

(HUMAN RESOURCES MANAGEMENT)

MEANING- to put simple terms, HRM is a management function that helps managers to recruit, select, train and develop members for an organization

DEFINTION- According to Edwin B Flippo “ HRM is planning, organizing, directing and controlling of the procurement, development, compensation, integration, maintenance and reproduction of human resources to the end that individual, organizational and societal objectives are established”

Features:

- ❖ Management function
- ❖ Comprehensive function
- ❖ Individual consideration
- ❖ Continuous function
- ❖ Development of human resources
- ❖ Pervasive in nature
- ❖ Achievement of objectives

Scope of HRM

- ❖ Human resources planning
- ❖ Job analysis and design
- ❖ Recruitment & selection
- ❖ Placement & orientation
- ❖ Training & development
- ❖ Performance appraisal & job evaluation
- ❖ Employees remuneration
- ❖ Motivation
- ❖ Communication
- ❖ Human welfare
- ❖ Health & safety

Functions of HRM

Managerial functions:

- ❖ Planning
- ❖ Organizing
- ❖ Directing
- ❖ Coordinating
- ❖ Controlling

Operative functions

- ❖ Procurement
- ❖ Training & development
- ❖ Compensation
- ❖ Integration
- ❖ Maintenance
- ❖ Welfare activities

- ❖ Personnel records
- ❖ Promotion, transfer & termination
- ❖ Negotiation with trade union

H R PLANNING/MANPOWER PLANNING

MEANING:

Concerned with the determination of quantity of personnel required in an organization.

Definition:

In the words of Bruce P. Colmn “ manpower planning is a process of determining manpower requirement and the means for meeting these requirements I order to carry out the integrated plan of the organization”

Need / importance of HR planning

- Expansion of business
- Retirement vacancies
- Reduction in labour turnover
- Reduction in labour cost
- Uninterrupted in production
- To maintain good relation with employees
- To introduce fresh talent in organization
- To determine shortage or surplus of staff

Objectives of HR planning

- Accurate assessment of manpower requirement
- Optimum utilization of human resources
- Inventorying of personnel
- Helpful in recruitment, selection & training
- To avoid interruption in production

Process of HR planning

- Preparation of manpower inventory
- Forecasting manpower needs
- Preparation of manpower charts
- Employment programme

JOB ANALYSIS

Job analysis is the process of studying and collecting information relating to the operation and responsibilities of a specific job.

Job description

The result of the job analysis is written in a statement known as job description.

Job Specification

A job specification is a statement of minimum acceptable human qualities necessary to perform a job properly

RECRUITMENT

According to Edwin B Flippo “ Recruitment is the process of searching for prospective employees and stimulating them to apply for the jobs in the organization”

Sources of recruitment

Internal sources

- Transfers
- Promotion
- Demotion
- Present employees’ recommendation

External sources

- Notice at factory gate
- Unsolicited applications
- Casual callers
- Advertisement
- Employment exchange
- Campus recruitment
- Labour contractors
- Private agencies
- Trade union

Recent trends in recruitment

- E-recruitment
- Poaching
- outsourcing

Selection:

Selection is the choosing of appropriate persons from all the applicants

Selection procedures/selection process

- Receipt & scrutiny of application
- Preliminary interview
- Blank application form
- Bio data
- Educational qualification
- Work experience
- Expected salary
- Reference
- Tests
- Interview
- Checking reference
- Approval of supervisor
- Medical examination
- Final selection

Types of tests:

- Intelligence test
 - IQ
 - EQ
 - SQ
- Trade test
- Personality test
- Aptitude test
- Interest test

Types of interview

- Formal interview
- Informal interview
- Patterned interview
- Non directive interview
- Depth interview
- Stress interview
- Group interview
- Board interview
- Walk in interview
- Campus interview
- Exit interview

