

## **INTRODUCTION:**

HUMAN RESOURCE MANAGEMENT (HRM) IS AN OPERATION IN COMPANIES DESIGNED TO MAXIMIZE EMPLOYEE PERFORMANCE IN ORDER TO MEET THE EMPLOYER'S STRATEGIC GOALS AND OBJECTIVES. MORE PRECISELY, HRM FOCUSES ON MANAGEMENT OF PEOPLE WITHIN COMPANIES, EMPHASIZING ON POLICIES AND SYSTEMS.

IN SHORT, HRM IS THE PROCESS OF RECRUITING, SELECTING EMPLOYEES, PROVIDING PROPER ORIENTATION AND INDUCTION, IMPARTING PROPER TRAINING AND DEVELOPING SKILLS.

## **THE SCOPE OF HRM**

### **1. HUMAN RESOURCES PLANNING**

IT IS THE PROCESS BY WHICH A COMPANY IDENTIFIES HOW MANY POSITIONS ARE VACANT AND WHETHER THE COMPANY HAS EXCESS STAFF OR SHORTAGE OF STAFF AND SUBSEQUENTLY DEALS WITH THIS NEED OF EXCESS OR SHORTAGE.

### **2. JOB ANALYSIS DESIGN**

JOB ANALYSIS CAN BE DEFINED AS THE PROCESS OF NOTICING AND REGULATING IN DETAIL THE PARTICULAR JOB DUTIES AND REQUIREMENTS AND THE RELATIVE IMPORTANCE OF THESE DUTIES FOR A GIVEN JOB.

JOB ANALYSIS DESIGN IS A PROCESS OF DESIGNING JOBS WHERE EVALUATIONS ARE MADE REGARDING THE DATA COLLECTED ON A JOB. IT GIVES AN ELABORATE DESCRIPTION ABOUT EACH AND EVERY JOB IN THE COMPANY.

### **3. RECRUITMENT AND SELECTION**

WITH RESPECT TO THE INFORMATION COLLECTED FROM JOB ANALYSIS, THE COMPANY PREPARES ADVERTISEMENTS AND PUBLISHES THEM ON VARIOUS SOCIAL MEDIA PLATFORMS. THIS IS KNOWN AS RECRUITMENT.

A NUMBER OF APPLICATIONS ARE RECEIVED AFTER THE ADVERTISEMENT IS PRESENTED, INTERVIEWS ARE CONDUCTED AND THE DESERVING EMPLOYEES ARE SELECTED. THUS, RECRUITMENT AND SELECTION IS YET ANOTHER ESSENTIAL AREA OF HRM.

### **4. ORIENTATION AND INDUCTION**

AFTER THE EMPLOYEES ARE SELECTED, AN INDUCTION OR ORIENTATION PROGRAM IS ORGANIZED. THE EMPLOYEES ARE UPDATED ABOUT THE BACKGROUND OF THE COMPANY AS WELL AS CULTURE, VALUES, AND WORK ETHICS OF THE COMPANY AND THEY ARE ALSO INTRODUCED TO THE OTHER EMPLOYEES.

### **5. TRAINING AND DEVELOPMENT**

EMPLOYEES HAVE TO UNDERGO A TRAINING PROGRAM, WHICH ASSISTS THEM TO PUT UP A BETTER PERFORMANCE ON THE JOB. SOMETIMES, TRAINING IS ALSO CONDUCTED FOR CURRENTLY WORKING EXPERIENCED STAFF SO AS TO HELP THEM IMPROVE THEIR SKILLS FURTHER. THIS IS KNOWN AS REFRESHER TRAINING.

### **6. PERFORMANCE APPRAISAL**

AFTER THE EMPLOYEES HAVE PUT IN AROUND 1 YEAR OF SERVICE, PERFORMANCE APPRAISAL IS ORGANIZED IN ORDER TO CHECK THEIR PERFORMANCE. ON THE BASIS OF THESE APPRAISALS, FUTURE PROMOTIONS, INCENTIVES, AND INCREMENTS IN SALARY ARE DECIDED.

### **7. COMPENSATION PLANNING AND REMUNERATION**

UNDER COMPENSATION PLANNING AND REMUNERATION, VARIOUS RULES AND REGULATIONS REGARDING COMPENSATION AND RELATED ASPECTS ARE TAKEN CARE OF. IT IS THE DUTY OF THE HR DEPARTMENT TO LOOK INTO REMUNERATION AND COMPENSATION PLANNING.

## **FEATURES OF HRM**

HUMAN RESOURCE MANAGEMENT AS A DISCIPLINE INCLUDES THE FOLLOWING FEATURES –

- IT IS PERVASIVE IN NATURE, AS IT IS PRESENT IN ALL INDUSTRIES.
- IT FOCUSES ON OUTCOMES AND NOT ON RULES.
- IT HELPS EMPLOYEES DEVELOP AND GROOM THEIR POTENTIAL COMPLETELY.
- IT MOTIVATES EMPLOYEES TO GIVE THEIR BEST TO THE COMPANY.
- IT IS ALL ABOUT PEOPLE AT WORK, AS INDIVIDUALS AS WELL AS IN GROUPS.
- IT TRIES TO PUT PEOPLE ON ASSIGNED TASKS IN ORDER TO HAVE GOOD PRODUCTION OR RESULTS.
- IT HELPS A COMPANY ACHIEVE ITS GOALS IN THE FUTURE BY FACILITATING WORK FOR COMPETENT AND WELL-MOTIVATED EMPLOYEES.
- IT APPROACHES TO BUILD AND MAINTAIN CORDIAL RELATIONSHIP AMONG PEOPLE WORKING AT VARIOUS LEVELS IN THE COMPANY.

## **FUNCTIONS:**

HUMAN RESOURCE MANAGEMENT (HRM) IS A SYSTEMATIC APPROACH THAT WORKS TO FILL THE GAP BETWEEN AN ORGANIZATION AND ITS EMPLOYEES. FUNCTIONS OF HRM HAVE BEEN DEVELOPED BY THE MINISTER OF HUMAN RESOURCE DEVELOPMENT TO SIMPLIFY THE TASK OF MANAGING THE HUMAN CAPITAL OF THE ORGANIZATION. THESE WORKS ARE BROADLY CLASSIFIED INTO TWO CATEGORIES:

### **A. MANAGERIAL FUNCTIONS:-**

HUMAN RESOURCE MANAGEMENT (HRM) IS REQUIRED AT ALL LEVELS OF AN ORGANIZATION. TOP MANAGEMENT IS RESPONSIBLE FOR STRATEGIZING AND DIRECTING THE SUCCESSFUL APPLICATION OF SUCH SCHEMES. IN THIS PROCESS, THEY PERFORM THE FOLLOWING FUNCTIONS:

#### **1. PLANNING**

PLANNING IS THE FIRST AND BASIC FUNCTION OF MANAGEMENT AND EVERYTHING DEPENDS ON THE PLAN; BEFORE THINKING OF ANYTHING ELSE, MANAGEMENT NEEDS TO BE AWARE OF THE VACANCIES OR WORKFORCE NEEDS OF THE ORGANIZATION. AFTER THAT, THEY ARE VERY MUCH REQUIRED TO FORMULATE A STRATEGY TO MEET FUTURE REQUIREMENTS.

