MASTER OF BUSINESS ADMINISTRATION (MBA)

Human Resources Management

Sub code- CP-202

Unit- I

Human resource management is organizing, coordinating, and managing an organization's current employees to carry out an organization's mission, vision, and goals. This includes recruiting, hiring, training, compensating, retaining, and motivating employees.

What is called HR?

Human resources (HR) is the division of a business responsible for finding, recruiting, screening, and training job applicants.

Human Resource Management is a management function concerned with hiring, motivating, and maintaining workforce in an organization. Human resource management deals with issues related to employees such as hiring, training, development, compensation, motivation, communication, and administration. Human resource management ensures satisfaction of employees and maximum contribution of employees to the achievement of organizational objectives.

According to Armstrong (1997), Human Resource Management can be defined as "a strategic approach to acquiring, developing, managing, motivating and gaining the commitment of the organisation's key resource – the people who work in and for it."

Nature of Human Resource Management

HRM is based on certain principles and policies contribute to the achievement of organizational objectives

1.HRM is a pervasive function – Human resource management is not specific to an individual department, rather it is a broader function and spread throughout the organization, it manages all type of people from lower level to top level departments of the organization.

2. HRM is people oriented – People or human resource is the core of all the activities of human resource management. Human resource management works with and for people. It brings people and organization together to achieve individual and organizational goals.

3. HRM is continuous activity – All factors of production are required to be continuously updated and improved to cope up with the changes and increased competition. Similarly, human resource also continuously trained, developed, or replaced to face the next level of competition. Hence, it is a continuous activity.

4. HRM is a part of management function.

5. HRM aims at securing maximum contribution.

6. HRM aims at optimum use of personnel power.

Changing Environment of Human Resource Management (HRM)

1. Work force Diversity:

Diversity has been defined as any attribute that humans are likely to use to tell themselves, that person is different from me and, thus, includes such factors as race, sex, age, values, and cultural norms'. The Indian work force is characterized by such diversity that is deepening and spreading day by day.

***2*. Economic and Technological Change:**

Along with time, several economic and technological changes have occurred that have altered employment and occupational pattern. In India too, there is a perceptible shift in occupational structure from agriculture to industry to services.

3. Globalization:

The New Economic Policy, 1991 has, among other things, globalised the Indian economy. There has been a growing tendency among business firms to extend their sales or manufacturing to new markets aboard. The rate of globalization in the past few years in India has been nothing short of phenomenal.

4. Organisational Restructuring: *Organisational restructuring is used to make the organisation competitive. From this point of view, mergers and acquisitions of firms have become common forms of restructuring to ensure organisational competitiveness. The mega-mergers in the banking, telecommunications and petroleum companies have been very visible in our country. Downsizing is yet another form of organisational restructuring.*

5. Changing Nature of Work:

Along with changes in technology and globalization, the nature of jobs and work has also changed. For example, technological changes like introduction of fax machines, information technology, and personal computers have allowed companies to relocate operations to locations with lower wages. There is also a trend toward increased use of temporary or part-time workers in organisations.

Corporate objective and human resource planning

Corporate objective does not mean that they only satisfy the organizational objectives as we

know human resources, and organization will produce the products with the help of human resource. In order to satisfy the needs of the customers with the satisfaction of customer's fund will be generated by which organizational objectives will be achieved.

So, we can say that for fulfilling their own objectives the company will also consider the main parties who are helpful in achieving the objectives. Thus organization have these objectives which are as follows: -

¬ Organizational
¬ Human resource
¬ Social objective

Organizational

o Establishing strategy
o Profit earning
o International strategic
o Organizational development

Human resource

o Working condition
o Fair wages
o Empowerment
o Industrial relation

Social objectives

o Satisfy consumers
o Offer right product
o Increase employment
o Environment management

Human resource planning

The actual human resource process begun with estimation of the number and the type of people needed during the period. After this only people can be hired to fill the jobs. This all called human resource planning. This is the most crucial step in the overall human resource management process.

1. In simple word's human resource planning is the process of Forecasting an organization future demand of human resource. From it will be supplied. The right type of people in the right number.

2. After this human resource management department can initiate the process of recruitment and selection. Human resource planning is the sub-system in the total organization planning.

3. Organizational planning include managerial activities that sets the company objectives for the future and determine the appropriate mean's for achieving those objectives.

4. Human resource planning facilitates the realization of the company objectives by providing the right type and the right number of personal.

5. Human resource planning is also compared to material planning that estimate the type and quality of materials and supplies need to facilitate the manufacturing activities of the organization.

6. Human resource planning variously called manpower planning, personal planning and employment planning.

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Unit- II

Difference Between Career Planning and Succession Planning

Career planning is the process of identifying an individual's goals and objectives for their work life, and creating a plan to achieve them. It includes activities such as identifying skills and abilities, exploring job opportunities, and setting short- and long-term career goals.

Succession planning, on the other hand, is the process of identifying and developing individuals who have the potential to fill key leadership roles within an organization. It includes activities such as identifying critical positions, assessing the current and future talent needs of the organization, and developing plans to prepare individuals for leadership roles.

