 - e) Counseling
 - f) Collective Bargaining
 - g) Discipline
 - h) Conflict Management
 - i) Quality of Work Life
 - j) Industrial Relations
- 5) **Maintenance:** It is concerned with the perpetuating a willing and able workforce. It involves protecting and promoting the physical and mental health of employee. It includes –
- a. Health and Safety
 - b. Medical Services
 - c. Protection and Security
 - d. Social Security
 - e. Compliance with Labour Laws
 - f. Employee Benefits and Services
 - g. Personnel Research
 - h. Personnel Records.

III) ADVISORY FUNCTIONS

- 1) Service Provision
- 2) Advice and Guidance to Line Managers
- 3) Staff Role-Advice, Counsel, and Recommendation to Top Management
- 4) Support and Assistance
- 5) Line Functions
- 6) Coordinate Function



- 7) Innovative Function
- 8) Employee Advocacy Role and Function

IMPORTANCE OF HRM

- 1) Important Task of Management
- 2) Achievement of Enterprise Goals
- 3) Realization of Intrinsic Abilities
- 4) Satisfaction from Work
- 5) Nervous System of the Organization
- 6) Effectiveness and Economy of Operations
- 7) Basis of Success
- 8) Performs the Toughest Job: Dealing with the Human Beings
- 9) Managerial Necessity
- 10) Twofold Role
- 11) Overcoming Competition
- 12) Managing Environment
- 13) Utilization of Human Resources
- 14) Building Team Work

ROLE OF PERSONNEL MANAGER:

Administrative role	Operational role	Strategic role
• Policy Maker • Administrative Expert • Advisor • Housekeeper • Counselor • Welfare Officer • Legal Consultant	• Recruiter • Trainer • Developer • Motivator • Coordinator • Mediator	• Change Agent • Strategic Partner

HR managers perform different type of roles. They are as follows:

1. Administrative role
2. Operational role
3. Strategic role

1. Administrative role: It includes:

- **Policy Maker:** Hr manager helps management in the formation of policies governing talent acquisition and retention, wage and salary administration, welfare activities etc.
- **Administrative Expert:** Here the role of HR manager is heavily oriented to processing and record keeping.
- **Advisor:** Personnel management is not a line responsibility but a staff function. Staff function advices, suggests, counsel and help the line managers in discharging their responsibility.



- **Housekeeper:** It includes recruiting, pre-employment testing, reference checking, employee surveys, wage and salary administration etc.
- **Counselor:** The personnel manager discusses various problems of the employees relating to work, career, their supervisors, colleagues, health, family, financial, social etc and advises them on minimizing and overcoming problems, if any.
- **Welfare Officer:** As a welfare officer he provides and maintains canteens, hospitals, crèches, clubs, libraries etc.
- **Legal Consultant:** Personnel manager plays a role of grievance handling, settling of disputes, handling disciplinary cases, doing collective bargaining etc.

2. Operational roles:

- Recruiter
- Trainer, developer, motivator
- Coordinator
- Mediator/Linking pin

3. Strategic Roles: The strategic role of HR management focuses attention on how to enable ordinary employees to turn out extra ordinary performance, taking care of their ever changing expectations.

- **Change Agent:** HR's role as a change agent is to replace resistance with resolve, planning with results and fear of change with excitement about its possibilities. Hr helps an organization identify the key success factors for change and assess organization's strength and weaknesses.
- **Strategic Partner:** Hr role is to deliver strategic services cost effectively by building a competent, consumer oriented workforce. It must assume important roles in strategy formulation as well as strategy implementation.

HUMAN RESOURCE PLANNING

Human Resource Planning deals with a anticipating staff requirements, taking into account current and likely future demand for skills, and the probable availability of individuals with such skills. It is the process by which a firm determines how a management should move from its current manpower position to its desired manpower position.

Characteristics of HRP –

- Involves Strategy
- Deals with policies in programme
- It involves both a quantifiable and qualitative dimension.
- It is a Continuous process
- It has the short-range, mid-range and long-range time frame
- Future oriented
- It fulfills the human resource gap
- It may be organized at different levels of an organization.

Need for HRP –

- Shortage of Skills
- Technological Changes



- Organizational Changes
- Demographic Changes
- Specialist Skill
- Governmental Influences
- Legislative Controls
- Pressure Groups
- Systems Groups
- System Concept
- Size
- Other Factors

Process of HRP –



- **Environmental Scanning:** Environmental scanning helps HR Planners identify and anticipate sources of problems, threats, and opportunities that should drive the organization's strategic planning. Hence, the first step in HR Planning is to collect information from the external environment regarding the following factors:
 - Economy
 - Technology
 - Competition
 - Labour Markets
 - Demographic and Social Trends
 - Government regulations
 - Legal Environment
- **Internal Review:** Basically, this is an internal analysis and review that includes the assessment of the following things:
 - The vision and strategy
 - Organizational plans
 - Time Horizon



- Current Human Resources
- Objectives of Manpower Planning
- **Forecasting Demand for Human Resources (Manpower Forecasting):** Once HR planners have collected information from both internal and external sources, they forecast the demand for human resources, which depends on several factors, such as:
 - Employment Trends
 - Business Plans
 - Demographics
 - The Economy
 - Technological Trends
 - Social Trends
- **Forecasting Supply of Human Resources:** Whereas the manpower demand forecast projects HR needs, the manpower supply forecast projects resource availability. Supply of human resource forecasts are broken down into two categories:
 - Internal Supply
 - External Supply
- **Matching Demand and supply Forecasting:** Once an organization has forecast HR demand as well as HR supply, the next step is to compare the two. The comparison may disclose the following conditions:
 - HR supply = HR demand
 - HR supply < HR demand (Deficit/shortage)
 - HR supply > HR demand (Surplus)
- **Action Planning and Programming:** A discrepancy between demand and supply requires that action plans should be developed to eliminate it. Such action plans can be undertaken:
 - Layoffs
 - Downsizing
 - Attrition
 - Early Retirement
 - Reduced Work Hours
 - Out placement
 - Hiring
 - Retraining
 - Career Management
 - Productivity Programmes
 - Reduction in Workforce
- **Monitoring and Control:** Once the actions plans are implemented, the human resource structure and system need to be reviewed and regulated.

LIMITATIONS OF HRP-

- 1) Inaccuracy
- 2) Resistance
- 3) Uncertainties
- 4) Lack of Top Management Support
- 5) Time and Expense
- 6) Unbalanced Focus



UNIT-II

CAREER PLANNING

Concept of career:

According to E.H. Schein, "A career is a sequence of positions held by a person during the course of a lifetime. It comprises a series of activities that provide continuity, order and meaning to a person's life."



Features of Career:

1. It is a proper sequence of job related activities.
2. It may be individual centered or organization centered.
3. It is a sequence of career progression within an occupation.
4. It is a lateral movement in an occupation of an individual over his employment span.
5. It is a sum total of all the jobs occupied by a person during his working life.
6. A career develops overtime
7. The important element in one's career is experiencing psychological success which is feeling a sense of personal accomplishment and fulfillment.
8. It is the individual who ultimately must judge the success of his career.

Meaning of Career Planning:

Career planning is the process by which one selects career goals and the path to reach goals. The major focus of career planning is on assisting the employees achieve a better match between personal goals and the opportunities that are realistically available in the organization. Career programs should not concentrate only on career growth opportunities. Hence, career planning efforts need to pinpoint and highlight those areas that offer psychological success instead of vertical growth.

According to Schermerbon, hunt and osborn, "Career planning is a process of systematically matching career goals and individual capabilities with opportunities for their fulfillments."

Characteristics of Career Planning:

- 1) Career planning is identifying and matching the needs of individuals and organisations.
- 2) It is an individual's choice of occupation, organization and career path.
- 3) It is not an event or end in itself. It is a continuous process of developing human resources for achieving optimum results.
- 4) It defines life career, abilities and interests of employees.
- 5) It is a management technique for mapping out the entire career of young employees in higher skilled, supervisory, and managerial positions.

Objectives of career planning:

1. Attract and retain talent by offering careers not jobs.
2. Use human resources effectively and achieve greater productivity.



3. Improve employee morale and motivation.
4. To encourage individuals to explore and gather information, which enables them to gain competencies. Make decisions, set goals and take action.
5. To increase employee productivity.
6. To prevent job obsolescence.
7. To improve the quality of employee work life.
8. To help companies meet internal staffing requirements and reduce turnover.
9. To help companies meet their need for challenge and achievements of career goals.
10. To develop an awareness of each employee uniqueness.

Advantages

Career Planning Benefits



- **Benefits to employee:** The employee has advance knowledge of career opportunities within the company. He knows where he stands, where he wants to go, who is ahead of him, how to scale the corporate ladder. This helps him set his career goals more realistically and take appropriate steps to realize them.
- **Benefits to organization:** Organization can base their decisions more systematically. Fast tracks for stars could be arranged, training to slow movers can be provided, replacements can be planned in advance, hard hard-working, talented people can be retained through offering attractive career options and compensation plans: job assignments can be made based on merit etc.
- **Relations:** Relations between the employer and the employee would become more cordial; employee skills could be used properly; valued employees could be retained, there will be an expanded image of the company as a people developer.

Limitations

- For small units (where there are very few opportunities for the vertical growth of employees) it is not suitable.
- Several environmental factors such as government policy, laws of the land, reservation based on castes, regional pressures, union demands may upset career planning and development efforts.
- In the organization fails to focus on any of the career related issue clearly, problems may crop up (eg., early career issues, mid career issues, late career issues, minority group, dual career couples, failure to match task and emotional needs, post retirement issues, forced lay-off issues etc.).