#### **2. ORGANIZING**

THE PURPOSE OF HUMAN RESOURCES IS TO BRING TOGETHER THE AVAILABLE HUMAN RESOURCES AND PHYSICAL RESOURCES WITH THE ORGANIZATION, THE MANAGER SETS A FRAMEWORK FOR OPERATIVE TASKS. ALONG WITH ORGANIZING EVERYTHING RELATED TO HR AND THE ORGANIZATION, HUMAN RESOURCE MANAGERS SHOULD BE WELL AWARE THAT ORGANIZING IS A PROCESS OF CREATING AND ORGANIZING EVERYTHING IN A PROPER WAY TO AVOID ANY CONFUSION AND CONFLICT.

#### **3. DIRECTING**

DIRECTING IS A KNOWLEDGE, DISCIPLINE, AND FORMAL WAY OF COMMUNICATING TO OTHERS WHAT YOU EXPECT FROM THEM OR AN ORGANIZATION. UNLESS A HUMAN RESOURCE MANAGER HAS THE ABILITY TO DIRECT, A HUMAN RESOURCE MANAGER CANNOT BE SAID TO BE FULL-FLEDGED. WHEN THE HR MANAGER HAS THE RIGHT GUIDANCE CAPABILITIES, THE MANAGER INSTRUCTS THE TEAM TO ACT ACCORDINGLY AND PROVIDES APPROPRIATE GUIDANCE TO MEET THE ORGANIZATIONAL OBJECTIVE.

## 4. CONTROLLING

HUMAN RESOURCE MANAGERS MUST HAVE FULL KNOWLEDGE OF HANDLING ALL MATTERS RELATED TO HUMAN RESOURCES, AS THEY MUST BE FULLY CAPABLE OF THINKING AND DECIDING WHAT SHOULD BE DONE AND WHAT SHOULD NOT BE DONE THEY ALSO NEED TO KNOW HOW EMPLOYEES SHOULD BE TREATED AND HOW NOT. SIMULTANEOUSLY HE SETS THE STANDARD FOR MANAGEMENT PERFORMANCE AND SUBSEQUENTLY ANALYZES THE RESULTS BASED ON SUCH CRITERIA THROUGH PERFORMANCE EVALUATION AND JOB ANALYSIS.

### B. OPERATIVE FUNCTIONS:-

OPERATIVE FUNCTIONS ARE THOSE THAT ARE PERFORMED AT THE DEPARTMENTAL LEVEL OR MIDDLE LEVEL AND ARE PRIMARILY CONCERNED ABOUT THE EXECUTION OF PLANS AND STRATEGIES CREATED AT THE MANAGERIAL LEVEL. BELOW WE HAVE MENTIONED ABOUT VARIOUS TYPES OF OPERATIVE FUNCTIONS:

#### 1. PROCUREMENT

ACQUISITION OF HUMAN RESOURCES IS THE PRIMARY FUNCTION OF A MANAGER. THIS INCLUDES ALL REQUIREMENTS OF PERSONNEL, RECRUITMENT, AND SELECTION OF SUITABLE CANDIDATES, AN APPOINTMENT TO THE RIGHT PLACE OF THE WORKFORCE, AND ESTIMATION OF ORIENTATION.

#### 2. TRAINING & DEVELOPMENT

PROVIDING PROPER TRAINING TO MANAGERS TO DEVELOP THE NECESSARY SKILLS AND TALENTS WITHIN THE EMPLOYEES AND ENSURING THE CORRECT DEVELOPMENT OF THE SELECTED CANDIDATES IS AN IMPORTANT FUNCTION OF HR. OVERALL, THE SUCCESS OF AN ORGANIZATION DEPENDS ON HOW WELL EMPLOYEES HAVE TRAINED FOR THE JOB AND THEIR GROWTH OPPORTUNITIES WITHIN THE ORGANIZATION..

#### 3. PROVIDING COMPENSATION AND BENEFITS

BENEFITS AND COMPENSATION ARE A MAJOR PART OF THE TOTAL COST EXPENDITURE OF ANY ORGANIZATION. IT IS NECESSARY TO PLUG EXPENSES, AND AT THE SAME TIME, IT IS VERY NECESSARY TO PAY EMPLOYEES WELL. THEREFORE, THE ROLE OF HUMAN RESOURCE MANAGEMENT IS TO CREATE PACKAGES SUCH AS BONUSES, BENEFITS, AND COMPENSATION FOR THEM TO ATTRACT MORE EMPLOYEES IN THE WORKPLACE WITHOUT DISTURBING THE COMPANY'S FINANCES. BY WHICH HE WILL BE ABLE TO GIVE MORE GOOD PRODUCTION TO THE COMPANY BY DOING HIS WORK WITH MORE INTEREST.

#### 4. INTEGRATION

INTEGRATION MEANS INTRODUCING NEW EMPLOYEES TO THE ORGANIZATION AND THEIR WORK OR PROCESS. THIS INCLUDES MOTIVATING EMPLOYEES THROUGH VARIOUS FINANCIAL AND NON-FINANCIAL INCENTIVES, PROVIDING JOB SATISFACTION, DEALING WITH EMPLOYEE COMPLAINTS THROUGH FORMAL GRIEVANCE PROCEDURES, COLLECTIVE BARGAINING, LABOR PARTICIPATION IN MANAGEMENT, CONFLICT RESOLUTION, DEVELOPMENT OF SOUND HUMAN RELATIONS, EMPLOYEE CONSULTATION, IMPROVING QUALITY OF WORK-LIFE, ETC.

#### 5. MAINTENANCE

IT IS THE MOST IMPORTANT FUNCTION, IT IS RELATED TO SAVING AND PROMOTING THE PHYSICAL AND MENTAL HEALTH OF THE EMPLOYEES, WHICH AIMS TO PROVIDE MANY TYPES OF FRINGE BENEFITS LIKE PF, LIFE INSURANCE, ACCIDENT INSURANCE, HEALTH INSURANCE, PENSION TO THE EMPLOYEES. IT IS NECESSARY TO PROVIDE GRATUITY WITH VARIOUS BENEFITS AND FACILITIES SUCH AS ALLOWANCES AND OTHER HEALTH AND SAFETY MEASURES.

## **CHANGING ENVIRONMENT – HRM:**

THE FIVE FACTORS INVOLVED IN THE CHANGING ENVIRONMENT OF HRM ARE AS FOLLOWS;

### **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.

IT IS LIKELY TO BE MORE DIVERSE AS WOMEN, MINORITY- GROUP MEMBERS, AND OLDER WORKERS FLOOD THE WORK FORCE. WITH THE INCREASING NUMBER OF WOMEN ENTERING THE WORK FORCE DUE TO A COMBINATION OF FACTORS LIKE WOMEN'S EMANCIPATION, ECONOMIC NEEDS, GREATER EQUALITY OF SEXES, EDUCATION AND SO ON, ADDITIONAL PRESSURES OF MANAGING A DIFFERENT SET OF PROBLEMS AT THE WORK PLACE HAVE ARISEN. AS SUCH, THE NUMBER OF WOMEN IS ON INCREASE IN ALL WALKS OF LIFE I.E., TEACHERS, LAWYERS, DOCTORS, ENGINEERS, ACCOUNTANTS, PILOTS, PARLIAMENTARIANS AND SO ON.