Career Planning	Succession Planning
Focuses on individual's personal goals and aspirations	Focuses on ensuring the continuity and on-going success of an organization by identifying and developing future leaders
Short-term to medium-term process	Long-term process
Primarily the responsibility of the individual	Primarily the responsibility of the organization
Aims to help individuals achieve their career goals and objectives	Aims to ensure that key leadership positions are filled by capable and qualified individuals
Individual-cantered approach	Organization-cantered approach
Proactive approach to manage one's career	Reactive approach to manage the readiness of future leaders for key roles

The key differences between career planning and succession planning are:

1. **Focus:** Career planning is focused on an individual's personal goals and aspirations, while succession planning is focused on ensuring the continuity and on-going success of an organization by identifying and developing future leaders.
2. **Timeframe:** Career planning is typically a short-term to medium-term process, while succession planning is a long-term process that focuses on the future needs of the organization.
3. **Responsibility:** Career planning is primarily the responsibility of the individual, while succession planning is primarily the responsibility of the organization.
4. **Objectives:** Career planning aims to help individuals achieve their career goals and objectives, while succession planning aims to ensure that key leadership positions are filled by capable and qualified individuals.
5. **Approach:** Career planning is an individual-cantered approach, while succession planning is an organization-cantered approach.
6. **Relationship:** Career planning and Succession planning are related but different concepts. Career planning is a proactive approach to manage one's career, while

Succession planning is a reactive approach to manage the readiness of future leaders for key roles.

What is Career Planning

Career planning is the process of identifying an individual's goals and objectives for their work life, and creating a plan to achieve them. It is a process of setting goals and objectives for your career, exploring job opportunities, and taking the necessary steps to achieve your goals. It helps individuals to make informed decisions about their education, training, and work, and to develop the skills and experience needed to achieve their career aspirations.

The process of career planning includes a range of activities such as self-assessment, exploring different career options, goal setting, action planning, implementation, evaluation, and continual learning. These activities help individuals to identify their strengths and weaknesses, assess their values, interests, and personality, and evaluate their current job satisfaction. It also helps individuals to research different career options, network, and conduct informational interviews to gain a better understanding of the job market.

Ultimately, career planning is about taking ownership of one's career development, and it is a process that should be on-going, as individuals' goals and aspirations may change over time.

Importance of Career Planning

Career planning is a crucial part of life, as your career will shape your life for many years to come. The importance of career planning is to help you gain clarity about the type of job or career that best suits you and to take the necessary steps to achieve your goals. It will help you make sure that your skills are used in the most effective and efficient way, as well as helping you to make informed choices about your future. Additionally, career planning will provide you with a roadmap to achieve your goals and help you develop a plan of action to reach them. Furthermore, career planning will help you manage your finances, set realistic expectations, and manage your work-life balance

Implementation of Career Planning

Implementation of career planning typically involves several steps, including:

1. **Self-assessment:** Identifying one's skills, interests, values, and goals. This can be done through assessments, surveys, or interviews.
2. **Research:** Exploring different career options, researching industries, and gathering information about specific jobs or organizations.
3. **Goal setting:** Setting specific, measurable, achievable, relevant, and time-bound (SMART) goals for one's education, work, and career development.
4. **Action planning:** Developing a plan of action to achieve the goals set during the previous step. This may include identifying specific steps to take, as well as resources and supports needed to achieve the goals.
5. **Implementation:** Taking action to achieve the goals set during the previous steps. This may include applying for jobs, enrolling in education or training programs, or networking with professionals in the desired field.

6. **Evaluation:** Monitoring progress towards achieving the goals set during the previous steps. This may include tracking progress, conducting self-assessments, or seeking feedback from others.

Benefits of Career Planning

Career planning can have several benefits, including:

1. **Clarity of goals:** By planning your career, you can gain a clearer understanding of your career goals and the steps you need to take to achieve them.
2. **Improved decision making:** Career planning can help you make more informed decisions about your education, training, and job choices.
3. **Increased job satisfaction:** When you have a clear understanding of your career goals and the steps you need to take to achieve them, you are more likely to find a job that you enjoy and find fulfilling.
4. **Better opportunities for advancement:** By understanding your strengths and weaknesses and the career paths available to you, you can make strategic choices that will lead to better opportunities for advancement.
5. **Financial stability:** By having a clear career plan, you are better able to anticipate and prepare for the financial requirements of your chosen career.

What is Job Analysis?

Job analysis is a process that involves gathering and analyzing information about the various duties, responsibilities, and requirements of any specific job. The underlying motive behind this process is to clearly understand the individual needs of every job so that HRs can make informed decisions on recruitment, selection, training, and performance evaluation.

Methods used in Analysis of Job

1. Observations:
In this, the job analyst observes the person performing the job in real time. It provides a detailed and accurate account of the job's roles and responsibilities, along with any safety hazards involved.

Advantages:

- Detailed and accurate information: It clearly and precisely describes the job duties and responsibilities.
- Insight of the work: It helps HR professionals understand the inherent challenges in the job role.
- Capture infrequent tasks: It helps capture the sporadic tasks that might not be possible in other methods.

Disadvantages:

- Time-consuming: They tend to be time-consuming, especially when the specific tasks are lengthy and complex.
- Observer bias: The observer might have a preconceived notion of the job, which might impact their collected data.

2. Critical Incident Technique:
It involves collecting information about specific incidents on the job, and both positive and negative incidents are considered. This helps identify job-related behaviours and skills required for successful job performance.

3. Work Sampling Method:
It is a technique used to estimate the percentage of time workers spend performing specific tasks or activities. It usually involves taking periodic observations of workers over a specified period and recording the activities they are engaged in at that moment.

Advantages:

- Time-saving: It can be completed quickly, helping organizations analyse multiple jobs faster.
- Paints a representative picture: They are held at random time intervals making it easier to paint a more representative picture of the job.
- Easy to administer: It does not involve highly trained observers, making it easier to administer.