Process of Career Planning



The career planning process involves the following steps:

a. **Identifying individual needs and aspirations:**

The basic purpose of such an exercise is to an employee form a clear view about what he should do to build his career within the company. Workshops and seminars increase employee's interest by showing the value of career planning. They help employees set career goals, identify career paths and uncover specific career developments activities.

b. **Exploring career:**

At this step, the employee will investigate the world of work in greater depth. An employee will begin to identify potential careers, gather information about those careers, and match the career information with the results from self-assessment.

c. **Analyzing career opportunities:**

Once career need and aspirations of employees are known the organization has to provide career paths for each position. Career paths show career progressions, possibilities clearly. They indicate the various positions that one should hold over a period of time, if one is able to perform well.

d. **Career Goal Setting:**

In this step, individuals evaluate occupational choices and gain practical experience through internships, cooperative education, relevant industrial training, work experiences and organization activities. Goal setting can be done with the help of career counseling, information services, HR department and skills inventories.

e. **Aligning needs and opportunities:**

This process consists of two steps: identify the potential of employees and then undertake career developments programs with a view to align employee need and organizational opportunities.

f. **Career Preparation:**

It is essential to acquire the additional skills and knowledge for starting new career.



g. Self-Marketing:

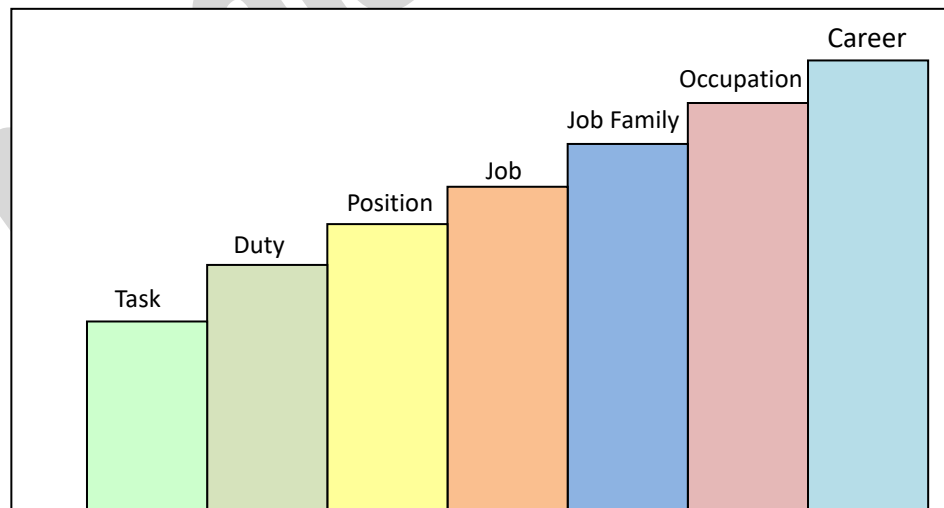
This step is crucial to career planning process. Without adopting self-marketing strategies, all the career goals and preparations are useless. Employees have to market their skills to their present or prospective firms so that the employee can attain his career vision with ease.

h. Action plans and periodic reviews:

The action plans of individual career development are made. This will be helpful for the employee to know in which direction he is moving.

JOB ANALYSIS

'Job' consists of a group of tasks that must be performed for an organization to achieve its goals.



The Job Analysis Information Hierarchy

Job analysis is a formal and detailed examination of jobs. It is systematic investigation of the tasks, duties, responsibilities necessary to do a job.

Job analysis is the procedure through which we find out (1) what the job entails, and (2) what kinds of people (in terms of skill and experience) should be hired for the job.

Characteristics:

- Formal & Detail study
- Dynamics
- Comprises four components: Job description, job specification, job performance standards and role analysis.
- Different from motion and work study (Taylor)
- It is taken up at three times: (a) When the organization starts and a 'work design programme' is initiated; (b) when new jobs are created; and (c) when jobs undergo drastic changes as a result of new methods, procedures, systems or technology.
- Pervasive

Uses of Job Analysis –

- 1) **Human Resource Planning** – Job analysis helps in forecasting human resource requirements in terms of knowledge and skills. It also helps in determining quality of human resources needed in an organization.

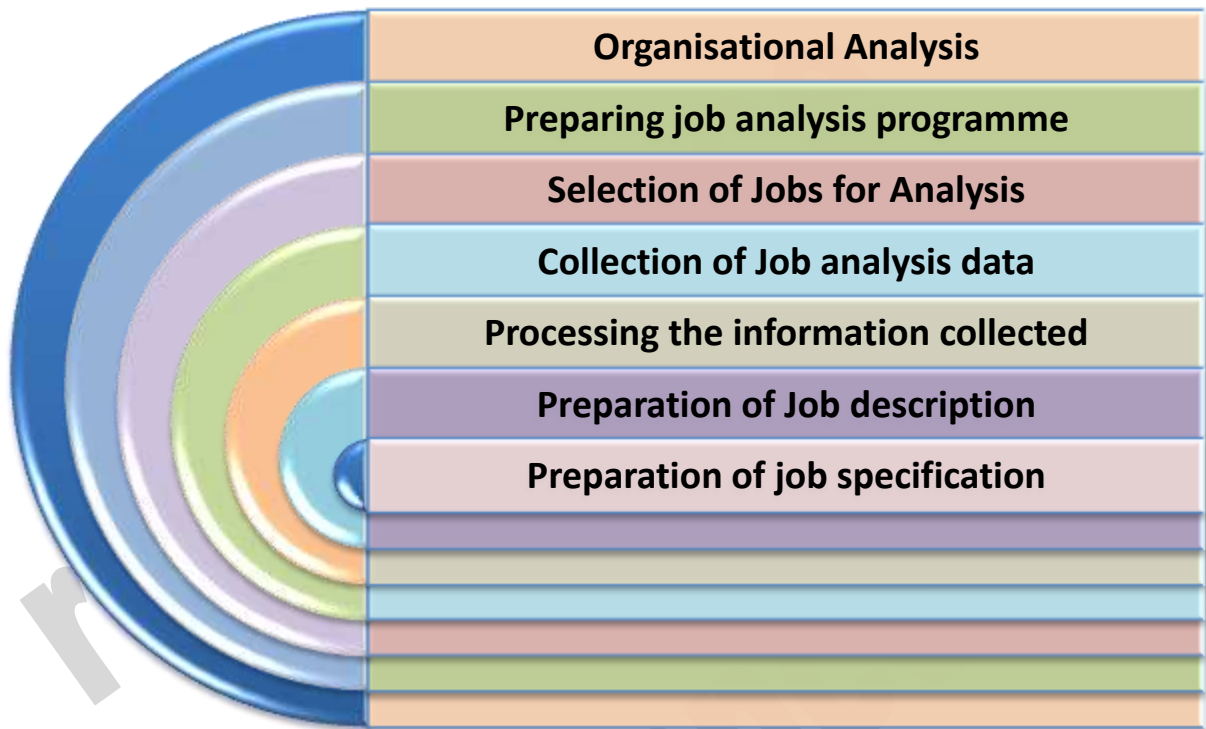


- 2) **Recruitment** – Job analysis is used to find out how and when to hire people for future job openings. For ex: company might be traditionally hiring MBA students for marketing purpose but through job analysis showed that the position can be filled by hiring a graduate with marketing skills.
- 3) **Selection** – Without a proper understanding of what is to be done on job, it is not possible to select the right person.
- 4) **Placement and orientation** – After selection people, we have to place them on jobs best suited to their interest, activities, and aptitude, if we are not sure about what is to be done on a job, it is not possible to teach a new employee how to handle a job.
- 5) **Training** – If there is confusion about what the job is and what is supposed to be done, proper training efforts cannot be initiated.
- 6) **Counseling** – Managers can properly counsel the employees about their careers when they understand the different jobs in the organization.
- 7) **Employee Safety** – A thorough job analysis reveals unsafe conditions associated conditions associated with the job.
- 8) **Performance Appraisal** – In performance appraisal we compare the work of an employee what he has to do and what he is actually doing. What the employee is supposed to do is based on job analysis.
- 9) **Job design and redesign** – Jobs are understood more properly through job analysis. It is easy to locate the weak points in any and take remedial steps.
- 10) **Job Evaluation** – Job evaluation is finding the worth of any job i.e. how much is to be paid for any particular job. This can be done through job analysis as it tells the degree of difficulty in any job, type of work done, skills and knowledge needed etc which is the basis on evaluating the job worth.

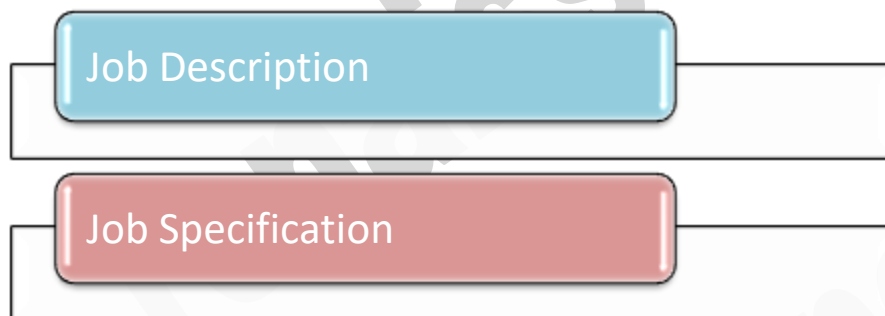
Process of Job analysis

The major steps involved in job analysis are as follows –

- 1) **Organisational Analysis** – Firstly we need to obtain an overall picture of the various jobs in an organization.
- 2) **Preparing job analysis programme** – The company makes plan and decides who will be in charge of the programme and assigns responsibilities. A budget and a time schedule are also developed.
- 3) **Selection of Jobs for Analysis**
- 4) **Collection of Job analysis data** – This step involves the collection of data on the characteristics of the job, the required behaviour and personal qualification needed to carry out the job effectively.
- 5) **Processing the information collected**
- 6) **Preparation of Job description** – This step involves describing the contents of the job in terms of functions, duties responsibilities operation etc.
- 7) **Preparation of job specification** – This step involves conversion of job description statements into job specification.



Components/elements of Job Analysis:



Job Description –

A job description (JD) is a written statement of what the job holder does how it is done, under what conditions it is done and why it is done. It should accurately portray job content, environment, work performed, the responsibilities involved, the skill or training required conditions under which the job is done, relations with other jobs, and personal requirements of the job.

Contents –

- Job title
- Job summary
- Duties Performed
- Supervision
- Relation to other jobs
- Machines, tools and materials
- Working conditions
- Social environment

Job specification



Job specification summarizes the human characteristics needed for satisfaction needed for satisfactory job completion. It tries to describe the key qualifications someone needs to perform the job successfully. It spells out the important attributes of a person in terms of education, experience, knowledge, skills and abilities (KSAs) to perform a particular job.

HR AUDIT

Human Resource Audit is a comprehensive method of objective and systematic verification of current practices, documentation, policies and procedures prevalent in the HR system of the organization.

The **HR Audit** is the process of evaluating the performance of Human Resource Department and its activities undertaken, and the policies followed towards the accomplishment of organizational goals.

The HR Audit is conducted to identify the lapses, shortcomings, gaps in the implementation of HR functions and suggesting the remedial actions, if any.

It is an analytical, investigative and comparative process. It gives feedback about HR functions to operating managers and HR specialists. It enables to know about the effectiveness of HRM programmes. It further provides feedback about how well managers are meeting their HR duties. It provides quality control check on HR activities. It refers to determine the effectiveness and efficiency of HRM.

The **essential features** of HR audit are:

- (1) The measurement and effectiveness HR management's mission, goals, strategies, policies, programmes and activities, and
- (2) To determine the action plan for future in response to the results from such measurement.

According to R.D. Gray, "the primary purpose of audit is to know how the various units are functioning and how they have been able to meet the policies and guidelines which were agreed upon; and to assist the rest of the organization by identifying the gap between objectives and results for the end product of an evaluation should be to formulate plans for corrections or adjustments."

Objectives of HR Audit:

- (1) To review every aspect of management of HR to determine the effectiveness of each programmes in an organisation.
- (2) To seek explanation and information in respect of failure and success of HR.
- (3) To evaluate implementation of policies.



4) To evaluate the performance of personnel staff and employees.

(5) To seek priorities, values and goals of management philosophy.