HOWEVER, INCREASING NUMBER OF WOMEN IN THE WORK FORCE HAS BEEN NECESSITATING THE IMPLEMENTATION OF MORE FLEXIBLE WORK SCHEDULING, CHILD CARE FACILITIES, MATERNITY AND NOW PATERNITY LEAVE ALSO AND TRANSFER TO LOCATION OF HUSBAND'S PLACE OF POSTING.

### **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.

THE NEW ECONOMIC POLICY, 1991 HAS LED TO LIBERALIZATION AND GLOBALIZATION GIVING GENESIS TO MULTINATIONAL ORGANISATIONS WITH THEIR MULTICULTURAL DIMENSIONS HAVING CERTAIN IMPLICATIONS FOR HRM. THE IMPLICATIONS OF GLOBALIZATION FOR HRM ARE DISCUSSED SUBSEQUENTLY. THE INDIAN ECONOMY HAS ALREADY BECOME AN OPEN ECONOMY BUT IT WILL BE MORE SO FROM APRIL 2003 WITH THE COMPLETE LIFTING OF QUANTITATIVE RESTRICTIONS (QRs) ON IMPORTS IN INDIA.

TECHNOLOGY HAS BECOME THE HALLMARK OF THE MODERN ORGANISATIONS. AS SUCH, MODERN ORGANISATIONS HAVE BECOME THE TECHNOLOGY-DRIVEN ORGANISATIONS. SO TO SAY, MEN ARE REPLACED BY MACHINERY. MANUFACTURING TECHNOLOGY, FOR EXAMPLE, HAS CHANGED TO AUTOMATION AND ROBOTISATION.

### **3. GLOBALIZATION:**

THE NEW ECONOMIC POLICY, 1991 HAS, AMONG OTHER THINGS, GLOBALIZED 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.

GLOBALIZATION INCREASES COMPETITION IN THE INTERNATIONAL BUSINESS. FIRMS THAT FORMERLY COMPETED ONLY WITH LOCAL FIRMS, NOW HAVE TO COMPETE WITH FOREIGN FIRMS/COMPETITORS. THUS, THE WORLD HAS BECOME A GLOBAL MARKET WHERE COMPETITION IS A TWO-WAY STREET.

### **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.

ONE MOST SIGNIFICANT CHANGE IN THE NATURE OF WORK IS THAT IT HAS CHANGED FROM MANUAL TO MENTAL/ KNOWLEDGE WORK. IN THIS CONTEXT, THE MANAGEMENT EXPERT PETER DRUCKER'S VIEWS ARE WORTH CITING. HE SAID THAT THE TYPICAL BUSINESS WILL SOON BEAR LITTLE RESEMBLANCE TO THE TYPICAL MANUFACTURING COMPANY OF 30 YEARS AGO.

### PRINCIPLES OF HUMAN RESOURCE MANAGEMENT:

1. DEAL WITH PEOPLE AS COMPLETE INDIVIDUALS.

CONSIDER AN EMPLOYEE AS A WHOLE PERSON. FOR EXAMPLE, THE FAMILY LIFE OF AN EMPLOYEE MAY AFFECT HIS WORKING LIFE.

2. MAKE PEOPLE FEEL WORTHWHILE AND RELATED.

PEOPLE ARE THE MOST VALUABLE ASSET OF THE ORGANIZATION.

3. TREAT ALL EMPLOYEES WITH JUSTICE.

THERE SHOULD BE NO DISCRIMINATION IN TERMS OF GENDER, COLOR, RACE, AND RELIGION. FOR EXAMPLE, THE SELECTION AND PLACEMENT PROCESS SHOULD BE REALIZED BASED ON THE EQUAL OPPORTUNITY PRINCIPLE.

4. HUMAN RESOURCE MANAGEMENT IS NOT PERSONAL.

THE INDIVIDUALITY OF THE HUMAN RESOURCE MUST BE RECOGNIZED AND CANNOT BE TREATED LIKE ANY OTHER RESOURCE. AFTER ALL, PEOPLE HAVE FEELINGS AND EMOTIONS.

5. REWARDS SHOULD BE EARNED, NOT TO BE GIVEN.

REWARDS MAY BE MONETARY AND NONMONETARY (RECOGNITION, APPRECIATION). IF IT IS GIVEN, IT BECOMES A GIFT OR DONATION. STUDENTS SHOULD EARN A GOOD GRADE THROUGH HARD WORK.

6. SUPPLY EMPLOYEES WITH RELEVANT INFORMATION.

SECURITY MAY CREATE CONFUSION AND MISUNDERSTANDING. INFORMATION SHOULD BE SHARED WITH EMPLOYEES. EMPLOYEES' COMMITMENT TO THE ORGANIZATION IS NURTURED WHEN THE ORGANIZATION INFORMS THEM OF IMPORTANT MATTERS, SUCH AS THE MISSION STATEMENT, THE VALUES IT CHERISHES, AND TRADING PROSPECTS.

7. DO NOT UNDERESTIMATE THE INTELLIGENCE OF PEOPLE.

PEOPLE HAVE A LOT OF POSITIVE POTENTIALS. THE OBJECTIVE OF THE HR MANAGER IS TO MAKE THE BEST USE OF HUMAN TALENT. THE EMPLOYEE SHOULD BE EMPOWERED TO UTILIZE THEIR TALENTS. BUT THE REALITY IS THAT MANY PEOPLE IN DEVELOPING COUNTRIES REMAIN UNDERVALUED, UNDERESTIMATED, AND UNDERUTILIZED.

## 8. TREAT PEOPLE WITH RESPECT AND DIGNITY.

PEOPLE DESERVE TO BE TREATED DIFFERENTLY FROM OTHER FACTORS OF PRODUCTION (LAND, CAPITAL, TECHNOLOGY) BECAUSE THEY ARE OF HIGHER ORDER IN THE UNIVERSE. THIS WILL ENHANCE PEOPLE'S MOTIVATION AND COMMITMENT TO THE ORGANIZATION.

## 9. PROVIDES OPPORTUNITIES FOR GROWTH WITHIN THE ORGANIZATION.

ACCORDING TO HERZBERG, EMPLOYEE GROWTH IS A MOTIVATIONAL FACTOR. ALL EMPLOYEES ARE EXPECTED TO ENHANCE KNOWLEDGE, SKILLS, AND COMPETENCIES. IT IS BELIEVED THAT DEVELOPMENT IS AN INDIVIDUAL INITIATIVE, PROVIDES NECESSARY RESOURCES AND SUPPORTS THE PEOPLE.

## 10. THE PREDOMINANCE OF GROUP INTEREST OVER INDIVIDUAL INTERESTS.

ACCORDING TO FAYOL, ONE OF THE BASIC PRINCIPLES OF MANAGEMENT IS THE SUBORDINATION OF INDIVIDUAL TO GROUP INTEREST. THE HR MANAGER MUST INTEGRATE THE INTERESTS OF DIFFERENT STAKEHOLDERS OF AN ORGANIZATION. PLATO ARGUES THAT ALL SEGMENTS OF SOCIETY SHOULD WORK HARMONIOUSLY TO AVOID SOCIAL CONFLICT.