Job changes in the organization

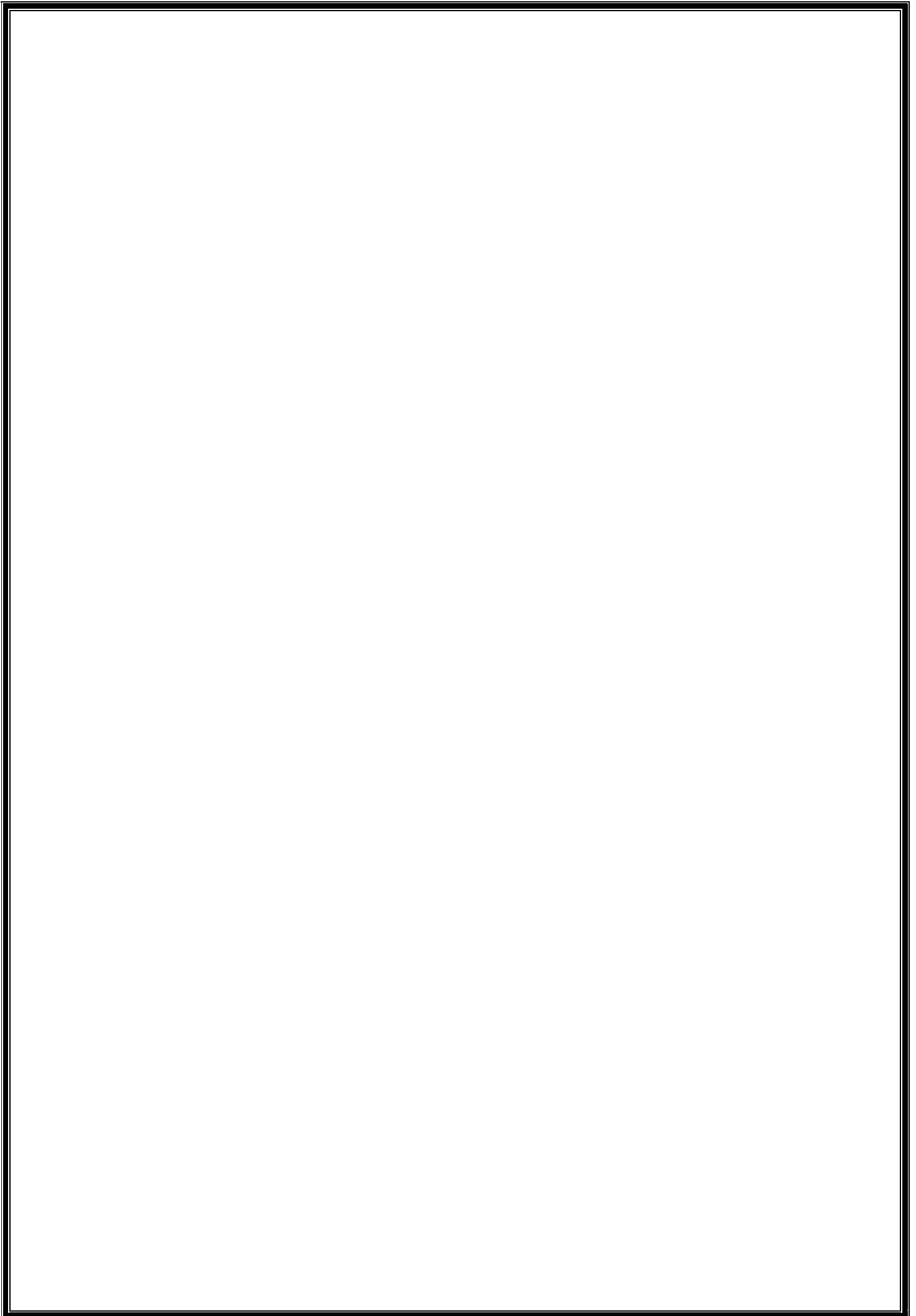
- ✓ Transfers
 - Rotation transfer
 - Remedial transfer
 - Production transfer
 - Shift transfer
 - Replacement transfer
- ✓ Promotion
- ✓ Demotion
- ✓ Separation

Training & development

Training is the act of increasing knowledge & skill of employees.