Need for Human Resource Audit:

Though there is no legal obligation to have HR audit as in case of financial accounts but the managements have realized its need and usefulness. Therefore they have taken up HR audit voluntarily.

It is done to fulfill the following needs:

(1) The managements of organisations have realized the need for HR audit because of powerful influence on motivation of employees at work due to participation of employees in decision making.

(2) Growth of organisation needs HR audit. Large organisation requires continuous feedback for improvement in performance of its employees.

(3) Mounting pressures from trade unions of employees and their participation in formulating employment policy and questioning of managerial competence have raised the need for HR audit.

(4) An effective two way communication system has also facilitated the need for HR audit.

(5) Many plants are located at large distances. This also made the HR audit compulsory.

(6) The HR audit becomes essential because of delegation of authority and decentralization of power.



Approaches to HR Audit



Following are the approaches that can be adopted by an auditor to evaluate the performance of the HR department:

1. **Comparative:** In this approach, the auditor identifies any company usually the competitor's company as a model. Then the results of the organization are compared with that of the model company.
2. **Outside Authority:** The auditor uses the standard set as a benchmark by the outside consultant and then compares the organization's performance with that.
3. **Statistical:** Under this approach, the auditor develops the statistical measures of performance for the existing organization's information, such as turnover rates, absenteeism.
4. **Compliance:** Here the auditor checks the past actions of the company to ensure that those activities comply with the legal requirements and is in line with the company's policy and procedures.
5. **Management by Objective:** under this approach, the auditors check the performance of HR personnel against the goals set by the top management.

RECRUITMENT

Recruitment is defined as "a process of searching for prospective employees & stimulating them to apply for jobs in the organization."

The function of recruitment precedes the selection function & its includes only finding, developing, the sources of prospective employees & attracting them to apply for jobs in an organization, whereas the selection is the process of finding out the most suitable candidate to the job out of the candidates attracted (i.e. recruited)

Characteristics –

- Positive Process
- Group of Activities (Not a single task)
- Pervasive
- Complex
- Linking Activity

Need and Objectives of Recruitment –

- a) Vacancies created due to transfer, promotion, retirement, termination, permanent disability or



death.

- b) Vacancies created due to expansion, diversification, and growth of business.
- c) The normal population growth, which requires increased goods and services to meet the needs of the people.
- d) A rising standard of living, which requires more of the same goods and services as well as the creation of new wants to be satisfied.
- e) An increase in the competitive advantage of certain concerns, enabling them to get more of the available business than formerly.
- f) An increase in business arising from an upswing during the recovery period of a business cycle.

Process of Recruitment –

- 1) Recruitment process begins when the personnel department receives requisitions for recruitment from any department of the company.
- 2) The next step is assessment of personnel requirement through job descriptions and job specifications.
- 3) Locating and developing the sources of required number and type of employees.
- 4) Identifying the prospective employees with particular combinations of skill, experience, education, and other personal attribute.
- 5) Communicating the information about the organization, the job, the terms and conditions of service, and the applicable laws and regulations.
- 6) Encouraging the identified candidates to apply for jobs in the organizations.
- 7) Evaluating the effectiveness of recruitment process.

Sources of Recruitment –

The sources of recruitment are broadly divided into –

- a. Internal sources
- b. External source

**Internal
sources**

- Present permanent employees
- Retrenched or Retired Employees
- Dependants of deceased, disabled, retire & present employee

**External
sources**

- Campus recruitment
- Private Employment Agencies/ Consultants
- Public employment Exchanges
- Professional Associations
- Data banks
- Casual applicants
- Similar organization
- Trade unions



Internal sources –

Internal sources are the sources within an organizational pursuit, internal sources included –

- 1) **Present permanent employees** – Organization considers the candidates from this sources for higher level jobs for ex. Promotion, transfers.
 - **Promotions** – Most of the internal candidates would be submitted to take up higher responsibilities & express their willingness to be engaged in the higher level jobs if management gives them assurance that they will be promoted to the next higher level.
 - **Transfers** – Employees will be stimulated to work in new sections or places if management wishes to transfer to the places of their choice.
- 2) **Retrenched or Retired Employees** – Organization retrenches the employees due to layoff. The organization takes the candidates for employment from the retrenched employee due to obligation trade union pressure etc. sometimes the organization prefer to reemploy their retirees employees as a token of layoff to the organization.
- 3) **Dependants of deceased, disabled, retire & present employee** – Some organization with a view to developing the commitment & loyalty of not only the employees but also his family members & to build up image provide employment to the dependant(s) of deceased, disabled & present employees.

Advantages of Internal Recruitment

- The internal recruitment is an excellent tool for the retention of employees, who are not identified as key employees, top performers or high potentials
- The internal recruitment can be much quicker than the external recruitment
- The internal recruitment has a huge impact on loyalty and the engagement of employees
- The internal recruitment is cheap and helps to increase the productivity and performance of the organization

Disadvantages of Internal Recruitment

- The internal recruitment does not bring new and innovative ideas into the organization
- The organization has to define clear and strict rules for the internal recruitment, as the employees do focus on meeting their targets. They should not be allowed to change the position too often
- Managers do not like to allow their employees change the position. They have to find the replacement, and they have difficulties to meet their goals

External Sources

External sources are the sources which are outside the organization pursuit –

External sources include –

- | | |
|---|-------------------------|
| a. Campus recruitment | e. Data banks |
| b. Private Employment Agencies/ Consultants | f. Casual applicants |
| c. Public employment Exchanges | g. Similar organization |
| d. Professional Associations | h. Trade unions |

Advantages of External Recruitment

- It can bring fresher skills and inputs to the table
- It promotes better competition
- It is a good way to get ideas from other businesses or industries

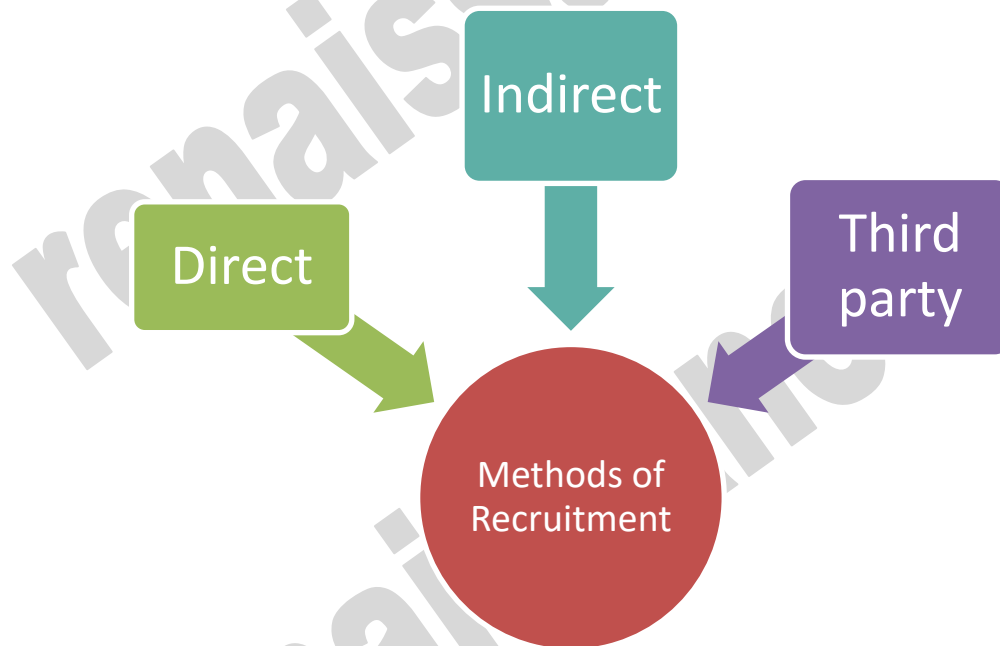
Disadvantages of External Recruitment



- It recruits candidates with limited understanding of your company
- It is time-consuming
- It comes with issues of maladjustment

Methods of Recruitment

- 1) Direct Methods
- 2) Indirect Methods
- 3) Third Party Methods



SELECTION

Definition – Selection is the process of picking individuals who have relevant qualifications to fill job in an organization. The basic purpose is to choose the individual who can most successfully perform the job, from the pool of qualified candidates.

“Selection is the process by which candidates for employment are divided into two classes-those who will be offered employment and those who will not.” – Dale Yoder

Characteristics of Selection –

- 1) Sorting process
- 2) Negative process
- 3) Sequence of hurdles
- 4) Based on standard pattern
- 5) Process of picking out best suited men.

The process

- 1) **Receiving of Applications** – Various job-seekers send their applications to the employment office or Personnel Department of the company in response to the advertisement made by it.
- 2) **Scrutiny of Applications** – All applications received are scrutinized by the Personnel Department in order to eliminate those applicants who do not fulfill required qualifications.
- 3) **Screening/preliminary Interview** – A preliminary interview is generally planned by large organizations to cut the cost of selection by allowing only eligible to go through the further stages in



selection. A junior executive from the HR Department may conduct the interview & take responses from applicants on important items determining the suitability of an applicant for a job such as age, education, experience etc.

Hiring Decision	Step 9
Reference Checks	Step 8
Medical Examination	Step 7
Selection Interview	Step 6
Selection Tests	Step 5
Application Blank	Step 4
Screening Interview	Step 3
Scrutiny of applications	Step 2
Reception of applications	Step 1

3. **Application Blank** – application blank or form is one of the most common methods used to collect information on various aspects of the applicants' academic, social demographic, work related background and references.
4. **Selection Testing** – A test is a sample measurement of an individual's job-related abilities and skills. It provides a basis for comparing the behavior, performance and attitudes of two or more persons. There are various types of test:
 - a. Intelligence Tests.
 - b. Aptitude Tests
 - c. Personality Tests
 - d. Achievement Tests
 - e. Simulation Tests
5. **Selection Interview** – Interview is the oral examination of candidates for employment.
Types of Interviews
 - 1) **The non-directive interview** – The recruiter asks question as they come to mind.
 - 2) **The directive or structured interview** – The recruiter uses a predetermined set of questions that are clearly job related.
 - 3) **The situational interview** – The interviewer attempts find how applicants would respond to aggressive, embarrassing and insulting questions.
 - 4) **Stress interview** – The interviewer attempts find how applicants would respond to aggressive, embarrassing and insulting questions.
 - 5) **Panel Interview** – The applicant meets with three to five interviewers who take turns asking questions.
6. **Medical Examination** – Certain jobs require physical qualities like clear vision, acute hearing, unusually high stamina, tolerance level etc. which are ensured through medical examination.
7. **Reference checks** – Candidates are required to give the names of two or three references in their application forms.
8. **Hiring Decision** – The line Manager concerned has to make the final decision-whether to select or reject a candidate. After taking the final decision the organization sends the offer letter to the successful candidates.



UNIT-III

PLACEMENT

Placement is the task to match positions with people so that each individual is assigned to that position where he is likely to make the best use of his abilities consistent with the requirements of his job. It is the process of assigning a specific job to the candidates selected by the company.