Disadvantages:

- Inaccurate data: It provides inaccurate data compared to other methods as it is based on a small sample of observations and not the entire observation.
- Requires a large sample size: To ensure accuracy, it needs a large sample size which is time and resource-consuming.

4. Task Analysis Method:
It involves identifying the required tasks and the knowledge, skills, and abilities to complete them successfully. For doing this, the job is broken into various tasks and activities.

Advantages:

- Detailed understanding of job requirements: It provides a comprehensive understanding of the tasks involved which helps to develop accurate job descriptions, identify training needs and so on.
- Development of performance standards: They help establish clear and measurable performance standards and help in evaluating employee performance.
- Enhances job design: It provides better insights into how the jobs can be made more efficient and effective.

Disadvantages:

- May not capture all aspects: This method focuses on specific tasks and omits the other essential elements.
- Limited usability in non-routine jobs: Its ineffective in the case of non-routine jobs as identifying the tasks required to perform these jobs are difficult.

5. Functional Job Analysis:
It is a method that breaks down a job into parts or functions, and then examines the knowledge, skills, and abilities (KSAs) needed to perform it effectively.

Advantages:

- Comprehensive and Objective: It is a comprehensive method unaffected by personal bias or preconceptions.
- Flexible: It is easily customizable to suit the organization's specific needs.
- Predictive: It can be used to identify the characteristics of successful job performance.

Disadvantages:

- Expertise: It requires a high level of expertise and knowledge of the job.
- Overemphasis: It can lead to overemphasis on task analysis at the expense of other jobs.

Purpose of Job Analysis

Job Analysis is essential for organizations seeking a competitive edge through their human resources. It serves the following purpose:

1. Recruitment and Selection:
It helps identify a particular job's required skills, qualifications, and competencies. This information is used to develop job descriptions and specifications that guide the recruitment and selection of candidates.

2. Performance Management:
It helps in understanding the key performance indicators for a particular job and developing appraisal tools and techniques, ensuring that the employees meet their goals.

3. Training and Development:
It helps highlight the necessary skills and knowledge for the job. This assists HRs in creating training and developmental programs for the employees.

4. Job Design and Redesign:
It helps gain insights into the critical tasks and responsibilities of the job and reorganize them to make them more efficient.

5. Succession Planning:
This also helps identify the critical skills and competencies needed for organizational leadership positions. Thus, it helps develop a succession plan, so that all the vital positions are always filled in.

6. Employee Engagement and Motivation:
It helps develop strategies and programs to enhance employee engagement and motivation, leading to a rise in job satisfaction and productivity.

How to conduct a Job Analysis Process?

The job analysis process is given below:

1. Identify the purpose of the job analysis
Determine the need for a job analysis, which helps focus efforts and choose the most appropriate methods.

2. Determine the data collection method
There are various methods to collect data like interviews, observations, questionnaires etc., choose the one that suits your needs.

3. Collect job information
In this, information about the job's duties, skills, and qualifications, working conditions, and physical demands are collected from multiple sources, for instance, the job holder, their supervisor and various other stakeholders involved.

4. Analyze the job information
This step involves organizing the collected data into various categories and identifying patterns to highlight the knowledge, skills and abilities needed to perform the job efficiently.

5. Validate the data
Validate the previous information with the job holders and the industry standards to ensure the accuracy and completeness of the data. Seek feedback from other stakeholders and make necessary changes.

6. Develop the Job Description
A job description includes information about the job duties, required skills and qualifications, and other relevant information. It should be clear, concise and an accurate representation of the job.

7. Communicate the findings
Document and communicate the findings to all the relevant stakeholders like HR, recruiters, etc. Use this to update the existing job descriptions, develop training programs and evaluate performance.

Job Analysis

Job analysis refers to a systematic process of collecting all information about a specific job, including skill requirements, roles, responsibilities and processes in order to create a valid job description. Job analysis also gives an overview of the physical, emotional & related human qualities required to execute the job successfully.

Job analysis is an important step in ensuring that the right candidate is selected. Job analysis helps the employer in recruitment and selection, performance management, choosing compensation and benefits, etc. It helps the employees to have a clear picture of what is actually required of them.

Role Analysis (HERA) Overview

Role analysis (also known as job evaluation) is a systematic approach used to determine the relative value (or size) of roles within an organisation by measuring the demands and responsibilities of the role (but not the performance of the individual undertaking the role). The University has used HERA (Higher Education Role Analysis) to facilitate the role analysis process and all roles have been put through the system to determine their grade on the nine grade structure. New roles continue to be added to the grading structure via the role analysis of job adverts and further particulars.
All professional services roles currently graded 1-8 and grade 5 teaching and research roles may apply to have their grade reviewed via the HERA Grading review process. Academic and senior teaching and research roles may apply for promotion via the Academic promotions.

Techniques and Methods of Manpower Planning:
Demand Forecasting: Manpower planning starts with estimating the future demand for human resources within an organization. This involves analyzing various factors such as business growth projections, market trends, and upcoming projects or initiatives. Demand forecasting techniques include quantitative methods like trend analysis, regression analysis, and workforce ratios, as well as qualitative approaches like expert opinion and Delphi technique.
Supply Forecasting: Once the demand for human resources is determined, the next step is to assess the current supply of talent within the organization. This involves analyzing the existing workforce skills, capabilities, and competencies. Supply forecasting techniques can include skills inventories, employee performance appraisals, and succession planning.
Gap Analysis: By comparing the demand and supply forecasts, organizations can identify the gap between their workforce requirements and the current availability of talent. This gap analysis helps in understanding the areas where there is a surplus or shortage of skills and allows businesses to take appropriate action.
Recruitment and Selection: Based on the gap analysis, businesses can develop recruitment and selection strategies to attract and hire the right talent. These strategies may include

internal promotions, external hiring, skill development programs, and partnerships with educational institutions or recruitment agencies.