## 11. SELL THE HR PROGRAM.

IT MUST BE SOLD. THIS FOLLOWS BECAUSE EMPLOYEES WILL LEARN BY THEMSELVES OR FROM OTHERS IF MANAGEMENT DOES NOT TEACH THEM.

## **CHALLENGES OF HRM**

### A. ENVIRONMENTAL CHALLENGES

THE ENVIRONMENTAL CHALLENGES ARE RELATED TO THE EXTERNAL FORCES THAT EXIST IN THE OUTSIDE ENVIRONMENT OF AN ORGANIZATION AND CAN INFLUENCE THE PERFORMANCE OF THE MANAGEMENT OF THE ORGANIZATION. THESE EXTERNAL FORCES ARE ALMOST OUT OF CONTROL OF THE MANAGEMENT OF THE ORGANIZATION.

THESE CAN BE REGARDED AS THREATS TO MANAGEMENT AND SHOULD BE HANDLED IN A PROACTIVE MANNER. FOLLOWING ARE THE LIST OF HUMAN RESOURCE MANAGEMENT CHALLENGES THAT ARE CONSIDERED ENVIRONMENTAL CHALLENGES.

#### 1. RAPID CHANGE

THE WORLD IS CHANGING AT A FASTER RATE BECAUSE CHANGE IS CONSTANT FOR SEVERAL CENTURIES. SO THE MANAGEMENT OF THE ORGANIZATIONS SHOULD BE QUICKLY ADAPTIVE TO THE CHANGING REQUIREMENT OF THE ENVIRONMENT OTHERWISE THEY BECOME OBSOLETE FROM THE MARKET.

THE HUMAN RESOURCE MANAGEMENT OF AN ORGANIZATION PLAYS A BASIC ROLE IN RESPONSE TO ENVIRONMENTAL CHANGE. THE HR DEPARTMENT SHOULD ADOPT SUCH POLICIES THAT CAN AVAIL THE NEW OPPORTUNITIES OF THE ENVIRONMENT AND KEEP THE ORGANIZATION AWAY FROM THE NEWLY EMERGING THREATS.

#### 2. WORKFORCE DIVERSITY

THE CHANGING ENVIRONMENT PROVIDES BOTH THE OPPORTUNITIES AND THREATS TO THE HUMAN RESOURCE MANAGEMENT OF THE ORGANIZATION. THE HR MANAGER SHOULD ADOPT SUCH POLICIES THAT CAN MAKE POSSIBLE THE DIVERSE WORKFORCE OF EMPLOYEES. ALTHOUGH ON ONE HAND DIVERSITY CREATES A BIG PROBLEM, IN THE LONG RUN, THE SURVIVAL AND PERFORMANCE OF THE ORGANIZATION IS FLOURISHED.

### 3. GLOBALIZATION

ONE OF THE SERIOUS ISSUES THAT TODAY'S ORGANIZATIONS ARE FACING IS THE ISSUE OF GLOBALIZATION. THE WORLD IS CONVERTING INTO A GLOBAL BUSINESS AND SEVERE COMPETITION IS STARTED BETWEEN DOMESTIC AND FOREIGN COMPANIES. SUCH COMPETITION RESULTS IN LAYING OFF THE EFFECTIVE WORKFORCE OF THE ORGANIZATION. THE HR DEPARTMENT CAN PLAY AN IMPORTANT ROLE IN KEEPING THE CULTURE OF THE ORGANIZATION AS GLOBAL AND WIDER.

### 4. LEGISLATION

IT IS THE OLD ENVIRONMENTAL CHALLENGE THAT IS FACED BY THE ORGANIZATION FOR MANY DECADES. THERE ARE CERTAIN LABOR LAWS THAT ARE DECLARED BY THE GOVERNMENT FOR THE BENEFITS OF THE WORKING EMPLOYEES. SOME OF THESE LAWS ARE DISADVANTAGEOUS TO THE INTERESTS OF THE ORGANIZATIONS SO IT IS ONE OF THE BIG CHALLENGES FOR THE HRM TO IMPLEMENT ALL THOSE LABOR LAWS WITHIN THE ORGANIZATIONS. IF ANY SUCH LAW IS VIOLATED, SERIOUS ACTIONS ARE TAKEN BY THE RELEVANT GOVERNMENT AUTHORITY THAT MAY RESULT IN SERIOUS PENALTIES FOR THE MANAGEMENT OF THE ORGANIZATION.

### 5. TECHNOLOGY

TECHNOLOGY IS ALSO GROWING AT GREAT SPEED ESPECIALLY IN THE FIELD OF COMPUTER AND TELECOMMUNICATION. NEW METHODS ARE EMERGING THAT QUICKLY DOMINATE THE OLDER ONES AND MAKE THEM OBSOLETE. THEREFORE THE SKILLS REQUIRED BY THE EMPLOYEES ALSO CHANGE WITH THE CHANGING TECHNOLOGY AND THIS WOULD COMPEL THE WORKER TO ADVANCE THE SKILLS THREE TO FOUR TIMES THROUGHOUT THEIR WORKING LIVES. SO THERE COMES A BURDEN ON THE HR DEPARTMENT TO CONSTANTLY UPDATE THE SKILLS AND EXPERTISE OF ITS EMPLOYEES.

### 6. JOB AND FAMILY ROLES

IN RECENT YEARS, DUAL-CAREER FAMILIES ARE INCREASING IN WHICH BOTH THE WIFE AND HUSBAND WORK. THIS CREATES A SERIOUS BURDEN ON THE WOMEN THAT THEY HAVE TO GIVE TIME TO THEIR FAMILIES ALSO. IN MANY ORGANIZATIONS, THE POLICIES OF HR FAVORS THE EMPLOYMENT OF MORE THAN 10 YEARS. THE WORKING HOURS OF THE ORGANIZATIONS ARE ALSO STRICT AND TIGHT FOR THE EMPLOYEES.

MOREOVER, THE SELECTION AND TRAINING PROCEDURES ARE TOO TOUGH AND TIME CONSUMING SO MOST OF THE TALENTED WOMEN HESITATE TO JOIN ANY ORGANIZATION WHICH WOULD RESULT IN THE WASTAGE OF TALENT AND POTENTIAL. EVEN WORKING MEN ALSO SUFFER FROM THESE EMPLOYMENT POLICIES BECAUSE THEY DO NOT PROPERLY GIVE TIME TO THEIR FAMILIES. SO THE CHALLENGES FOR THE HRM INCREASE WITH THIS PARTICULAR ISSUE AND SPECIAL FAVORABLE WORKING POLICIES ARE NEEDED TO BE EMPLOYED IN ALL ORGANIZATIONS.

### 7. LACK OF SKILLS

THE SERVICE SECTOR DEVELOPMENT IS EXPANDING DUE TO MANY REASONS LIKE CHANGE IN THE TASTES AND PREFERENCES OF CUSTOMERS, TECHNOLOGICAL CHANGE, LEGAL CHANGE, ETC. ALL OF THIS AFFECTED THE STRUCTURE AND MANAGING STYLE OF BUSINESS ORGANIZATIONS.