INDUCTION

Induction is designed to provide a new employee with the information he needs to function comfortably and effectively in the organization. It is the task of introducing the new employees to the organization and its policies, procedures and rules.

Types of Induction Programme -

- 1) Informal Induction
- 2) Formal Induction

SOCIALIZATION

Socialization in organization occurs when a new employee learns the norms, values, work procedures, and patterns of behaviour that are expected in the organization.

TRAINING & DEVELOPMENT

INTRODUCTION

Training is a specialized function of human resource management. Every organization needs to have well defined trained people to perform the activities. As job have become more complex it s necessary to raise the skills level of employees.

MEANING & DEFINITION OF TRAINING:-

It is true in many organizations that before an employee is fitted into a harmonious working relationship with other employees, he is given adequate training. Training is the act of increasing the knowledge & skills of an employee for performing a particular job. A trainee learns new habits, refined skills and useful knowledge during the training that helps him improve performance. It is a systematic procedure for transferring technical knowhow to the employees.

According to Edwin B. Flippo. "Training is the act of increasing the knowledge & skills of an employee for doing particular job."

According to Dale B. Beach, training is "the organized procedure by which people learn knowledge and skill for a definite purpose".

Thus training refers to the teaching and learning activities directed at helping employees acquire & apply the knowledge skills, abilities & attitudes needed by a particular job & organization.

CHARACTERISTICS or NATURE OF TRAINING

1. Training is an act of increasing the knowledge, skills of an employee for doing a particular job.
2. Training is a continuous process.
3. It involves changing of skills, knowledge, attitudes or social behavior.
4. It is learning process & experience.
5. It seeks relatively permanent change in an individual that will improve.
6. Training is an aid to self development.
7. Essential part of management development.
8. Focus attention on the current job and it is job specific & addresses particular performance defeats or problems.
9. Concentrates on individual employees.
10. Training complement selection if well qualified candidates are selected, there will be less need of training inside the organization.



NEEDS & OBJECTS OF TRAINING

Training is needed to serve the following purpose

1. **Job requirements**—Newly recruited employee require training so as to perform their tasks effectively.
2. **Promotion**- Training is necessary to prepare existing employees for higher level jobs.
3. **Transfers**-Training is necessary to when a person moves from one job to another job. After training the employee can change job quickly, improve his performance levels & achieve career goals compatibly.
4. **Technological changes**-Technology is changing very fast. New jobs require new skills. No organization can miss the advantages of latest technology without well trained employees.
5. **Increasing competition**-Due to economic liberalization & globalization the firms are experiencing & expansion & diversification of business & products. The kin competition has increased uncertainties & complexities in the market. Thus, in order to face such challenges the firms has to improve their capabilities.
6. **Organizational Viability** – Trained employees are the valuable assets of a company. But the skills of men become outdated due to fast changing conditions in the market and economy. Over the passage of time, employees suffer from personal obsolescence. Their knowledge becomes old. Hence, existing employees need refresher training to keep them abreast of new knowledge.
7. **Hiring Misfits** – Today, public welfare, reservation policy or social responsibility have made it necessary to employ those generally regarded as unemployables. The social goal of equal employment opportunity has been accepted nationwide. Minority group members have claim to be recruited. Something these persons may be misfits. But their shortage of skills can be removed by 'training'.

TYPES OF TRAINING OR APPROACHES OF TRAINING





1. **Orientation Training** – It is also known as pre job induction training. This training provides new employees with information about company policies, history, procedure pay & benefits, conditions of employment etc. This training adjusts newly appointed employees to the work environment.
2. **Skills training** – This type of training is most common in organizations. The need for training in basic skills such as reading, writing, computing, peaking, listing problem solving, leading etc. is identified through assessment.
3. **Refresher Training** – Rapid changes in technology may force companies to go in for this king of training organizing short term courses which incorporate the latest knowledge developments in a particular field, the company may keep its employee up to date and ready to take emerging challenges.
4. **Cross functional training**- Involves training employees to perform operations in areas other than their assigned jobs. There are many approaches to cross functional training job rotation can be used to provide a manager in one functional area with a broader perspective than they would otherwise have departments can exchange personnel for a certain period so that each employee how other departments are functioning.
5. **Training for promotion**- employees of high potential are selected & they are given training before promotion. This training is provided when vacant posts are filled up by internal recruitment i.e. by promotion.
6. **Safety Training**- This training is being provided to minimize accidents & damage to machinery. It involves instruction in use of machinery & safety devices.
7. **Apprentice Training**- It is used to prepare employees for a variety of skilled occupations & crafts for examples it is provided to tailor electrotyper, machinist, printing pressman, designer etc.
8. **Internship training**- It refers to joint programme of training educational institutions & business corporate selected students carry on regular school studies for period ranging from 3 to 12 months & then work in the factory or office for a designed period of time.
9. **Remedial Training**- This training has the object to overcome the short coming in the behavior and performance of old employees. Such employees are indetified and correct work methods and procedures are taught to them.
10. **Diversity Training**- Considers all of the diverse dimension in the work place, such gender, age, disability, lifestyle, culture education, idea etc. while designing a training programme. It concentrates on awareness building & skills building.
11. **Job Training**- This training is a conducted with a well increase the knowledge & skills of an employee for improving job performance.
12. **Creative Training**- Involves employees to think unconventionally, go out of the box & give unexpected solutions.

Difference between Training & Development

Learning Dimension	Training	Development
Meant for	Operatives	Executives
Focus	Current job	Current and future job
Scope	Individual employee	Work group or organization
Goal	Fix current skill deficit	Prepare for future work demands
Initiated by	Management – External motivation	The individual – Internal motivation
Content	Specific job related information	General knowledge
Time-frame	Immediate	Long term



The Training Process:-

In order to achieve the objectives, an approximate training programme is necessary
The process is as follows-



1. **Organizational objectives:** - An organization first assesses its objective. What business are use in what product do we wish to provide to customers? These questions will decide what skills, knowledge, attitudes & other personnel attributes are necessary for employees.
2. **Training Policy:** - A training policy presents the commitment of top management to employee training. It consists of rules & procedures concerning training. A training policy is required to guide the design & implementation of training programme.
3. **Responsibility of training:-** Training is a joint process. It responsibility has to be shared among the top management, personal department, the line supervisor & the employees.
4. **Training needs assessment:-** It is the most important step in the process. It is from this needs assessment not the entire training process will flow.
5. **Selection of trainees:** - It is necessary to decide who are to be trained new or old employees.
6. **Training goals:** - The Training goals should ensure that the assessed needs will be served.
7. **Prepare the trainees:** - The source of training depends to a great extent upon the instructors or the resource persons.
8. **Developing Training Package:** - It involves deciding the content of training, designing support materials & choosing appropriate training techniques.
9. **Presenting the operation:** - This is action phase of training. The instructor uses explanation & demonstration for training.



10. **Performance Tryout:-** The trainee is asked questions in order to endure that he really knows & understands the job. He is also asked to do the job several times.
11. **Overall evaluation:-** At the end of training, formal evaluation of the training programme is necessary. This evaluation must be directly related.

IMPORTANCE

Training offers innumerable benefits to both employees and employers. It makes the employee more productive and more useful to an organization. The importance of training can be studied under the following heads:

Benefits to the business:

- Trained workers can work more efficiently. They use machines, tools and materials in a proper way. Wastage is thus eliminated to a large extent.
- There will be fewer accidents. Training improves the knowledge of employees regarding the use of machines and equipment. Hence, trained workers need not be put under close supervision, as they know how to handle operations properly.
- Trained workers can show superior performance. They can turn out better performance. They can turn out better quality goods by putting the materials, tools and equipment to good use.
- Training makes employees more loyal to an organization. They will be less inclined to leave the unit where there are growth opportunities.

Benefits to the employees:

- Training makes an employee more useful to firm. Hence, he will find employment more easily.
- Training makes employees more efficient and effective. By combining materials, tools and equipment in a right way, they can produce more with minimum effort.
- Training enables employees to secure promotions easily. They can realize their career goals comfortably.
- Training helps an employee to move from one organization to another easily. He can be more mobile and pursue career goals actively.
- Employees can avoid mistakes, accidents on the job. They can handle jobs with confidence. They will be more satisfied on their jobs. Their morale would be high.
- Thus, training can contribute to higher production, fewer mistakes, greater job satisfaction and lower labour turnover.

AREAS OF TRAINING

The area of Training in which training is offered may be classified into the following categories.

1. Knowledge

Here the trainee learns about a set of rules and regulations about the job, the staff and the products or services offered by the company. The aim is to make the employee fully aware of what goes on inside and outside the company.

2. Technical Skills

The employee is taught a specific skill (e.g., operating a machine, handling computer etc.) so that he can acquire that skill and contribute meaningfully.

3. Social Skills

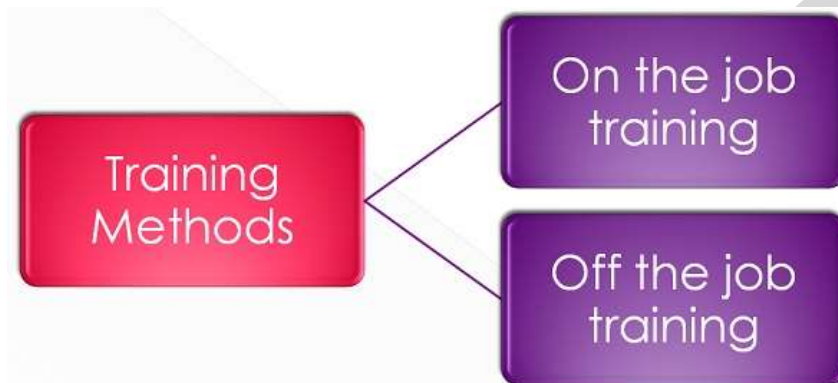
The employee is made to learn about himself and others, and to develop a right mental attitude towards the job, colleagues and the company. The principal focus is on teaching the employee how to be a team member and get ahead.

TRAINING METHODS

Training methods are usually classified by the location of instruction. On the job training is provided when the workers are taught relevant knowledge, skills and abilities at the actual workplace; off-the-job training,



on the other hand, requires that trainees learn at a location other than the real work spot. Some of the widely used training methods are listed below.



- I) On-the-Job Training Methods
 - II) Classroom Approach, or Informational or Presentation Methods
 - III) Experiential or Hands-on Methods
 - IV) Self-Paced or Computer-Based Methods
- I) ON THE JOB TRAINING METHODS:**



1. On-the-Job Training (OJT)

This method places the employees in an actual work situation and makes them appear to be immediately productive. It is learning by doing. Individuals are trained on the same machines, while doing the same work expected of them. The employee learns in the same environment where he will be working at his regular tasks.

2. Job Instruction Training

It is a form of OJT. Many jobs consist of a logical sequence of steps and are best taught step-by-step. It is listing each job's basic tasks along with key points, in order to provide step-by-step training for employees. The steps show what is to be done. Key points show how it is to be done and why.