What is talent attraction?

Talent attraction is the set of guidelines and strategies of a company whose main objective is to be more attractive in the eyes of candidates and to make them prefer to work in it rather than in the competition.

Hiring the best candidates on the market will be crucial to increasing the company's results and performance. To do this, you must invest in the sources of attracting human talent that will ensure that the business brand is an objective of interest for candidates looking for interesting job offers.

Why is attracting human talent important?

Attracting human talent is a process that helps us attract and hire candidates who we would not have otherwise been able to do. That is, they are workers who would not have completed a typical job offer, advertisement, or form in a recruiting publication.
It is an applicant (normally valuable, talented or who cares about their professional evolution) who we have had to convince with different strategies (which we will see below) and who has become interested in being part of the entity.

What is Selection?

Selection is the process of choosing employees to fill specific jobs within an organization. This process typically includes reviewing applications or resumes, interviewing candidates, and making a final decision. Selection is an important part of human resources, as it allows organizations to choose the best candidates for the job.

What is the difference between Selection and Selection Interviews?

The selection process is the process of narrowing down the number of candidates who are interviewed from the number of applicants who have applied for a job. Selection interviews are the interviews that are conducted with the candidates who have been selected for the job.

What are the different types of Selection Interviews?

There are a variety of different types of selection interviews that can be used in the human resources field. The most common type of selection interview is the one-on-one interview, where the interviewer meets with the job candidate one-on-one to ask questions and assess their qualifications. Another common type of selection interview is the group interview, where a group of job candidates meets with a panel of interviewers to discuss their qualifications and compete for the job. Another type of selection interview is the telephone interview, where the interviewer and the candidate meet over the phone to discuss the job and assess the candidate's qualifications. The final type of selection interview is the video interview, where the interviewer and the candidate meet over the internet to discuss the job and assess the candidate's qualifications.

What are the benefits of using Selection Interviews?

Selection interviews are an important part of the hiring process, and they can provide a number of benefits for organizations and their employees. First, selection interviews can help organizations identify the best candidates for a given position. By asking candidates questions about their skills, experience, and goals, organizations can get a better sense of who would be the best fit for the job. Additionally, selection interviews can help organizations assess candidates' qualifications and determine whether they are a good match for the organization's culture and values.

Selection interviews also provide candidates with an opportunity to learn more about the organization and the position they are applying for. By asking questions about the organization's culture, the job duties, and the team they would be working with, candidates can get a better sense of what it would be like to work for the organization. This can help candidates decide whether the job is a good fit for them and whether they are interested in pursuing it.

Lastly, selection interviews provide organizations with an opportunity to evaluate candidates' communication and problem-solving skills. By asking questions that require candidates to think on their feet, organizations can get a better sense of how well candidates can think on their feet and how they handle difficult situations. This can be helpful in determining which candidates are the best fit for the job.

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Unit- III

Induction is the process for welcoming newly recruited employees and supporting them to adjust to their new roles and working environments. Starting a new job can be a stressful experience and new employees need help to settle in. The University's induction programme will provide new employees with all of the necessary information, including local welcome events and activities.

The induction you will receive in your local department/institution will enable you to:

- Meet your key colleagues;
- Find your way around your workplace;
- Understand your terms and conditions of employment;
- Understand your role, key responsibilities and how you fit into your department/institution;
- Know what is expected of you and the way in which your work will be monitored;
- Know how you will be managed and supported to carry out your duties;
- Access University and local policies and procedures; and
- Identify any training and development needs that have to be met to enable you to undertake your role effectively.

The Role of Socialization

- Socialization prepares people to participate in a social group by teaching them its norms and expectations.
- Socialization has three primary goals: teaching impulse control and developing a conscience, preparing people to perform certain social roles, and cultivating shared sources of meaning and value.
- Socialization is culturally specific, but this does not mean certain cultures are better or worse than others.

What is Training and Development?

Training and Development in Human Resource Management is the process of acquiring knowledge, skills, and attitude that helps improve employees' job performance and enables future career growth.

Training refers to acquiring specific knowledge and skills for a particular job or task. It is usually a short-term activity concerned with improving an employee's current job performance. It includes formal training courses, on-the-job training, or coaching sessions.

Development is concerned with the long-term growth of an individual's career. It usually covers acquiring knowledge that goes beyond the requirements of their current job to prepare

the employees for their future job role or career advancement opportunities. Development activities include job shadowing, mentoring, attending conferences, or pursuing further education.

Employees can enhance their job performance, career growth, and job satisfaction through training and development. In contrast, organizations can benefit from better employee engagement, retention and higher productivity.

Importance of Training and Development

1. Boost Performance and Productivity
When employees are trained and developed, they feel more confident in their abilities. As a result, they can be more productive in their roles. Acquainting employees with the necessary skills and knowledge helps organizations improve employee performance, productivity, and job satisfaction. It also employees to remain engaged and motivated and positively impacts the organization's work environment.

2. Talent Management and Retention
In the recent competitive era, employees actively seek growth and development opportunities. So, organizations that invest in employee training and development programs find attracting and retaining top talent easier. Also, employees are more likely to be loyal and committed to the firm if their personal growth and development is prioritized. This leads to a lower turnover rate and a stable workforce.