Methods/types of training

- ✓ Orientation training
- ✓ Refresher training
- ✓ Vestibule training
- ✓ Apprentice training
- ✓ Learner training
- ✓ Computer based training
- ✓ On the job training
 - Coaching
 - Job rotation
 - Under study
- ✓ Off the job training
 - Special courses
 - Conference
 - Case study



- Seminars
- Role playing
- Lectures
- Audio visual
- Sensitivity training

Importance of training

- Increase in efficiency & productivity
- Elimination of wastage
- Less supervision required
- Higher employee morale
- Reduction employee grievance
- Reduction in accident & breakdown
- Reduction in absenteeism
- Personnel development
- Develop self confidence

Need of training

- Newly appointed persons
- Existing employees to refresh
- Technological changes
- Internal mobility
- Problem related with production

Executive development

Methods (same as training methods)

Training steps

- Identifying training needs
- Getting ready for the job
- Preparation of trainee
- Explaining the job sequence
- Actual try out
- Follow up

Orientation or induction

It is welcoming process. It is the process of inducing an employee into the social set up of his work.

Career planning and development

Career planning is a systematic process by which one selects career goals and the path to these goals.

Organizational career planning process

- Assessment of employees
- Analyzing career option
- Feedback meeting with employees
- Formulating and implementing strategies
- Measuring & monitoring progress & success

Individual career planning process

- Preparing personal profile

- Formulating personal & professional goals
- Analyzing environmental effect
- SWOT analysis
- Developing alternatives
- Developing contingency plans
- Monitoring

Job evaluation

Job evaluation is a systematic and orderly process of measuring the worth of job in relation to other job.

Objectives

- ❖ To develop a consistent wage policy
- ❖ Helps to reduce wage controversies
- ❖ To conduct wage survey
- ❖ Helps to selecting employees
- ❖ Basis for incentives & bonus
- ❖ Helps to minimize wage discrimination

Procedures or techniques of job evaluation

- ❖ Acceptance by all
- ❖ Formation of job evaluation committee
- ❖ Selection of jobs for evaluation
- ❖ Job description
- ❖ Job grading
- ❖ Selection of job evaluation methods
- ❖ Consideration of job factors
- ❖ Job pricing
- ❖ Review

Methods of job evaluation

- Qualitative methods
 - ❖ Ranking method
 - ❖ Grading method
- Quantitative method
 - ❖ Point method
 - ❖ Factor comparison method

Advantages of job evaluation

- ❖ Helps to bring uniformity in wage structure
- ❖ Helps to reduce cost of recruitment & selection of workers
- ❖ It helps to reduce favoritism
- ❖ Helps to eliminate inequalities in wage structure
- ❖ It is acceptable to management as well as workers

- ❖ Dispute relating to wage can be solved
- ❖ Base for declaring bonus

Disadvantages

- ❖ Lack scientific precision
- ❖ No standard list for job factors
- ❖ It does not consider nature of job
- ❖ It does not consider individual merit
- ❖ It introduce inflexible wage structure
- ❖ It is time consuming
- ❖ Expensive
- ❖ It can be adopted only in large concern
- ❖ It does not consider wage differential with other firms
- ❖ Point method & factor comparison method are difficult to understand

Compensation management

Compensation is a comprehensive term which includes wages, salary, all other allowances and benefits

Components of compensation

- ❖ Basic wages
 - Minimum wages
 - Fair wages
 - Living wages
- ❖ Dearness allowances (DA)
- ❖ Bonus
- ❖ Incentives
- ❖ Fringe benefits

Process of wage determination

- Job analysis
- Job evaluation
- Wage survey
- Pricing job structure
- Developing wage structure
- Method of wage payment
- Wage administration rule
- Follow up

Methods/system of compensation

- ❖ **Time wage system**

Merits

- Simple to understand
- Helps to maintain quality of product
- Job safety
- Trade union accept this
- Protect workers from fatigue 7 over

- good relation with management
- Save machines from overload
- Guarantee fixed wages

Demerits

- No distinction between efficient & inefficient workers
- Continuous supervision is required
- Difficult to measure labour cost

❖ **Piece wage system**

Merits

- Simple to understand
- More quantity
- Strict supervision is not required
- Cost per unit can easily be calculated
- Reduce cost of production
- Management can distinguish between efficient & inefficient workers

Demerits

- Reduce quality
- Minimum wage are not guaranteed
- Chance for machine breakdown
- Promotes jealousy or suspicion