3. Just-Do-It Training

This approach is a combination of Job Instruction Training and Japanese philosophy of continuous improvement. This JDIT approach begins with instruction on basic principle and then moves to the job where a need for improvement has been identified.

4. Coaching



Coaching is a kind of daily training and feedback given to employees by immediate supervisors. It may be defined as an informal, unplanned training and development activity provided by supervisors and peers. In coaching, the supervisor explains things and answers questions; he throws light on why things are done the way they are; he offers a model for trainees to copy; conducts a lot of decision making meetings with trainees; procedures are agreed upon and the trainee is given enough authority to make decisions and even commit mistakes. Of course, coaching can be a taxing job in that the coach may not possess requisite skills to guide the learner in a systematic way. Sometimes, doing a full day's work may be more important than putting the learner on track.

5. Mentoring:

Mentoring is a relationship in which a senior manager in an organization assumes the responsibility for grooming a junior person. Technical, interpersonal and political skills are generally conveyed in such a relationship from the more experienced person. A mentor is a teacher, spouse, counselor, developer of skills and intellect, host, guide, exemplar and most importantly, supporter and facilitator in the realization of the vision the young person (protégé) has about the kind of life he wants as an adult.

The main objective is to help employees attain physiological maturity and effectiveness and get integrated with the organization. In a work situation, such mentoring can take place at both formal and informal levels, depending on the prevailing work culture and the commitment from the top management. Formal mentoring can be very faithful, if management invests time and money in such relationship building experiences.

6. Job Rotation:

This kind of training involves the movement of trainee from one job to another. This helps him to have a general understanding of how the organization functions. The purpose of the job rotation is to provide trainees with a larger organizational perspective and a greater understanding of different functional areas as well as a better sense of their own career objectives and interest. Apart from relieving boredom, job rotation allows trainees to build rapport with a wide range of individuals within the organization, facilitating future cooperation among departments. The cross-trained personnel offer a great amount of flexibility for organizations when transfers, promotions or replacements become inevitable.

II) Classroom Approach, or Informational or Presentation Methods



1. Vestibule training:

In this method, actual work conditions are simulated in a classroom. Material, files and equipment – those that are used in actual job performance are also used in the training. This type of training is commonly used for training personnel for clerical and semi-skilled jobs. The duration of this training ranges from a few days to a few weeks. Theory can be related to practice in this method.

2. Lecture method: The lecture is a traditional and direct method of instruction. The instructor organizes the material and gives it to a group of trainees in the form of a talk. To be effective, the lecture must motivate and create interest among the trainees. An advantage of the lecture method is that it is direct and can be used for a large group of trainees. Thus, costs and time involved are reduced. The major limitation of the lecture method is that it does not provide for transfer of training effectively.

3. Conference approach: In this method, the trainer delivers a lecture and involves the trainee in a discussion so that his doubt about the job gets clarified. When big organizations use this method, the trainees use audio-visual aids such as black boards, mockups and slides; in some cases the lectures are videotaped or audio taped. Even the trainee's presentation can be taped for self confrontation and self assessment.

The conference is thus, a group-centered approach where there is a classification of ideas, communication of procedures and standards to the trainees. Those individuals who have a general educational background and whatever specific skills are required such as typing, shorthand, office equipment operation, filing, indexing, recording etc. may be provided with specific instructions to handle their respective jobs.

4. Apprenticeship Training

Most craft workers such as plumbers and carpenters are trained through formal apprenticeship programmes. Apprentices are trainees who spend a prescribed amount of time working with an experienced guide, coach or trainer. Assistantship and internships are similar to apprenticeships because they also demand high levels of participation from the trainee. An internship is a kind of on-the-job training that usually combines job training with classroom instruction in trade schools, colleges or universities. Coaching, as explained above, is similar to apprenticeship because the coach attempts to provide a model for the trainee to copy. One important disadvantage of the apprenticeship methods is the uniform period of training offered to trainees. People have different



abilities and learn at varied rates. Those who learn fast may quite the programme in frustration. Slow learners may need additional training time. It is also likely that in these days of rapid changes in technology, old skills may get outdated quickly. Trainees who spend years learning specific skills may find, upon completion of their programmes, that the job skills they acquired are no longer appropriate

5. Internship

It is a joint programme of training in which educational institutions and business houses cooperate. In this method, students are given practical training while they study. Selected candidates carry on regular studies and they are also sent to factory or office during their vacations to get practical knowledge of their job.

6. Programmed instruction:

This method has become popular in recent years. The subject matter to be learned is presented in a series of carefully planned sequential units. These units are arranged from simple to more complex levels of instruction. The trainee goes through these units by answering questions or filling the blanks. This method is thus, expensive and time-consuming.

III) Experiential or Hands-on Methods

- 1. Case Method:** The case is an actual situation which is written for discussion purposes. Case presents an in-depth description of a particular problem an employee might encounter on the job. Here, the trainee attempts to find and analyze the problem, evaluate alternative courses of action, and decide what course of action would be most satisfactory.
- 2. Role playing:** It is defined as a method of human interaction that involves realistic behavior in imaginary situations. This method of training involves action, doing and practice. The participants play the role of certain characters, such as the production manager, mechanical engineer, superintendents, maintenance engineers, quality control inspectors, foreman, workers and the like. Method is mostly used for developing interpersonal interactions and relations.
- 3. Management Games:** This is group exercise in decision-making as regards an administrative problem situation. It is similar to role playing. But while role playing seeks to emphasize feelings and relationships between people, management games are more concerned with administrative problems.
- 4. In-Basket Exercise:** This method is designed around the "incoming mail" of a manager. It involves simulation of a series of decisions a trainee might have to make in real life. A variety of decision situations are presented to trainee. Like an executive, trainee is presented with pack of papers and files in a tray containing administrative problems. He is asked to take decisions within specified time limit. Thus, decisions taken by several trainees are recorded and compared with one another. This method is useful in identifying executive potential.
- 5. Sensitivity Training:** The aim of this training is to develop awareness and sensitivity to behavioral patterns of oneself and others. According to Flipppo, the goals of this training are: (1) increased openness with others, (2) Greater concern for other, (3) Increased tolerance for individual differences, (4) enhanced listening skills (5) understanding of group processes, and (6) increased trust and support.

IV) Self-Paced or Computer-Based Methods

1. Computer-Based Training (CBT)
2. Distance and Interest-Based Training
3. E-learning
4. Virtual Classroom



EMPLOYEE ENGAGEMENT

Employee engagement is a property of the relationship between an organization and its employees. An “engaged employee” is one who is fully absorbed by and enthusiastic about their work and so takes positive action to further the organization’s reputation and interests.

Kevin Kruse from Forbes.com says the definition of employee engagement is;
Employee engagement is the emotional commitment the employee has to the organization and its goals.

Employee engagement is actually the level of enthusiasm and dedication an employee feels toward his or her job. To these engaged employees, it is far more than a pay cheque – it is the eagerness towards their task that makes them passionate in their work, and this passion is often reflected in their individual outcomes.

An engaged employee cares about their work and about the performance of the company, and they want to feel that their efforts could make a difference. It is generally seen as an internal state of mind; physically, mentally and emotionally that binds together the work effort, commitment and satisfaction in an employee.

Employee engagement does not mean employee happiness.

Employee engagement doesn't mean employee satisfaction.



**Same boat, different engagement.
Some drive it, some jump off it.**



UNIT-IV

PERFORMANCE APPRAISAL

It is the comparative evaluation and analysis of the individual merit of the employees. It analyzes the differences in performance between employees who are working on similar jobs. It is also known as 'merit rating', 'employee rating', 'efficiency rating', 'performance evaluation', 'performance review', 'personnel rating' or employee evaluation. Merit rating refers to the evaluation or appraisal of the worth of the man's services on his job. It is the process of assessing the performance and progress of an employee on a given job and his potential for future development.

Acc. To Scott, Clothier and Spriegel:

"Performance appraisal (or merit rating) is the process of evaluating the employees performance on the job in terms of requirements of the job."

Characteristics of Performance Appraisal –

- 1) It is a means of self-control, judgement and evaluating "Potentiality".
- 2) It is a scientific study in which formal procedures and actual data are used in this study.
- 3) It is a systematic evaluation of an employee's strengths and weaknesses in terms of job requirements.
- 4) It is a continuous process.
- 5) It is results-oriented as well as potential-oriented.

Objectives of Performance Appraisal –

Merit rating has the following objectives –

- 1) To evaluate the merit of an employee for the purpose of promotion, increment, reward and other benefits.
- 2) To establish and develop a wage system and incentive scheme.
- 3) To determine the suitability of an employee for a particular job.
- 4) To analyze the merits (or demerits) of a worker and help him in developing his capability and competence for the job.
- 5) Help in executive decisions related to human resource department (HRD).
- 6) Appraisal of workers.
- 7) Continuous record for the worth of a worker.
- 8) Tool for decisions related to training, placement, promotion, confirmation, increment, transfer and counseling of workers.
- 9) Useful for understanding areas of improvement in a worker.
- 10) Helps in discovering special talents in a worker.
- 11) Useful in personal research, validation of training objectives and training methodology.

Process

- 1) Establishing Performance Standards
- 2) Communicating the Standards
- 3) Measuring Performance
- 4) Comparing the Actual with the Standards
- 5) Discussing the Appraisal
- 6) Taking Corrective Actions

Advantages of Performance Appraisal –

- 1) Systematic evaluation of employees.
- 2) Facilitates matching of job with individual
- 3) Facilitates promotion related decisions