3. Overcome Market Competition
It helps organizations stay current with the latest trends and best practices in the market. By investing in employees' training and development, companies can ensure retaining their competitive advantage in the future. This is essential in industries with rapid technological advancements and changing customer needs.

4. Effective Risk Management
Well-trained employees are less likely to make mistakes that might lead to costly errors or legal issues. For instance, compliance training can help organizations avoid legal actions by ensuring employees understand the regulations that apply to their daily work. Likewise, safety training helps organizations prevent workplace accidents that can lead to injuries or lawsuits.

5. Foster a Culture of Learning and Development
Investing in employee development shows that the organization values continuous learning. This creates a culture of learning and growth, where employees are encouraged to take risks, try new things, and seek out opportunities for development. A culture of learning and growth can lead to a more innovative and creative workforce, driving organizational success.

Investing in employees' training and development helps create a more engaged, productive, and innovative workforce that drives the company's success in today's competitive business environment.

What are the 5 processes of Training and Development?

Effective training and development programs can improve employee performance, increase productivity, and help organizations remain competitive in today's dynamic business environment. Human Resource Management plays a vital role in designing efficient employees training and development programs.

The following are the five processes of training and development in HRM:

1. Needs Assessment
It is the first process and involves identifying the organization's skill gaps and determining the training needs of employees. It comprises gathering data through surveys, focus groups, or other assessment tools to identify areas that need additional training or development. It is crucial in determining the training and development goals that align with the organization's overall strategy.

2. Design and Development
It is the second process and is concerned with designing the training program to meet identified needs and aligning them with the organization's strategic objectives. The design process comprises developing learning goals, selecting appropriate training methods, creating training materials, and developing a training schedule. The training program focuses on understanding individual learning styles and preferences and customizing them to meet specific needs.

3. Delivery
It is the third process and comprises implementing training programs through various training methods like classroom training, online training, on-the-job training, and coaching. It should focus on resource availability, appropriate workforce size, and employees' individual learning preferences. Effective delivery of training programs enhances employee engagement and learning outcomes.

4. Evaluation
It is the fourth process and usually evaluates the effectiveness of the training program. Methods may include surveys, assessments, performance metrics, and focus groups. It highlights the areas of improvement. An effective evaluation process can help companies measure training programs' success and make future improvements.

5. Follow-Up
The final training and development process involves reinforcing the training concepts and their practical application in daily work. It comprises ongoing coaching, refresher training, and feedback sessions to monitor progress and ensure meeting the organization's

expectations. Efficient follow-up helps employees retain the learned knowledge and skills and their practical application.

Well- executed training and development programs help organizations improve employee performance and productivity.

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Unit- IV

What Is a Performance Appraisal?

A performance appraisal is a systematic and periodic process of measuring an individual's work performance against the established requirements of the job. It's a subjective evaluation of the employee's strengths and weaknesses, relative worth to the organization, and future development potential.

Performance appraisals are also called performance evaluations, performance reviews, development discussions, or employee appraisals.

If you conduct a successful performance appraisal, you can get a handle on what the employee does best and identify areas that require improvement. Appraisals also come in handy for deciding how to fill new positions in the company structure with existing employees.

Types of Performance Appraisals

Performance appraisals can be broken down into four distinct significant types:

1. 360-Degree Appraisal

The manager gathers information on the employee's performance, typically by questionnaire, from supervisors, co-workers, group members, and self-assessment.

2. Negotiated Appraisal

This type of appraisal uses a mediator to help evaluate the employee's performance, with a greater emphasis on the better parts of the employee's performance.

3. Peer Assessment

The team members, workgroup, and co-workers are responsible for rating the employee's performance.

4. Self-Assessment

The employees rate themselves in categories such as work behaviour, attitude, and job performance.

Note that some organizations use several appraisal types during the same review. For instance, a manager could consult with the employee's peers and assign a self-assessment to the employee. It doesn't have to be a case of either/or.

Methods of Performance Appraisals

Performance appraisals come in many forms. Managers and human resources staff responsible for these appraisals need to choose the best methods based on the size of their organization and what sorts of responsibilities the employees fulfil.

1. 720-Degree Feedback

You could say that this method doubles what you would get from the 360-degree feedback! The 720-degree feedback method collects information not only from within the organization but also from the outside, from customers, investors, suppliers, and other financial-related groups.

2. The Assessment Centre Method

This method consists of exercises conducted at the company's designated assessment centre, including computer simulations, discussions, role-playing, and other methods. Employees are evaluated based on communication skills, confidence, emotional intelligence, mental alertness, and administrative abilities. The rater observes the proceedings and then evaluates the employee's performance at the end.

3. Behaviourally Anchored Rating Scale (BARS)

This appraisal measures the employee's performance by comparing it with specific established behaviour examples. Each example has a rating to help collect the data.

4. Checklist Method

This simple method consists of a checklist with a series of questions that have yes/no answers for different traits.

5. Critical Incidents Method

Critical incidents could be good or bad. In either case, the supervisor takes the employee's critical behaviour into account.

6. Customer/Client Reviews

This method fits best for employees who offer goods and services to customers. The manager asks clients and customers for feedback, especially how they perceive the employee and, by extension, the business.

7. Field Review Method

An HR department or corporate office representative conducts the employee's performance evaluation.

8. Forced Choice Method

This method is usually a series of prepared True/False questions.

9. General Performance Appraisal

This method involves continuous interaction between the manager and the employee, including setting goals and seeing how they are met.