THE SKILLS REQUIRED IN THE EMPLOYMENT OF THE SERVICE SECTOR ARE ALSO ADVANCING BUT THE GRADUATES OF THE TECHNICAL COLLEGES AND UNIVERSITIES ARE GROOMED ACCORDING TO THE LATEST REQUIREMENTS. THEREFORE MOST OF THE EMPLOYEES LACK THE STANDARD REQUIRED SKILLS TO PERFORM THEIR DUTIES AND IT BECOMES A BIG CHALLENGE FOR HRM TO PROPERLY TRAIN THESE NEW AND OLD EMPLOYEES TO BECOME AN EFFICIENT AND EFFECTIVE WORKER.

### B. ORGANIZATIONAL CHALLENGES

THE ORGANIZATIONAL CHALLENGES FOR HRM ARE RELATED TO THE FACTORS THAT ARE LOCATED INSIDE THE ORGANIZATION. ALTHOUGH THESE CHALLENGES ARE EVOLVED AS A BYPRODUCT OF THE ENVIRONMENTAL CHALLENGES THESE CAN BE CONTROLLED BY THE MANAGEMENT OF THE ORGANIZATION TO MUCH EXTENT.

WHEN THE WORKFORCE OF AN ORGANIZATION IS EFFECTIVELY USED IN COMBINATION WITH OTHER FACTORS OF PRODUCTION, THE OPPORTUNITIES OF THE ENVIRONMENT ARE AVAILED AND THE THREATS ARE ELIMINATED. THE COMPETITIVE POSITION OF THE ORGANIZATION CAN BE INFLUENCED BY THE POLICIES OF HR IN THE FOLLOWING WAYS.

### 1. CONTROLLING COSTS

AN ORGANIZATION CAN AVAIL OF THE COMPETITIVE POSITION BY LOWERING ITS COST AND STRENGTHENING ITS CASH FLOWS. FOR THIS PURPOSE, THE LABOR COST OF THE ORGANIZATION IS MINIMIZED THROUGH AN EFFECTIVE COMPENSATION SYSTEM THAT ADOPTS INNOVATIVE REWARD STRATEGIES FOR GOOD PERFORMANCES. IN THIS WAY, THE FAVORABLE BEHAVIORS OF THE EMPLOYEES ARE REWARDED SO THE ORGANIZATION WOULD GET THE ULTIMATE ADVANTAGE.

MOREOVER, THE POLICIES OF COMPENSATION SHOULD KEEP THE LABOR COST UNDER CONTROL. EFFECTIVE EMPLOYEES SHOULD BE SELECTED THAT KEEP WITH THE ORGANIZATION FOR LONGER DURATION AND PROPER TRAINING SHOULD ALSO BE PROVIDED TO THESE EMPLOYEES. THE HR DEPARTMENT SHOULD ALSO RESTORE THE WORK OF THE EMPLOYEES ALONG WITH THE IMPROVEMENT IN THE HEALTH AND SAFETY ISSUE OF THE WORKING ENVIRONMENT. ALL OF THESE EFFORTS WOULD LIMIT THE COST OF LABOR.

### 2. IMPROVING QUALITY

QUALITY IMPROVEMENT CAN LEAD AN ORGANIZATION TOWARDS A COMPETITIVE ADVANTAGE. THE TOTAL QUALITY MANAGEMENT PROGRAMS ARE EMPLOYED THAT IMPROVE ALL THE PROCESSES WITHIN THE ORGANIZATION WHICH WOULD ULTIMATELY RESULT IN THE IMPROVEMENT OF THE FINAL PRODUCT OR SERVICE.

### 3. DEVELOPING DISTINCTIVE CAPABILITIES

ANOTHER METHOD OF GAINING A COMPETITIVE ADVANTAGE IS TO EMPLOY THE PEOPLE THAT HAVE DISTINCT CAPABILITIES TO DEVELOP EXTRAORDINARY COMPETENCE IN SPECIFIC AREAS.

### 4. RESTRUCTURING

ANOTHER TECHNIQUE IS THE RESTRUCTURING OF THE ORGANIZATION IN WHICH THE METHODS OF PERFORMING DIFFERENT FUNCTIONS ARE ALTERED POSITIVELY. IN THE CASE OF THE HR DEPARTMENT, THE MAJORITY OF FUNCTIONS ARE STILL PERFORMED WITHIN THE ORGANIZATION.

IN SOME ORGANIZATIONS, THE MAJOR FUNCTIONS OF THE HR DEPARTMENT ARE NOW TRANSFERRED TO THE OTHER PARTIES IN THE SHAPE OF OUTSOURCING, SHARED SERVICE CENTERS, ETC. THE SIZES OF THE HR DEPARTMENT IN THOSE ORGANIZATIONS ARE SHRINKING BECAUSE MOST OF THE FUNCTIONS ARE PERFORMED BY OUTSIDERS. BUT IN MOST ORGANIZATIONS, THE HR MANAGER PERFORMS ALL THE RELEVANT FUNCTIONS OF HRM. THE HR DEPARTMENT IS NOW INVOLVED IN MISSION-ORIENTED AND STRATEGIC ACTIVITIES.

## C. INDIVIDUAL CHALLENGES

THE DECISIONS RELATED TO THE SPECIFIC INDIVIDUAL EMPLOYEES ARE INCLUDED IN THE [INDIVIDUAL CHALLENGES](#) FOR THE HRM. THE ORGANIZATIONAL ISSUES ARE ALSO AFFECTED BY THE FACT THAT HOW EMPLOYEES ARE TREATED WITHIN THE ORGANIZATIONS. THE PROBLEMS RELATED TO THE INDIVIDUAL LEVEL ARE AS FOLLOWS.

### 1. PRODUCTIVITY

PRODUCTIVITY IS DEFINED AS THE MEASURE OF THE VALUE THAT AN EMPLOYEE CAN ADD TO THE FINAL PRODUCT OR SERVICE OF THE ORGANIZATION. THE INCREASED OUTPUT PER EMPLOYEE IS REFLECTED AS INCREASED PRODUCTIVITY. ABILITY AND MOTIVATION ARE TWO IMPORTANT FACTORS THAT AFFECT EMPLOYEE PRODUCTIVITY.

THE ABILITY OF THE EMPLOYEE CAN BE IMPROVED BY THE HIRING AND REPLACEMENT ALONG WITH THE PROPER TRAINING AND CAREER DEVELOPMENT. ON THE OTHER HAND, HIGH QUALITY OF WORK-LIFE SERVES AS AN ACCELERATOR TO THE MOTIVATIONAL FACTOR OF THE EMPLOYEES.

## 2. EMPOWERMENT

IN MODERN DAYS, MANY ORGANIZATIONS MAKE CHANGES IN SUCH A WAY THAT THEIR INDIVIDUAL EMPLOYEES EXERT MORE CONTROL OVER THEIR WORK AS COMPARED TO THEIR SUPERIORS. THIS INDIVIDUAL CONTROL OF EMPLOYEES IS CALLED EMPOWERMENT WHICH HELPS THE EMPLOYEES TO WORK WITH ENTHUSIASM, COMMITMENT AND LEARN NEW SKILLS BECAUSE THEY ARE MORE NORMAL DECISIONS ABOUT THEIR WORK BY THEMSELVES AND HENCE ENJOY THEIR WORK.