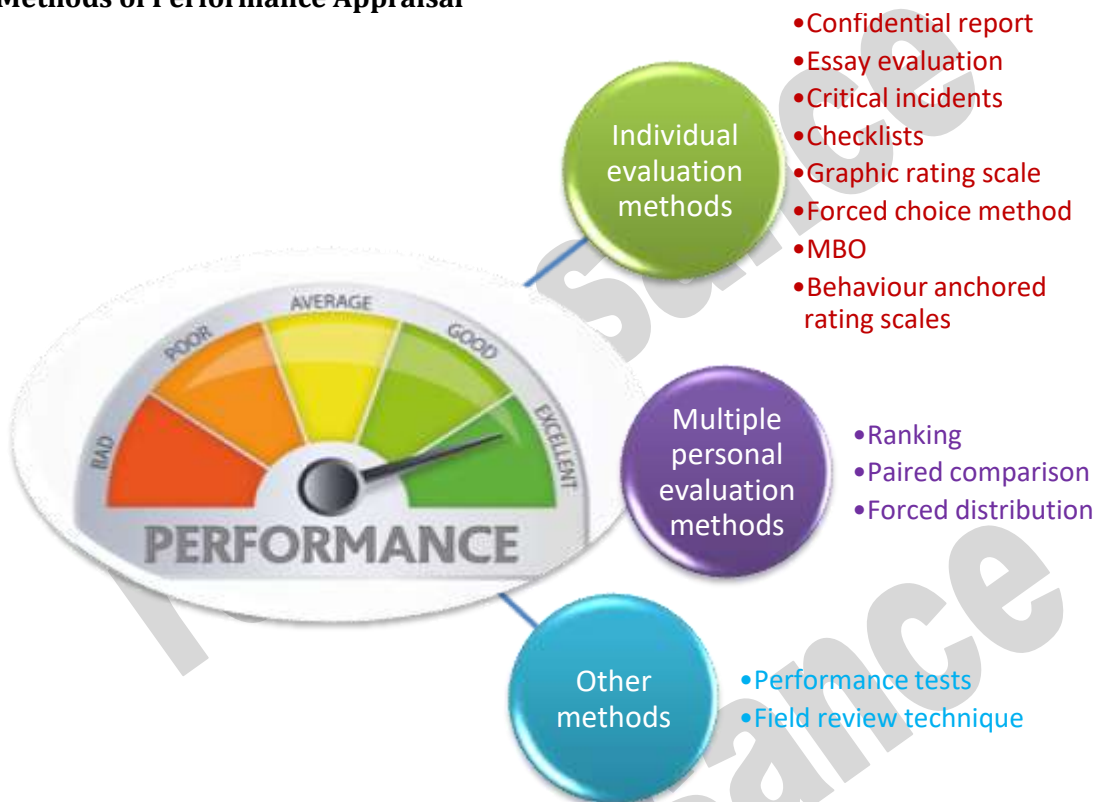
- 4) Facilitates training related decisions
- 5) Helpful in identifying weakness of the employees which may systematically be removed
- 6) Provides base for guidance & counseling for the employees.
- 7) Develops healthy competition among workers improve performance
- 8) Serve as motivational tool for employees.
- 9) Provides objective basis for bonus, incentive wage salary related decisions.
- 10) Improves employee-employer relationship due to increased trust and confidence.
- 11) Sound base for negotiation with trade union

Disadvantages of Performance Appraisal –

- 1) Clarity in standards
- 2) Problem of Bias
- 3) Excessive Leniency or Strictness
- 4) Halo Error
- 5) Influence of a Man's Job
- 6) Central Tendency
- 7) Discrimination
- 8) Varying standards
- 9) Contract Error
- 10) Spillover Effect



Methods of Performance Appraisal



1. **Individual Evaluation Methods:** Under this employees are evaluated one at a time without comparing them with other employees in the organization:
 - a. **Confidence Report:** It is mostly used in government organizations. It is a descriptive report prepared generally at the end of the year, by the employee's immediate superior. The reports highlight the strengths and weaknesses of the subordinate. The impressions of the superior about the subordinate are merely recorded here. It does not offer any feedback to the appraise. Since the report is generally not made public and hence no freedom is available, the subjective analysis of the superior is likely to be hotly contested.
 - b. **Essay Evaluation:** Under this method, the rates are asked to express the strong as well as weak points of the employee's behaviour. This technique is normally used with a combination of the graphic rating scale because the rates can elaborately present the scale by substantiating an explanation for his rating.
 - c. **Critical incidents Techniques:** The manager prepares tests of statements of very effective and ineffective behaviour of an employee. These critical incidents or events represent the outstanding poor behaviour of employees. Manager prepares records of the critical incidents of the worker's behaviour. At the end of the rating period, the recorded critical incidents are used in the evaluation of the workers' performance.
 - d. **Checklists and Weighted Checklists:** In simplest form, a checklist represents a set objectives or descriptive statements about the employee and his behaviour. If the rates believe strongly that the employee possesses a particular listed trait, he checks the item; otherwise, he leaves the item blank. A more recent, variation of the checklist is weighted list. Under this, the value of each question may be weighted equally or certain questions may be weighted more heavily than other.
 - e. **Graphic Rating Scale:** It is the oldest and most commonly used method of performance evaluation. In this, a printed form is used to evaluate the performance of an employee. A verity of traits may b used in these types of rating devices, the most common being the quality and quantity of work. The rating scales can also be adapted by including trails that the company



considers important for effectiveness on the job. A model of a graphic rating is given on next page.

- f. **Behaviourally Anchored Rating Scales:** Also known as the behavioural expectations scale, this method represents the latest innovation in performance appraisal. It is a combination of the rating scale and critical techniques of employee performance evaluation. The critical incidents serve as anchor statements on a scale and the rating form usually contains six to eight specifically defined performance dimensions.
 - g. **Forced Choice Method:** It was developed to eliminate bias and the preponderance of high ratings that might occur in some organizations. Its primary purpose is the correct tendency of a rater to give consistently high or low ratings to all the employees. This method makes those of several sets of pair phrases, two of which may be positive and two negative and the rater is asked to indicate which of the four phrases is the most and least descriptive of a particular worker. Actually, the statement items are grounded in such a way that the rater cannot easily judge which statements applies to the most effective employee.
 - h. **Management by Objective (MBO):** It is a modern method of evaluating the performance of personnel. Managers have become increasingly aware that the traditional performance evaluation systems are characterized by facing goals. This would inevitably enable subordinates to exercise self-control over their performance behaviours. The concept of MBO is actually the outcome of the pioneering work of Drucker, McGregor and Odioine in management science. MBO can be described as a process whereby superior and subordinate manager of an organization jointly its common goals, define each individual's major areas of operations, responsibility in terms of results expected of him and use these measures as a guide for operating the unit and assessing the contributions of each of its members. MBO, thus represents more than an evaluation programme and process.
2. **Multi-Person Evaluation Techniques:** These techniques are used to evaluate one employee in comparison to another. Three frequently used methods in organization are ranking, paired comparison and forced distribution.
- a. **Ranking Method:** This is a relatively easy method of performance evaluation. In it, the ranking of an employee in a work group is done against that of another employee. The relative position of each employee is tested in terms of their numerical rank. It may also be done by ranking a person on his job performance against another member of the competitive group.
 - b. **Paired Comparison Method:** Ranking is more reliable and easier under this method. Employee is compared with all other employees in the group, for example, when there are five employees to be compared, then A's performance is compared with that of B's and decision is arrived at as to whose is the better or worse. Next, B is also compared with all others. Since A is already compared with B, this time B is to be compared with only C, D and E. By this method, when there are five employees, fifteen decisions are made (comparisons).
 - c. **Forced Distribution Method:** Under this method, the rater is asked to appraise the employee according to a predetermined distribution scale. The rater's bias is sought to be eliminated here because workers are not placed at a higher or lower end of a scale. Two criteria are normally used for rating job performance and promotability. Further, a five point performance scale is used without any mention of descriptive statements. Workers are placed between the two extremes of 'good' and 'bad' performances. For instance, the workers of outstanding merit may be placed at the top 10% of the scale. The rest may be placed as: 20%-Good, 40%-Outstanding, 20%-Fair, and 10%-Fair.
3. **Other Methods:** Other methods include Group Appraisal, human Resources Accounting, Assessment Centre, Field Review, etc.
- a. **Group Appraisal:** In this method, an employee is appraised by a group of appraisers. This group consists of the immediate supervisor of the employee, other supervisors who have close contact with the employee's work, manager or head of the department and consultants.
 - b. **Human Resource Accounting:** HRA is a sophisticated way to measure in financial terms the effectiveness of personnel manager activities and the use of people in an organization. It is the



process of accounting for people as an organizational resource. It tries to place a value on organizational human resources as assets and not as expenses.

- c. **Assessment Centre:** This method of performance evaluation was first applied in German Army in 1930. Later, business and industrial houses started using this method. This is not a technique of appraisal by itself. In fact, it is a system on organization, where assessment of several individuals is done by various experts using various techniques. These methods include in-basket, role playing, case studies, simulation exercises, structured in sight, transactional analysis, etc.

In this approach individuals from various departments are brought together to spend two or three days working on an individual on group assignment similar to the ones they would be handling when promoted.

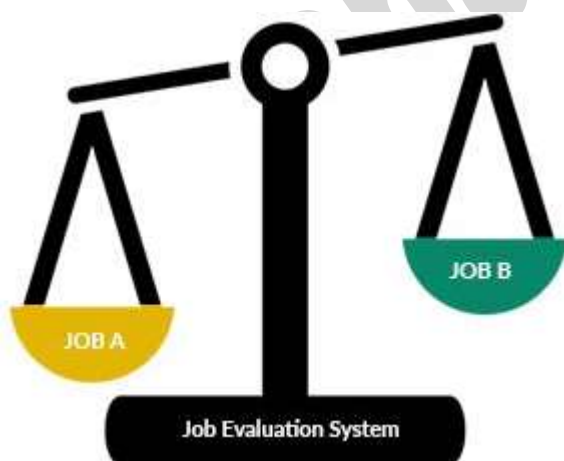
JOB EVALUATION

Wage or salary is the most important factor in maintaining and developing good employer employee relations. Job evaluation is the process which establishes a consistent and systematic relationship among compensation rates for all jobs within the organization. Determining of base compensation is also important for the employee because it determines the status of employee in the society. Employee should be compensated on the basis of –

- 1) The nature of the job
- 2) The present relative worth of the job.
- 3) The defectiveness with which the individual performs the job.

According to Flippo, “Job evaluation is systematic and orderly process of determining the worth of a job in relation to other jobs”.

According to Kimball & Kimbal, “Job evaluation is an effort to determine the relative value of every job in a plant to determine what the fair basic wage for such a job should be.”



Characteristics

- Job evaluation is a ranking of jobs, not people.
- It follows job analysis which provides data in respect of each job.
- It is used to determine the organization's pay structure.
- It is a systematic, rather than a scientific, process of establishing wages and salaries.
- The heart of job evaluation is the determination of what criteria will be used to arrive at the ranking.
- Job evaluation should not be confused with job analysis.
- Job evaluation is different from Performance Appraisal.