10. Human Resource Accounting Method

Alternately called the "accounting method" or "cost accounting method," this method looks at the monetary value the employee brings to the company. It also includes the company's cost to retain the employee.

11. Management By Objective (MBO)

This process involves the employee and manager working as a team to identify goals for the former to work on. Once the goals are established, both parties discuss the progress the employee is making to meet those goals. This process concludes with the manager evaluating whether the employee achieved the goal.

12. Performance Tests and Observations

This method consists of an oral test that measures employees' skills and knowledge in their respective fields. Sometimes, the tester poses a challenge to the employee and has them demonstrate their skills in solving the problem.

13. Project Evaluation Review

This method involves appraising team members at the end of every project, not the end of the business year.

14. Rating Scales

These ratings measure dependability, initiative, attitude, etc., ranging from Excellent to Poor or some similar scale. These results are used to calculate the employee's overall performance.

The potential appraisal refers to the appraisal i.e. identification of the hidden talents and skills of a person. The person might or might not be aware of them. Potential appraisal is a future – oriented appraisal whose main objective is to identify and evaluate the potential of the employees to assume higher positions and responsibilities in the organizational hierarchy. Many organisations consider and use potential appraisal as a part of the performance appraisal processes. It helps to identify what can happen in future so that it can be guided and directed towards the achievement of individual and organizational growth and goals.

It can be measured through:

- *Self – appraisals*
- *Peer appraisals*
- *Superior appraisals*
- *MBO (Management By Objectives)*
- *Psychological and psychometric tests*
- *Management games like role playing*
- *Leadership exercises*

What is Job Evaluation?

Job evaluation is a systematic process of assessing the value of jobs in an organization in order to determine the worth of individual jobs and the compensation to be paid to employees who hold those jobs. The purpose of job evaluation is to ensure that employees are paid fairly for the work they do. Job evaluation can be used to set pay grades for jobs, to determine the starting salary for a new employee, to award salary increases, and to determine the amount of a bonus.

There are a number of different methods that can be used to conduct a job evaluation. The most common method is the point-factor method, which assigns points to each of the factors that are used to evaluate a job, such as skill level, responsibility, and working conditions. Other methods that can be used include the job classification method, which assigns jobs to a

specific class according to their level of responsibility and pay, and the job ranking method, which ranks jobs according to their importance to the organization.

How do you build a Job Evaluation system?

There is no one-size-fits-all answer to this question, as the best way to build a job evaluation system will vary depending on the specific organization and the specific jobs being evaluated. However, some key steps in creating a job evaluation system include:

1. **Establishing clear job criteria –** It is important to have a clear understanding of the specific duties and responsibilities of each job in order to accurately evaluate them.
2. **Developing a rating scale –** This rating scale can be based on a variety of factors, such as importance to the organization, difficulty, responsibility, and skills required.
3. **Assigning points to each rating –** Once the rating scale has been developed, points can be assigned to each rating. This will help to create a standard by which all jobs can be evaluated.
4. **Evaluating each job –** Once the rating scale has been established and points have been assigned, individual jobs can be evaluated using this scale.
5. **Updating the system as needed –** The job evaluation system should be updated as needed to reflect changes in the organization and in the jobs being evaluated.

How do you put a Job Evaluation system in place?

The first step in putting a job evaluation system in place is to determine the criteria that will be used to evaluate the job. The most common criteria used to evaluate jobs are skill level, effort, responsibilities, and working conditions. Once the criteria have been determined, the next step is to develop a rating scale for each criterion. The rating scale can be a simple scale from 1 to 5, with 1 representing the lowest rating and 5 representing the highest rating.

The next step is to evaluate the job. The person who is responsible for evaluating the job should be familiar with the rating scale and the criteria that were used to develop it. The evaluator should also be familiar with the job duties and responsibilities. The evaluator should then rate the job based on the criteria that were used to develop the rating scale.

The final step is to compare the ratings that were given to the job with the ratings that were given to similar jobs. The goal is to ensure that the job is rated fairly and that it is comparable to other jobs in the organization.

Wage Determination

Wage Determination Wage determination is a complex process. The steps involved in determining wage rates involves performing job analysis, wage surveys, analysis of relevant organisational problems, forming wage structure, framing rules of wage administration, explaining these to employees, assigning grades and price to each job and paying the guaranteed wage.

The process of determining wages involves a series of interrelated steps. Wage Determination Process:

The wage determination process includes the following:

1. Job Analysis: It involves the identification and precisely identifying the required tasks, the knowledge and skills necessary for performing them and the conditions under which they must be performed. It is the basic technical procedure that is used to define the duties, responsibilities and accountabilities of a job. it involves determination of methods and equipment's used and the skills and attitude required for successful performance of the job.

2. Job Evaluation: It is the formal process used to assign wage and salary rates to job. A variety of systems and products exist to guide this process, each different from the other in packaging, pricing, philosophy, procedures and utility It is a systematic technique determining the worth of a job. Once the worth is determined it becomes easier to fix the wage structure that will be fair and remunerative.

3. Conduct the Salary Survey: Once the process of job evaluation has determined the relative worth of jobs, the actual amounts to be paid must be determined. This is done by making wage or salary surveys in the area concerned. Employers use these surveys in three ways:

(i) They use survey data to price 'benchmark jobs', which are usually known as good indicators on the basis of this, the firm then slots its other jobs, based on their relative worth to the firm.

(ii) The employers typically price 20% or more of their positions directly in the market place based on a formal or informal survey of what comparable firms are paying for comparable jobs.