## 3. BRAIN DRAIN

ONE OF THE CHALLENGES FOR HRM IS THE DETACHMENT OF THE KEY POTENTIAL EMPLOYEES FROM THE ORGANIZATION WHICH LINKS WITH THE COMPETITORS FOR HIGHER REMUNERATIONS ETC. IN SUCH CASES, THE ORGANIZATION LOSES ITS INTELLECTUAL PROPERTY AND IN MANY SITUATIONS THE LEAVING EMPLOYEES AT THE HIGHER LEVELS ALSO TAKE WITH THEM THE POTENTIAL LOWER-LEVEL EMPLOYEES. THIS BRAIN DRAINAGE IS BECOMING A SERIOUS ISSUE IN HIGH-TECH COMPANIES.

## 4. ETHICS AND SOCIAL RESPONSIBILITY

UNDER THIS CHALLENGE, THE ORGANIZATIONS MAKE AN EFFORT TO BENEFIT SOME PORTION OF SOCIETY. THIS IS NOW CONSIDERED TO BE THE SOCIAL RESPONSIBILITY OF THE ORGANIZATION TO SHOW FAVORABLE BEHAVIOR TOWARDS SOCIETY. ETHICS SERVES AS THE BASIC PRINCIPLE FOR THE SOCIAL BEHAVIOR OF THE ORGANIZATIONS.

WITHIN ORGANIZATIONS, THE HR DEPARTMENTS DEVELOP A CODE OF CONDUCT AND PRINCIPLES OF THE CODE OF ETHICS THAT SERVE AS GUIDANCE FOR THE PERSONAL BEHAVIOR OF THE EMPLOYEES OF THE ORGANIZATIONS. THE EMPLOYEES ALSO EXPECT MANAGEMENT TO SHOW FAVORABLE DECISIONS.

## 5. JOB INSECURITY

IN RECENT YEARS, RESTRUCTURING AND DOWNSIZING DEVELOPS A SENSE OF INSECURITY OF JOBS WITHIN THE EMPLOYEES OF THE ORGANIZATIONS. HOW MANY EMPLOYEES ONLY DESIRE TO GET A STEADY JOB RATHER THAN A JOB WITH A PROMOTIONAL FUTURE.

EVEN MOST SUCCESSFUL ORGANIZATIONS LAY OFF THEIR EMPLOYEES IN THE PERIOD OF CUT-THROAT COMPETITION. THE STOCK MARKET ALSO SHOWS FAVORABLE RESULTS WHEN LAYOFFS HAVE BEEN MADE. ALL THESE THINGS CREATE FEAR AMONG EMPLOYEES ABOUT THE INSECURITY OF THEIR JOBS WHICH WOULD HINDER THEIR EFFECTIVE PERFORMANCE.

## 6. MATCHING PEOPLE AND ORGANIZATIONS

IT HAS BEEN PROVED FROM THE RESEARCH THAT THE HR DEPARTMENT CONTRIBUTES TO THE PROFITABILITY OF THE ORGANIZATION WHEN IT MAKES SUCH POLICIES OF EMPLOYEE SELECTION IN WHICH THOSE EMPLOYEES ARE SELECTED AND RETAINED THAT BEST SUITS THE CULTURE OF THE ORGANIZATION AND ITS OBJECTIVES.

FOR EXAMPLE, IT IS PROVED FROM RESEARCH THAT THOSE EMPLOYEES WOULD BECOME BENEFICIAL FOR HIGH-TECH COMPANIES THAT CAN WORK IN A RISKY, UNCERTAIN ENVIRONMENT HAVING LOW PAY. IN SHORT, IT IS AN IMPORTANT CHALLENGE FOR THE HR DEPARTMENT TO HIRE AND KEEP SUCH EMPLOYEES WHO'S ABILITIES AND STRENGTHS WOULD MATCH THE REQUIREMENTS AND CIRCUMSTANCES OF THE ORGANIZATION.

## ETHICAL ISSUES IN HR

OF ALL THE ORGANISATIONAL ISSUES OR PROBLEMS, ETHICAL ISSUES ARE THE MOST DIFFICULT ONES TO HANDLE OR DEAL WITH. ISSUES ARISE IN EMPLOYMENT, REMUNERATION AND BENEFITS, INDUSTRIAL RELATIONS AND HEALTH AND SAFETY.

### 1. CASH AND COMPENSATION PLANS

THERE ARE ETHICAL ISSUES PERTAINING TO THE SALARIES, EXECUTIVE PERQUISITES AND THE ANNUAL INCENTIVE PLANS ETC. THE HR MANAGER IS OFTEN UNDER PRESSURE TO RAISE THE BAND OF BASE SALARIES. THERE IS INCREASED PRESSURE UPON THE HR FUNCTION TO PAY OUT MORE INCENTIVES TO THE TOP MANAGEMENT AND THE JUSTIFICATION FOR THE SAME IS PUT AS THE NEED TO RETAIN THE LATTER. FURTHER ETHICAL ISSUES CROP IN HR WHEN LONG TERM COMPENSATION AND INCENTIVE PLANS ARE DESIGNED IN CONSULTATION WITH THE CEO OR AN EXTERNAL CONSULTANT. WHILE DECIDING UPON THE PAYOUT THERE IS PRESSURE ON FAVOURING THE INTERESTS OF THE TOP MANAGEMENT IN COMPARISON TO THAT OF OTHER EMPLOYEES AND STAKEHOLDERS.

### 2. RACE, GENDER AND DISABILITY

IN MANY ORGANISATIONS TILL RECENTLY THE EMPLOYEES WERE DIFFERENTIATED ON THE BASIS OF THEIR RACE, GENDER, ORIGIN AND THEIR DISABILITY. NOT ANYMORE EVER SINCE THE EVOLUTION OF LAWS AND A REGULATORY FRAMEWORK THAT HAS STANDARDIZED EMPLOYEE BEHAVIOURS TOWARDS EACH OTHER. IN GOOD ORGANISATIONS THE ONLY DIFFERENTIATING FACTOR IS PERFORMANCE! IN ADDITION THE POWER OF FILING LITIGATION HAS MADE PUT ORGANISATIONS ON THE BACK FOOT. MANAGERS ARE TRAINED FOR ALIGNING BEHAVIOUR AND AVOIDING DISCRIMINATORY PRACTICES.

### 3. EMPLOYMENT ISSUES

HUMAN RESOURCE PRACTITIONERS FACE BIGGER DILEMMAS IN EMPLOYEE HIRING. ONE DILEMMA STEMS FROM THE PRESSURE OF HIRING SOMEONE WHO HAS BEEN RECOMMENDED BY A FRIEND, SOMEONE FROM YOUR FAMILY OR A TOP EXECUTIVE.