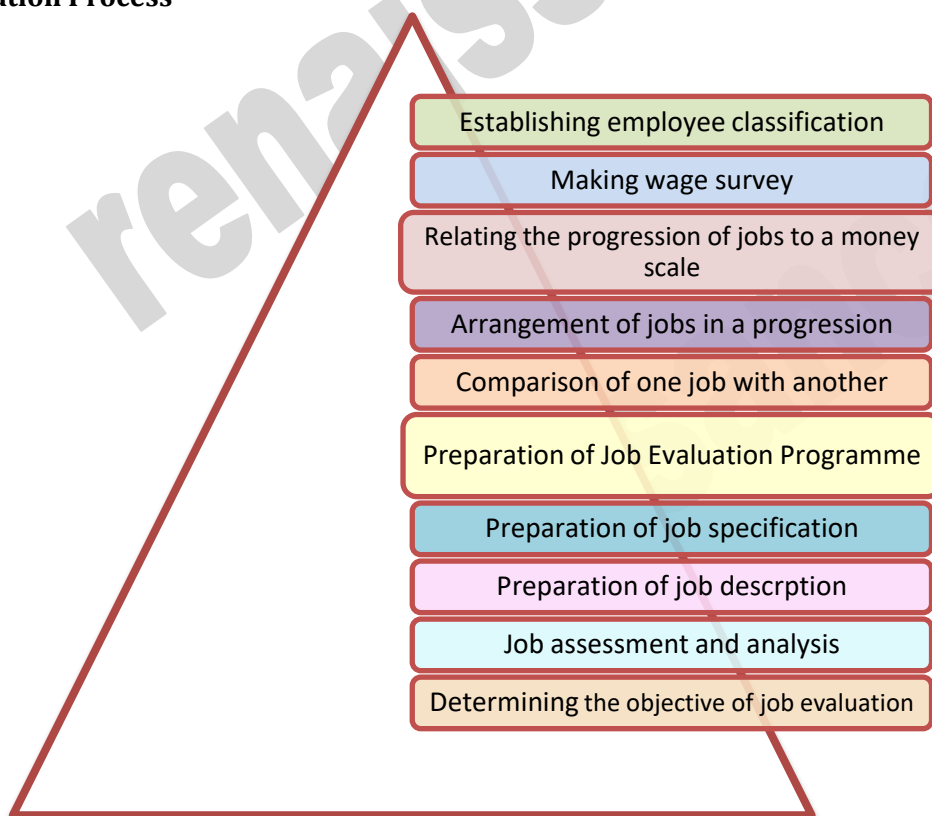
Objectives of Job Evaluation-

- 1) To maintain complete and accurate description of each job or occupation.
- 2) To provide a standard procedure to determine the relative worth of each job.
- 3) To ensure that like wages are paid to all qualified employees for like work.
- 4) To provide an accurate and fair consideration of all employees for advancement and transfer.
- 5) To provide information for selection, placement and training of employees.
- 6) To solve wage and salary controversies.
- 7) To simplify union-management negotiations on wages.
- 8) To fix minimum and maximum wages throughout the organization for each position.

Factors to be considered while doing Job Evaluation –

- 1) Training level or qualifications requirements
- 2) Knowledge and skills requirements
- 3) Complexity of tasks
- 4) Interaction with various level of the organization.
- 5) Problem solving and independent judgment
- 6) Accountability and responsibility
- 7) Decision – making authority
- 8) Degree of suppression required
- 9) Cross-training requirements
- 10) Working conditions.
- 11) Degree of difficulty in filling job.

Job Evaluation Process –



- 1) Determining the objective of job evaluation.
- 2) Job assessment and analysis.



- 3) Preparation of job description (recording its characteristics)
- 4) Preparation of job specification.
- 5) Preparation of Job Evaluation Programme.
- 6) Comparison of one job with another.
- 7) Arrangement of jobs in a progression.
- 8) Relating the progression of jobs to a money scale.
- 9) Making wage survey.
- 10) Establishing employee classification.

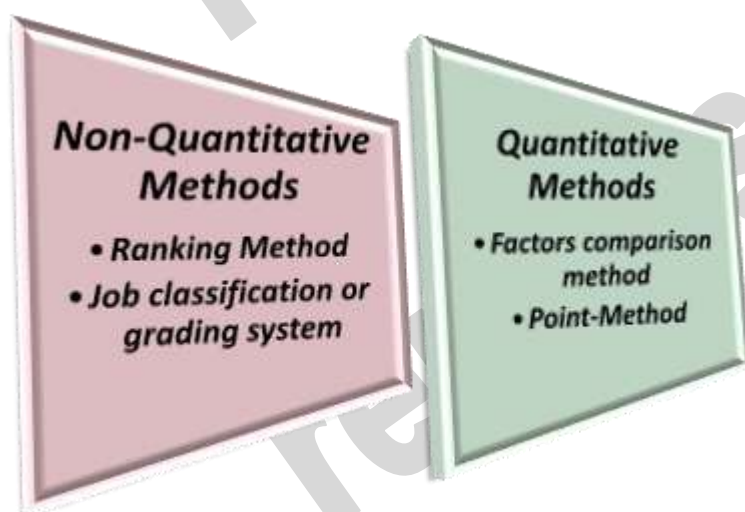
A job evaluation programme includes the following issues and contents –

- 1) Which jobs are to be evaluated
- 2) Who will evaluate
- 3) What training do the evaluators need
- 4) How much time is involved
- 5) What should be the criteria for evaluation

Criteria in Job Evaluation –

- Training level or qualifications requirements
 - Knowledge and skills requirements
 - Complexity of tasks
 - Interaction with various level of the organization.
 - Problem solving and independent judgment
 - Accountability and responsibility
 - Decision – making authority
 - Degree of suppression required
 - Cross-training requirements
 - Working conditions.
 - Degree of difficulty in filling job.
- 6) What methods of evaluation are to be employed
 - 7) Wage survey
 - 8) Employee classification

Methods of Job Evaluation



B. Non-Quantitative Methods –

- a. **Ranking Method:** Under this system, all the job are arranged or ranked in the order of



importance from the simplest to the hardest or in the reverse in, order each successive job higher or lower than the previous one in the sequence.

- b. **Job classification or grading system:** Job grading refers to the classification and analysis of jobs which are performed in an organization according to their relative levels in the form of job classes or grades. The jobs may be graded as skilled, unskilled, routine, administrative, shop jobs, clerical jobs, sales jobs and so on.

C. Quantitative Methods –

- a. **Factors comparison method:** Under this method, a few key jobs are selected and compared in terms of common factors. The procedure involved is as follows:

- i. Select and Define the Factors
- ii. Select Key Jobs
- iii. Rank Key Jobs by Factors
- iv. Decide Rates for Key Job
- v. Apportion the Wage Rate
- vi. Evaluate the Remaining Jobs

- b. **Point-Method**

It is the most widely used method of job evaluation. Under it, jobs are divided into component factors. Points or weights are assigned to each factor dependin on the degree of its importance in a particular jobs, the total points for a job indicate its relative worth or value.

Advantages of Job Evaluation –

- Job evaluation is a logical and objective method of ranking and grading jobs.
- Data or information generated during job evaluation can be used for decisions related to selection placement, training transfer and promotion of employees etc.
- It is helpful in constructing an appropriate policy for payments of wages which helps in attracting better works.
- It helps to fit the newly created jobs.
- Job evaluation also helps to redesign the jobs by reallocating the easy and difficult tasks equally among various jobs.

Disadvantages of Job Evaluation –

- 1) Statutory and other factors
- 2) Highly subjective
- 3) Cyclical effect
- 4) Promotes grievances
- 5) Conflict between worker and management
- 6) Inflexibility
- 7) Requires time and finance



UNIT-V

Administration of Employee Welfare

Employee welfare is related to well-being of the employee. It is a comprehensive term which includes various services, benefits and facilities offered to employees.

According to the committee on labour Welfare (1969) "such services, facilities and amenities as adequate canteen, rest and recreation facilities. Sanitary and from work and for the accommodation of workers employed at a distance from their homes and such other services, amenities and facilities, including social security measures as contribute to improve the conditions under which workers are employed.

labour welfare has two aspects negative and positive. On the negative side, labour welfare is concerned with counteracting the baneful effects of the large-scale industrial system of production- especially capitalistic, as far as India is concerned.

On its positive side, it deals with the provision of opportunities for the worker and his/her family for good life.

Administration of welfare involves decision on

- i. Welfare policy
- ii. Organization of welfare
- iii. Assessment of effectiveness

Characteristics of Employee Welfare-

1. Comprehensive Term
2. Dynamic Concept
3. Origin
4. Accepted as social right & Responsibility
5. Additional benefit
6. Provided by Various Agencies
7. Part of Social Welfare
8. Both Voluntary and Statutory
9. Individual and Group Services

Agencies of Employee Welfare:

- 1) Central Government
- 2) State Government
- 3) Employers
- 4) Employees' Associations
- 5) Trade Unions
- 6) Other Agencies

Importance of Employee Welfare-

It safeguards individual economy and has great impact and influence on industries development.

1. removal of negative Effects
2. Improve Family life
3. In the interest of larger society
4. Improve morale, loyalty and productivity
5. Improve physical and mental health



6. Improve hiring process
7. Help remove social evils
8. Establishes industrial peace
9. Raise goodwill
10. Voluntary efforts reduce the threat of further Govt. Intervention.

Types of Welfare Facilities

1. Conditions and comforts of work environment
2. Conveniences
3. Health services
4. Women and child welfare
5. Recreation
6. Economic services
7. Domestic and employment guidance
8. Worker's education
9. Labour-management joint programmes services to elderly and retires employees
10. Services to elderly and retired employees

A part from these there is many more which are known as (Extramural facilities). Mentioned below-

1. Housing
2. Waste disposal
3. Banks, transport, schools, post office
4. Health and Medical services
5. Recreation games, clubs
6. Watch & ward: Security
7. Community Leadership development
8. Co-operative, consumer & credit societies
9. Leave travel. holiday homes, vocational training

HR GRIEVANCE

Every employee has certain expectations which he thinks must be fulfilled by the organization he is working for. When an employee feels that something is unfair in the organization, he is said to have a grievance. According to Jucius : A Grievance is "any discontent or dissatisfaction, whether valid or not, arising out of anything connected with the company which an employee thinks, believes or even feels to be unfair, unjust or inequitable."

Features:

- A) A grievance refers to any form of discontent dissatisfaction with any aspect of the organization.
- B) The dissatisfaction must arise out of employment and not due to personal or family problems.
- C) The discontent may arise out of real or imaginary reasons.
- D) The discontent may be voiced or unvoiced. But it must find expression in some form.

Forms of Grievances:

A grievance may take any one of the following forms

- a) **Factual:** A factual grievance arise when legitimate needs of employees remain unfulfilled e.g. Wage hike has been agreed but not implemented citing various reasons.



- b) Imaginary:** When an employee's dissatisfaction is not because of any valid reason but because of a wrong protection, wrong attitude or wrong information he has.
- c) Disguised:** When an employee may have dissatisfaction for reasons that are unknown to him.

Causes:

Grievance may occur for a number of reasons:

- a) **Economic:** Wage fixation, overtime, bonus, wage revision etc.
- b) **Work environment:** Poor physical conditions of workplace, tight production norms, defective tools and equipment, poor quality of material, unfair rules, lack of recognition etc.
- c) **Supervision:** Relates to the attitudes of the supervisor towards the employee.
- d) **Work group:** Employee is unable to adjust with his colleagues; suffers from feelings of neglect, humiliation etc.
- e) **Miscellaneous:** There include issues relating to certain violations in respect of promotions, safety methods, transfer, disciplinary rules, fines, granting leave, medical facilities etc.

Effects:

Grievance, if not identified and redressed, may adversely affect workers, managers and the organizations as a whole.

The effects are:

- A) On production include:
 - Low quality of production.
 - Low quality of production and productivity.
 - Increase in the wastage of material, spoilage of machinery.
 - Increase in the cost of production per unit.
- B) On the employees:
 - Increases the rate of absenteeism and turnover.
 - Reduces the level of commitment, sincerity and punctuality.
 - Increase the incidence of accidents.
 - Reduces the level of employee morale.
- C) On the managers:
 - Strains the superior-subordinate relations.
 - Increase the degree of supervision, control and follow up.
 - Increases in indiscipline cases.
 - Increase in unrest and thereby machinery to maintain industrial place.