(iii) The surveys also collect data on benefits like insurance, sick leave and vacations to provide a basis for decisions regarding employee benefits.

MASTER OF BUSINESS ADMINISTRATION (MBA)

Human Resources Management

Sub code- CP-202

Unit- V

The Concepts Behind Industrial Relations

Industrial relations imply the relation between both employer and employees during the period of employment in an industrial organisation. However, the concept of industrial relations has a broader meaning. In a broader sense, the term industrial relations refers to the relation between various unions, state and union, and between employers and government. Relations of all those associated with the industry may be known as industrial relations.

According to the International Labour Organisation (ILO), industrial relations deals with relationships between either state and employers and workers organisations or the relationship between the occupation organisation themselves.

Industrial Relation Meaning

The term industrial relations comprises two words, i.e. 'industry' and 'relations'. The term 'industry' refers to any productive activity in the organisation in which the employees are engaged. On the other hand, the term 'relations' refers to the relationship, which exists within the industry between the management and the employees. The relationship between management and employees within the organisation within the organisational settings is defined by industrial relations. Industrial relations emerge directly or indirectly from management-trade union relationships.

Characteristics of Industrial Relation

Following are the significant features of industrial relations:

- Industrial relations are the result of employment relationships in industrial enterprises.
- Industrial relations introduced the concept and method of balancing and cooperating.
- Industrial relations formulate rules and regulations to maintain harmonious relations.
- The intervention of the Government to shape the industrial relation is made through laws, agreements, rules, charters, etc.
- Industrial relations incorporate both individual relations and collective relations.
- Several parties play a role in industrial relations. The main parties are employees and their organisation, employers and their association, and government.

Objectives of Industrial Relation

Following are the different objectives of industrial relation."

- To establish industrial peace.
- To safeguard the interests of both workers and management.
- To avoid industrial disputes.
- To raise the production capacity.
- To establish industrial democracy.
- To minimise the labour turnover rate and absenteeism.
- To safeguard the workers economic and social interests.
- To contribute to the economic development of the country through productivity.
- To establish a full employment situation.
- To minimise strikes, lockout, Heroes, etc., by providing good working conditions and fair wages to the workers.

Nature of Industrial Relation

- Industrial relations are concerned with the relationship between management and workers.
- Industrial relations safeguards the interest of employees.
- Industrial relations are concerned with the system, rules, and procedures used by unions and employees to determine the reward for effort and other conditions of employment, safeguard the interests of the employees and their employer and regulate how employers treat their employees.
- Industrial relations maintain a balance with employee expectations, employer associations, trade unions, and other social and economic institutions of societies.
- Industrial relations help in resolving disputes, conflicts, and controversies between labour and management.

Scope of Industrial Relation

Industrial Relations is a wide-reaching term. Different scholars have expressed their different views on the scope of industrial relations. According to Dale Yoder, "Industrial relations incorporate policies related to recruitment, selection, training of workers, personnel management, and collective bargaining." According to the International Labour Organisation

(ILO), industrial relations incorporate the relations between state and employers and relations between trade unions and employers associations.

According to Richard A Lester, the scope of industrial relations is no longer limited only to trade unions and industrial management, rather it includes all aspects of labour such as wages, productivity, social security, management, and employee policies. Trade Union policies also form part of it.

In a modern organisation, the industrial relations functions are performed by the Industrial Relations Department. This function is performed under the supervision of the Director of the Industrial Relations department. In the performance of this function, support is rendered by different managers and subordinates. Different important functions performed by workers of the industrial relation department includes:

- Management of policies and programs of industrial relations.
- Public Relation
- Labour Relation
- Recruitment, Selection, and Placement of labourers.
- To provide medical and health-related services.
- To maintain employment records of the employees.
- Provision of recruitment test, ability test, skill test, and intelligence test.
- Provision of training and education program

What is the Importance of Industrial Relations?

- **Promotes Democracy:** Industrial relations means employing collective bargaining to resolve issues faced by workers. This collective bargaining is generally employed through cooperation and mutual agreement amongst all the affected parties, i.e., democracy, management, and employees unions. This enables an organisation to establish industrial democracy, which eventually motivates the workers to perform their best to the growth and prosperity of the organisation.
- **High Morale:** Good industrial relations enhance the morale of the employees and motivate the workers to work more efficiently.
- **Avoid Conflicts Between Management And Union:** Industrial relations minimise issues between unions and management. This is because industrial relations incorporate setting up machinery to resolve issues faced by management and employees through mutual agreement to which both these parties are bound. This results in ignoring any unfair practices that could lead to major conflicts between employers and trade unions.

- **Minimises Wastage:** Satisfactory Industrial relations are maintained on the basis of co-operation and recognition of each other in the department. It helps to minimise wastage of material, manpower, and costs.
- **Economic Growth And Development:** Good and harmonious industrial relations result in increased efficiency and hence prosperity, which in turn minimise turnover and other tangible benefits to the organisation. This promotes economic growth and development.

Functions of Industrial Relations

The important functions of industrial relations are:

- To establish communication between workers and management to maintain the sound relationship between the two.
- To establish support between managers and employees.
- To ensure the creative contribution of trade unions to avoid industrial conflicts.
- To safeguard the interests of workers and the management,
- To avoid an unhealthy and unethical atmosphere in an industry.
- To formulate such considerations that may promote understanding, creativity, and cooperativeness to enhance industrial productivity.
- To ensure better workers' participation.

What a trade union is

A trade union is an organisation made up of members (a membership-based organisation) and its membership must be made up mainly of workers.

One of a trade union's main aims is to protect and advance the interests of its members in the workplace.