YET ANOTHER DILEMMA ARISES WHEN YOU HAVE ALREADY HIRED SOMEONE AND HE/SHE IS LATER FOUND TO HAVE PRESENTED FAKE DOCUMENTS. TWO CASES MAY ARISE AND BOTH ARE CRITICAL. IN THE FIRST CASE THE PERSON HAS BEEN TRAINED AND THE POSITION IS CRITICAL. IN THE SECOND CASE THE PERSON HAS BEEN HIGHLY APPRECIATED FOR HIS WORK DURING HIS SHORT STINT OR HE/SHE HAS A UNIQUE BLEND OF SKILLS WITH THE RIGHT KIND OF ATTITUDE.

### 4. PRIVACY ISSUES

ANY PERSON WORKING WITH ANY ORGANISATION IS AN INDIVIDUAL AND HAS A PERSONAL SIDE TO HIS EXISTENCE WHICH HE DEMANDS SHOULD BE RESPECTED AND NOT INTRUDED. THE EMPLOYEE WANTS THE ORGANISATION TO PROTECT HIS/HER PERSONAL LIFE. THIS PERSONAL LIFE MAY ENCOMPASS THINGS LIKE HIS RELIGIOUS, POLITICAL AND SOCIAL BELIEFS ETC. HOWEVER CERTAIN SITUATIONS MAY ARISE THAT MANDATE SNOOPING BEHAVIOURS ON THE PART OF THE EMPLOYER. FOR EXAMPLE, MAIL SCANNING IS ONE OF THE ACTIVITIES USED TO TRACK THE ACTIVITIES OF AN EMPLOYEE WHO IS BELIEVED TO BE ENGAGED IN ACTIVITIES THAT ARE NOT IN THE LARGER BENEFIT OF THE ORGANISATION.

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## **INTRODUCTION:**

HUMAN RESOURCES UNDOUBTEDLY PLAY THE MOST IMPORTANT PART IN THE FUNCTIONING OF AN ORGANIZATION. THE TERM 'RESOURCE' OR 'HU-MAN RESOURCE' SIGNIFIES POTENTIALS, ABILITIES, CAPACITIES, AND SKILLS, WHICH CAN BE DEVELOPED THROUGH CONTINUOUS INTERACTION IN AN ORGANIZATIONAL SETTING.

HRP TRANSLATES THE ORGANIZATION'S OBJECTIVES AND PLANS INTO THE NUMBER OF WORKERS NEEDED TO MEET THOSE OBJECTIVES. THE ACTUAL HRM PROCESS STARTS WITH THE ESTIMATION OF THE NUMBER AND KIND OF PEOPLE REQUIRED BY THE ORGANIZATION FOR THE COMING PERIOD.

HRP IS ALSO KNOWN BY OTHER NAMES SUCH AS 'MANPOWER PLANNING', 'EMPLOYMENT PLANNING', 'LABOUR PLANNING', 'PERSONNEL PLANNING', ETC.

### **DEFINITION:**

E.W. VETTER VIEWED HUMAN RESOURCE PLANNING AS "A PROCESS BY WHICH AN ORGANISATION SHOULD MOVE FROM ITS CURRENT MANPOWER POSITION TO ITS DESIRED MANPOWER POSITION".

## **NEED AND IMPORTANCE:**

### **I. ASSESSING FUTURE PERSONNEL NEEDS:**

WHETHER IT IS SURPLUS LABOUR OR LABOUR SHORTAGE, IT GIVES A PICTURE OF DEFECTIVE PLANNING OR ABSENCE OF PLANNING IN AN ORGANIZATION. A NUMBER OF ORGANIZATIONS, ESPECIALLY PUBLIC SECTOR UNITS (PSUs) IN INDIA ARE FACING THE PROBLEM OF SURPLUS LABOUR.

### **II. FOUNDATION FOR OTHER HRM FUNCTIONS:**

HRP IS THE FIRST STEP IN ALL HRM FUNCTIONS. SO, HRP PROVIDES THE ESSENTIAL INFORMATION NEEDED FOR THE OTHER HRM FUNCTIONS LIKE RECRUITMENT, SELECTION, TRAINING AND DEVELOPMENT, PROMOTION, ETC.

### **III. COPING WITH CHANGE:**

CHANGES IN THE BUSINESS ENVIRONMENT LIKE COMPETITION, TECHNOLOGY, GOVERNMENT GUIDELINES, GLOBAL MARKET, ETC. BRING CHANGES IN THE NATURE OF THE JOB. THIS MEANS CHANGES IN THE DEMAND OF PERSONNEL, CONTENT OF JOB, QUALIFICATION AND EXPERIENCE NEEDED. HRP HELPS THE ORGANIZATION IN ADJUSTING TO NEW CHANGES.

### **IV. INVESTMENT PERSPECTIVE:**

AS A RESULT OF CHANGE IN THE MINDSET OF MANAGEMENT, INVESTMENT IN HUMAN RESOURCES IS VIEWED AS A BETTER CONCEPT IN THE LONG RUN SUCCESS OF THE ENTERPRISE. HUMAN ASSETS CAN INCREASE IN VALUE AS OPPOSED TO PHYSICAL ASSETS. THUS, HRP IS CONSIDERED IMPORTANT FOR THE PROPER PLANNING OF FUTURE EMPLOYEES.

### **V. EXPANSION AND DIVERSIFICATION PLANS:**

DURING THE EXPANSION AND DIVERSIFICATION DRIVES, MORE EMPLOYEES AT VARIOUS LEVELS ARE NEEDED. THROUGH PROPER HRP, AN ORGANIZATION COMES TO KNOW ABOUT THE EXACT REQUIREMENT OF PERSONNEL IN FUTURE PLANS.

### **VI. EMPLOYEE TURNOVER:**

EVERY ORGANIZATION SUFFERS FROM THE SMALL TURNOVER OF LABOUR, SOMETIME OR THE OTHER. THIS IS HIGH AMONG YOUNG GRADUATES IN THE PRIVATE SECTOR. THIS NECESSITATES AGAIN DOING MANPOWER PLANNING FOR FURTHER RECRUITING AND HIRING.

## **OBJECTIVES:**

THE MAIN OBJECTIVES OF HRP ARE:

- (i) PROPER ASSESSMENT OF HUMAN RESOURCES NEEDS IN FUTURE.
- (ii) ANTICIPATION OF DEFICIENT OR SURPLUS MANPOWER AND TAKING THE CORRECTIVE ACTION.
- (iii) TO CREATE A HIGHLY TALENTED WORKFORCE IN THE ORGANIZATION.
- (iv) TO PROTECT THE WEAKER SECTIONS OF THE SOCIETY.
- (v) TO MANAGE THE CHALLENGES IN THE ORGANIZATION DUE TO MODERNIZATION, RESTRUCTURING AND RE-ENGINEERING.

## **FACTORS:**

SEVERAL FACTORS AFFECT HRP. THESE FACTORS CAN BE CLASSIFIED INTO EXTERNAL FACTORS AND INTERNAL FACTORS.

### **A. EXTERNAL FACTORS:**

I. GOVERNMENT POLICIES – POLICIES OF THE GOVERNMENT LIKE LABOUR POLICY, INDUSTRIAL RELATIONS POLICY, POLICY TOWARDS RESERVING CERTAIN JOBS FOR DIFFERENT COMMUNITIES AND SONS-OF THE SOIL, ETC. AFFECT THE HRP.