Factors influencing wage rate

- ✓ Ability to pay
- ✓ Demand & supply
- ✓ Cost of living
- ✓ Wage paid by other firms
- ✓ Labour productivity
- ✓ Bargaining power
- ✓ Government policy
- ✓ Job requirements

Essential features of a good salary structure

- ❖ Internal equity
- ❖ External equity
- ❖ Maintain real wage
- ❖ Flexibility
- ❖ Link with productivity
- ❖ Motivation
- ❖ Stability
- ❖ Simplicity

Objectives of wage administration

- ❖ To establish just & equitable remuneration
- ❖ To attract competent employees
- ❖ To retain the service of the desirable employees

work	❖ To improve productivity
<ul style="list-style-type: none"> ❖ Helps to control cost ❖ Creation of public image ❖ Lower cost of production ❖ To guarantee minimum wages <p><u>Performance appraisal/merit rating</u> Performance appraisal is a process of evaluating an employee's performance of a job in terms of its requirements.</p> <p><u>Process of performance appraisal</u></p> <ul style="list-style-type: none"> ✓ Determination of objectives ✓ Establishing performance standards ✓ Communicating the standards ✓ Measuring performance ✓ Comparing actual performance with standard ✓ Discussion ✓ Corrective action <p><u>Methods of performance appraisal</u></p> <p><u>Traditional methods</u></p> <ul style="list-style-type: none"> ❖ Ranking method ❖ Paired comparison method ❖ Grading system ❖ Graphic scale method ❖ Check list method ❖ Forced distribution method ❖ Critical incident method ❖ Field review method ❖ Confidential report ❖ Free essay method ❖ Group appraisal <p><u>Modern methods</u></p> <ul style="list-style-type: none"> ❖ Assessment centre ❖ Human resources accounting ❖ Behavioural anchored rating scales(BARS) ❖ MBO technique ❖ 360 degree appraisal <p><u>Importance of performance appraisal</u></p> <ul style="list-style-type: none"> ❖ Training needs of employees ❖ Helps to improve performance ❖ Promotion, demotion, transfers ❖ Effectiveness of recruitment, selection etc ❖ Creation of competitive spirit 	<p><u>Types of appraisal</u></p> <ul style="list-style-type: none"> ❖ Formal appraisal ❖ Informal appraisal ❖ Appraisal by subordinates ❖ Individual appraisal ❖ Group appraisal ❖ Initial appraisal ❖ Promotional appraisal <p><u>Limitations of performance appraisal</u></p> <ul style="list-style-type: none"> ❖ Inconsistent rating ❖ Halo effect ❖ Personal bias of appraiser ❖ Leniency / strictness ❖ Average rating ❖ No definite standards ❖ Lack of reliability ❖ Trade union resistance ❖ Similarity error <p><u>Grievance redressal</u></p> <p><u>Grievance meaning</u> Formal expression of dissatisfaction about a work situation.</p> <p><u>Causes of grievance</u></p> <p><u>Grievance arising from working condition</u></p> <ul style="list-style-type: none"> ➤ Non availability of proper tools ➤ Failure to maintain good discipline ➤ Mismatch of the worker with the job ➤ Very high production targets ➤ Poor relation with the supervisor ➤ Poor physical condition work <p><u>Grievance arising from management policy</u></p> <ul style="list-style-type: none"> ❖ Wage rate & method of wage payment ❖ Overtime & incentive schemes ❖ Seniority ❖ Transfers, promotion, demotion & dismissals ❖ Leave ❖ Penalty imposed <p><u>Grievance arising from personal problems</u></p>

- ❖ Develop confidence among employees
- ❖ Aids to personal research
- ❖ Identify strength & weakness

- ❖ Over ambition
- ❖ Excessive self esteem
- ❖ Impractical attitude of life

Grievance arising from violation of:

- ❖ Company rules & regulations
- ❖ Past practices
- ❖ Central or state laws
- ❖ Responsibility of management

Grievance redressal procedures:

- ❖ Employee gives written statement or grievance
- ❖ Meeting is held and employer informs employee of the outcome
- ❖ Appeal if necessary

Discipline

Code of discipline

Hot stove rule