Solutions to Grievance:

- 1) **Observation:** done by manager.
- 2) **Grievance procedure;** should be systematic in order to highlight employee dissatisfaction at various levels.
- 3) **Grip boxes:** by placing complaint boxes in the factory or working places.
- 4) **Open door policy:** i.e. a walk-in-meeting with the manager, to express employee feelings openly.
- 5) **Exit interview:** it is conducted in order to find the real reason for employee leaving the job.
- 6) **Opinion surveys:** Surveys may be conducted periodically to elicit the opinions of employees about the organization and its policies.

Need for a Grievance handling procedure:

- a) The management can know the employee's feelings and opinions about the company's policies and practices.
- b) The employee gets a chance to ventilate his feelings through grievance handling procedure.
- c) It keeps a check on the supervisor's attitude and behavior towards their subordinates.



- d) The morale of the employees will be high with the existence of proper grievance handling procedure.

Steps in Grievance Procedure

- a) Identification of grievance by the management
- b) Management should define the problem properly and accurately after identification
- c) Data collection should be complete by all the parties
- d) Analysis and solution to the problems should be developed
- e) Prompt Redressal
- f) Implementation and follow up should be fast

Essential Pre-requisites of a Grievance Procedure

- a) Conformity with statutory provisions
- b) Unambiguity
- c) Simplicity
- d) Promptness in handling the grievance
- e) Training the supervisors and union representatives
- f) Follow up for making necessary changes from time to time for improved working.

COLLECTIVE BARGAINING

ILO Convention No. 154 defines collective bargaining as referring to:

“all negotiations which take place between an employer, a group of employers or one or more employers' organisations, on the one hand, and one or more workers' organisations, on the other, for:

- (a) determining working conditions and terms of employment; and/or
- (b) regulating relations between employers and workers; and/or
- (c) regulating relations between employers or their organisations and a workers' organisation or workers' organisations.” (Article 2)

Collective bargaining is a key means through which employers and their organizations and trade unions can establish fair wages and working conditions. It also provides the basis for sound labour relations. Typical issues on the bargaining agenda include wages, working time, training, occupational health and safety and equal treatment. The objective of these negotiations is to arrive at a collective agreement that regulates terms and conditions of employment. Collective agreements may also address the rights and responsibilities of the parties thus ensuring harmonious and productive industries and workplaces. Enhancing the inclusiveness of collective bargaining and collective agreements is a key means for reducing inequality and extending labour protection.

INTERNATIONAL LABOUR ORGANISATION (ILO)

The International Labor Organization is a United Nations (UN) agency that aims to "promote decent work throughout the world."

The International Labor Organization's (ILO) was founded in 1919 and incorporated into the UN as a specialized agency in 1946. The organization's goal is to serve as a uniting force between governments, businesses, and workers. It emphasizes the need for workers to enjoy "conditions of freedom, equity, security, and human dignity" through their employment.

The ILO promotes international labor standards through its field offices in Africa, Latin America and the Caribbean, the Arab States, Asia and the Pacific, and Europe and Central Asia. The organization provides training on fair employment standards, provides technical cooperation for projects in partner countries,



analyzes labor statistics and publishes related research, and regularly holds events and conferences to examine critical social and labor issues. The ILO was awarded the Nobel Peace Prize in 1969.

EMPLOYEE EMPOWERMENT

Employee empowerment is a strategy and philosophy that enables employees to make decisions about their jobs.

Employee empowerment helps employees own their work and take responsibility for their results, serve customers at the level of the organization where the customer interface exists.

Employee empowerment is the philosophy of enabling employees to make important decisions related to their work and take more responsibility for their jobs.

The logic behind employee empowerment is to foster accountability, build employee morale and confidence, and create a sense of belongingness in the employees.

If employee empowerment is undertaken in an efficient way, it results in heightened productivity, better quality of work and more job satisfaction. The process of empowerment differs from organization to organization depending upon work culture and organizational structures.

Employee empowerment is a two sided coin. For employees to be empowered the management leadership must want and believe that employee empowerment makes good business sense and employees must act. Employee empowerment does not mean that management no longer has the responsibility to lead the organization and is not responsible for performance.

Advantages of employee empowerment

1. Quality of work produced – When given the autonomy that allows them to make a difference to product or service outcomes, employees will produce higher quality work. The finished product becomes a matter of personal pride, and the benefits for both the customer and the employee will become self-evident.
2. Satisfied employees – Various studies have shown that empowered employees are more satisfied in their work, and less likely to seek employment elsewhere. This decreases employment costs and the need for training of new staff.
3. Collaboration grows – With increased confidence; employees are more willing to share information and best practices with others. Honesty and openness increase, and this directly impacts the ability of people to work as part of a team. Participation becomes more active and proactive, and this greater collaboration will in itself feed through to organizational capability to achieve strategic goals.



4. Productivity increases – As confidence and self-esteem grows, and a more quality focused and collaborative approach takes hold, productivity will increase.
5. Employee empowerment reduces costs – Costs will be reduced across the organization.
6. Highly Competitive Environment – Highly competitive environment makes it necessary for companies to empower employees so that they are motivated.
7. Globalization – Globalization also necessitates empowerment to combat challenges of globalization.

Advantages of employee empowerment include:

1. Increased employee education and training;
2. Employees participate in creating their own goals;
3. Increased employee contribution;
4. Increased respect among employees secondary to teamwork;
5. Increased power equals lower absenteeism and better productivity;
6. Employees have more satisfying work;
7. An increased depth of competence among employees secondary to cross-training;
8. Less conflict with administration and managers; and
9. A few middle management positions mean decreased cost to the company.

Methods of Employee Engagement

1. Job Enlargement:

It is a type of horizontal expansion which entails taking charge of more duties and responsibilities at the same level. Job enlargement increases the scope of the job and reduces level of specialization. Its aim is to reduce the monotony and repetition associated with a particular job by introducing newer tasks.

It helps to create flexible workforces who are capable of performing a variety of jobs. One negative aspect of job enlargement is that employees may be required to do more work at the same pay scale. For example, a



waiter at a small restaurant may be required to chop vegetables or do the dishes along with his regular duty of taking orders and serving customers.

2. Job Enrichment:

Job enrichment entails increasing the depth of the job to include responsibilities that are carried out at higher levels of the organization. It is vertical expansion of a job. Job enrichment gives more control over the jobs by increasing the employees' level of responsibility.

They are required to do more planning and organizing work. They are given more authority and autonomy over their jobs. Job enrichment is also known as job enhancement. It requires a higher level of knowledge, skills and challenging work. It motivates the employees and gives opportunities for personal growth.

Job enrichment enhances the quality of work and provides a meaningful job experience. Workers experience more job satisfaction as job enrichment brings more scope for achievement, recognition, development and growth. If the responsibilities of a proofreader in a publication are increased to include some level of editorial work, it would be an example of job enrichment.

Some of the **disadvantages** of employee empowerment include:

1. Employees can abuse the increased power given to them;
2. It is too much responsibility for some employees;
3. Employees who focus on their own success rather than group's may leave;
4. Managers must be better trained to facilitate through sharing of information, cooperation, and referrals to appropriate resources; all employees must "buy in" to the concept for it to be effective;
5. There is an increased cost to the organization for training and education;
6. There is increased time in groups or committees which takes away from regular jobs.



QUALITY CIRCLES

Conceptually Quality Circles can be described as a small group of employees of the same work area, doing similar work that meets voluntarily and regularly to identify, analyse and resolve work related problems.

This small group with every member of the circle participating to the full carries on the activities, utilising problem solving techniques to achieve control or improvement in the work area and also help self and mutual development in the process.

A quality circle is a participatory management technique that enlists the help of employees in solving problems related to their own jobs. Circles are formed of employees working together in an operation who meet at intervals to discuss problems of quality and to devise solutions for improvements. Quality circles have an autonomous character, are usually small, and are led by a supervisor or a senior worker. Employees who participate in quality circles usually receive training in formal problem-solving methods—such as brain-storming, pareto analysis, and cause-and-effect diagrams—and are then encouraged to apply these methods either to specific or general company problems. After completing an analysis, they often present their findings to management and then handle implementation of approved solutions.

Quality circles were originally associated with Japanese management and manufacturing techniques. The introduction of quality circles in Japan in the postwar years was inspired by the lectures of W. Edwards Deming (1900—1993), a statistician for the U.S. government

The concept of the Quality Circle is based on “respect for the human individual” as against the traditional assumption based on suspicion and mistrust between management and its employees.

Quality circles built mutual trust and create greater understanding between the management and the workers. Cooperation and not confrontation is the key element in its operation. Quality Circles aims at building people, developing them, arousing genuine interest and dedication to their work to improve quality, productivity, cost reduction etc.

Thus we can say that a quality circle is a group of 5 to 8 employees performing similar work, who volunteer themselves to meet regularly, to identify the cause of their on-the-job problems, employ advanced problem-solving techniques to reach solutions and implement them.

The concept is based on the premise that the people who do a job everyday know more about it than anyone else and hence their voluntary involvement is the best way to solve their work related problems.

QC is formed to achieve the following **objectives**:

1. Improvement in quality of product manufactured by the organisation.
2. Improvement in methods of production.



3. Development of employees participating in QC.
4. Promoting morale of employees.
5. Respect humanity and create a happy work place worthwhile to work.

The **main features** of QC can be listed as follows:

- **Voluntary Groups:**

QC is a voluntary group of employees generally coming from the same work area. There is no pressure from anywhere on employees to join QC.

- **Small Size:**

The size of the QC is generally small consisting of six to eight members.

- **Regular Meeting:**

QC meetings are held once a week for about an hour on regular basis. The members meet during working hours usually at the end of the working day in consultation with the manager. The time of the meetings is usually fixed in advance in consultation with the manager and members.

- **Independent Agenda:**

Each QC has its own agenda with its own terms of reference. Accordingly, each QC discusses its own problems and takes corrective actions.

- **Quality Focused**



Benefits of Quality Circles (Q.C.):

1. Through the forum of Q.C. the chronic problems-of organisations which really create hurdles in work get resolved by the grass root employees of organisation, whose knowledge and experience otherwise is not fully utilized.
2. With such a capable work force, any organisation can easily undertake more difficult and challenging assignments for its growth and profit.
3. As the employees gain experience they take more challenging projects, in due course they undertake projects on cost reduction, material handling, quality improvement, preventing wastage, improving delivery schedule, improving customer service, improving inspection and test methods, preventing accidents improving design and process etc.
4. Cost reduction.
5. Increased productivity.
6. Improved quality.
7. Better communication.
8. Better house-keeping.
9. Increased team work.
10. Smooth working.
11. Better mutual trust.
12. Greater sense of belongingness.
13. Increased safety.
14. Better human relations.