Most trade unions are independent of any employer. However, trade unions try to develop close working relationships with employers. This can sometimes take the form of a partnership agreement between the employer and the trade union which identifies their common interests and objectives.

Trade unions:

- negotiate agreements with employers on pay and conditions
- discuss major changes to the workplace such as large scale redundancy
- discuss members' concerns with employers
- accompany members in disciplinary and grievance meetings

- provide members with legal and financial advice
- provide education facilities and certain consumer benefits such as discounted insurance

Trade union recognition

Employers which recognise a union will negotiate with it over members' pay and conditions.

Many recognition agreements are reached voluntarily, sometimes with the help of the Labour Relations Agency.

If agreement can't be reached and the organisation employs more than 20 people, a union may apply for statutory recognition. To do so, it must first request recognition from the employer in writing. If this is unsuccessful, the union can apply to the Industrial Court(external link opens in a new window / tab) for a decision.

In considering the union's application, the Court must assess many factors including the level of union membership and the presence of any other unions. Often, the Court will organise a ballot among the affected workforce to decide whether recognition should be awarded. Throughout the process, the emphasis is on reaching voluntary agreement.

Collective bargaining

If a union is formally recognised by an employer, it can negotiate with the employer over terms and conditions. This is known as 'collective bargaining'.

For collective bargaining to work, unions and employers need to agree on how the arrangement is to operate. They might, for example, make agreements providing for the deduction of union subscriptions from members' wages; who is to represent workers in negotiations and how often meetings will take place.

Both these agreements on procedure and agreements between employers and unions changing the terms applying to workers (like a pay increase for example) are called 'collective agreements'.

Collective Bargaining

Collective bargaining is the process in which working people, through their unions, negotiate contracts with their employers to determine their terms of employment, including pay, benefits, hours, leave, job health and safety policies, ways to balance work and family, and more. Collective bargaining is a way to solve workplace problems. It is also the best means for raising wages in America. Indeed, through collective bargaining, working people in unions have higher wages, better benefits and safer workplaces.

In the United States, some three-quarters of private-sector workers and two-thirds of public employees have the right to collective bargaining. This right came to U.S. workers through a series of laws. The Railway Labor Act granted collective bargaining to railroad workers in

1926 and now covers many transportation workers, such as those in airlines. In 1935, the National Labor Relations Act clarified the bargaining rights of most other private-sector workers and established collective bargaining as the "policy of the United States." The right to collective bargaining also is recognized by international human rights conventions.

The freedom to form and join a union is core to the U.N. Universal Declaration on Human Rights and is an "enabling" right—a fundamental right that ensures the ability to protect other rights.

Every year, millions of America's workers negotiate or renegotiate their bargained contracts. However, some employers seek to undercut existing bargaining relationships and roll back many hard-won contract terms and conditions. Unions continue to fight for the intrinsic rights of working people and restore the balance of economic power in our country through collective bargaining agreements.

Industrial Disputes Act

The Industrial Disputes Act, 1947 regulates Indian labour law so far as that concerns trade unions as well as individual workmen employed in any industry in the Indian mainland. The Industrial Dispute Act was one of the last legislative acts before the passing of the Indian Independence Act of 1947.

It is an important Act for from the IAS Exam perspective and UPSC aspirants must go through the details of the Industrial Disputes Act, 1947 described further below in this article.

Overview of the Industrial Disputes Act, 1947

A cursory detail of the Industrial Dispute Act is given in the table below:

Industrial Disputes Act, 1947

Long Title	An Act to make provision for the investigation and settlement of industrial disputes, and for certain other purposes.
Territorial Extent	Territories under direct British control, later implemented in the Princely States upon their integration with the Indian Union
Enacted by	Central Legislative Assembly
Assented to	11th March 1947
Commenced	1st April 1947

To learn more about the legislation passed in British India, click on the linked article.

Objectives of the Industrial Disputes Act, 1947

The act was drafted to make provision for the investigation and settlement of industrial disputes and to secure industrial peace and harmony by providing mechanisms and procedures for the investigation and settlement of industrial disputes by conciliation, arbitration and adjudication which is provided under the statute.

This Act was passed with the key objective of "Maintenance of Peaceful work culture in the Industry in India" which is mentioned under the Statement of Objects & Reasons of the statute.

The Industrial Dispute Act also lays down:

1. The provision for payment of compensation to the workman on account of closure or layoff or retrenchment.
2. The procedure for prior permission of the appropriate Government for laying off or retrenching the workers or closing down industrial establishments
3. The actions to be taken against unfair labour practices on the part of an employer, a trade union or workers.

UPSC aspirants must also refer to the List of Important Acts that Transformed India in the linked article for the upcoming Civil Services exam preparation.

Controversy Regarding the Industrial Disputes Act, 1947

The act was implemented to provide for machinery and procedures for the investigation and settlement of industrial disputes, applicable to all irrespective of size and sector. It even has provisions regarding conditions for layoffs, retrenchment (reduction in the size of operations) and closure of industry.

This clause raises controversy regarding the act, particularly as per Chapter V-B. There have been multiple amendments that have been made over the years for this clause. The chapter states the following:

1. If an industrial establishment employs more than 50 persons, it needs to give 60 days' notice, citing reasons of closure to the appropriate government before the closure of the industry. It was increased to 90 days in 1982.
2. If the establishment employs more than 300 employees, it must obtain prior approval of the proper government authority regarding approval for layoffs, retrenchment and closure. This limit was lowered to 100 employees in the 1982 amendment.