II. LEVEL OF ECONOMIC DEVELOPMENT – LEVEL OF ECONOMIC DEVELOPMENT DETERMINES THE LEVEL OF HRD IN THE COUNTRY AND THEREBY THE SUPPLY OF HUMAN RESOURCES IN THE FUTURE IN THE COUNTRY.

III. BUSINESS ENVIRONMENT – EXTERNAL BUSINESS ENVIRONMENTAL FACTORS INFLUENCE THE VOLUME AND MIX OF PRODUCTION AND THEREBY THE FUTURE DEMAND FOR HUMAN RESOURCES.

IV. LEVEL OF TECHNOLOGY – LEVEL OF TECHNOLOGY DETERMINES THE KIND OF HUMAN RESOURCES REQUIRED.

V. INTERNATIONAL FACTORS – INTERNATIONAL FACTORS LIKE THE DEMAND FOR RESOURCES AND SUPPLY OF HUMAN RESOURCES IN VARIOUS COUNTRIES.

VI. OUTSOURCING – AVAILABILITY OF OUTSOURCING FACILITIES WITH REQUIRED SKILLS AND KNOWLEDGE OF PEOPLE REDUCES THE DEPENDENCY ON HRP AND VICE-VERSA.

### **B. INTERNAL FACTORS:**

I. COMPANY POLICIES AND STRATEGIES – COMPANY POLICIES AND STRATEGIES RELATING TO EXPANSION, DIVERSIFICATION, ALLIANCES, ETC. DETERMINES THE HUMAN RESOURCE DEMAND IN TERMS OF QUALITY AND QUANTITY.

II. HUMAN RESOURCE POLICIES – HUMAN RESOURCES POLICIES OF THE COMPANY REGARDING QUALITY OF HUMAN RESOURCE, COMPENSATION LEVEL, QUALITY OF WORK-LIFE, ETC., INFLUENCES HUMAN RESOURCE PLAN.

III. JOB ANALYSIS – FUNDAMENTALLY, HUMAN RESOURCE PLAN IS BASED ON JOB ANALYSIS. JOB DESCRIPTION AND JOB SPECIFICATION DETERMINES THE KIND OF EMPLOYEES REQUIRED.

IV. TIME HORIZONS – COMPANIES WITH STABLE COMPETITIVE ENVIRONMENT CAN PLAN FOR THE LONG RUN WHEREAS THE FIRMS WITH UNSTABLE COMPETITIVE ENVIRONMENT CAN PLAN FOR ONLY SHORT- TERM RANGE.

V. TYPE AND QUALITY OF INFORMATION – ANY PLANNING PROCESS NEEDS QUALITATIVE AND ACCURATE INFORMATION. THIS IS MORE SO WITH HUMAN RESOURCE PLAN; STRATEGIC, ORGANISATIONAL AND SPECIFIC INFORMATION.

VI. COMPANY'S PRODUCTION OPERATIONS POLICY – COMPANY'S POLICY REGARDING HOW MUCH TO PRODUCE AND HOW MUCH TO BUY FROM OUTSIDE TO PREPARE A FINAL PRODUCT INFLUENCE THE NUMBER AND KIND OF PEOPLE REQUIRED.

## **HRP PLANNING:**

1. **DETERMINING THE OBJECTIVES OF HUMAN RESOURCE PLANNING:** THE FOREMOST STEP IN EVERY PROCESS IS THE DETERMINATION OF THE OBJECTIVES FOR WHICH THE PROCESS IS TO BE CARRIED ON. THE OBJECTIVE FOR WHICH THE MANPOWER PLANNING IS TO BE DONE SHOULD BE DEFINED PRECISELY, SO AS TO ENSURE THAT A RIGHT NUMBER OF PEOPLE FOR THE RIGHT KIND OF JOB ARE SELECTED.
2. **ANALYZING CURRENT MANPOWER INVENTORY:** THE NEXT STEP IS TO ANALYZE THE CURRENT MANPOWER SUPPLY IN THE ORGANIZATION THROUGH THE STORED INFORMATION ABOUT THE EMPLOYEES IN TERMS OF THEIR EXPERIENCE, PROFICIENCY, SKILLS, ETC. REQUIRED TO PERFORM A PARTICULAR JOB.
3. **FORECASTING DEMAND AND SUPPLY OF HUMAN RESOURCES:** ONCE THE INVENTORY OF TALENTED MANPOWER IS MAINTAINED; THE NEXT STEP IS TO MATCH THE DEMAND FOR THE MANPOWER ARISING IN THE FUTURE WITH THE SUPPLY OR AVAILABLE RESOURCES WITH THE ORGANIZATION.
4. **ANALYZING THE MANPOWER GAPS:** AFTER FORECASTING THE DEMAND AND SUPPLY, THE MANPOWER GAPS CAN BE EASILY EVALUATED. IN CASE THE DEMAND IS MORE THAN THE SUPPLY OF HUMAN RESOURCES, THAT MEANS THERE IS A DEFICIT, AND THUS, NEW CANDIDATES ARE TO BE HIRED.
5. **EMPLOYMENT PLAN/ACTION PLAN:** ONCE THE MANPOWER GAPS ARE EVALUATED, THE ACTION PLAN IS TO BE FORMULATED ACCORDINGLY. IN A CASE OF A DEFICIT, THE FIRM MAY GO EITHER FOR RECRUITMENT, TRAINING, INTERDEPARTMENTAL TRANSFER PLANS WHEREAS IN THE CASE OF A SURPLUS, THE VOLUNTARY RETIREMENT SCHEMES, REDEPLOYMENT, TRANSFER, LAYOFF, COULD BE FOLLOWED.
6. **TRAINING AND DEVELOPMENT:** THE TRAINING IS NOT ONLY FOR THE NEW JOINEES BUT ALSO FOR THE EXISTING EMPLOYEES WHO ARE REQUIRED TO UPDATE THEIR SKILLS FROM TIME TO TIME. AFTER THE EMPLOYMENT PLAN, THE TRAINING PROGRAMMES ARE CONDUCTED TO EQUIP THE NEW EMPLOYEES AS WELL AS THE OLD ONES WITH THE REQUISITE SKILLS TO BE PERFORMED ON A PARTICULAR JOB.
7. **APPRAISAL OF MANPOWER PLANNING:** FINALLY, THE EFFECTIVENESS OF THE MANPOWER PLANNING PROCESS IS TO BE EVALUATED. HERE THE HUMAN RESOURCE PLAN IS COMPARED WITH ITS ACTUAL IMPLEMENTATION TO ENSURE THE AVAILABILITY OF A NUMBER OF EMPLOYEES FOR SEVERAL JOBS. AT THIS STAGE, THE FIRM HAS TO DECIDE THE SUCCESS OF THE PLAN AND CONTROL THE DEFICIENCIES, IF ANY.

## **JOB ANALYSIS**

JOB ANALYSIS IS A SYSTEMATIC AND DETAILED EXAMINATION OF JOBS. IT IS A PROCEDURE FOR DETERMINING THE DUTIES AND SKILL REQUIREMENTS OF A JOB AND THE KIND OF PERSON WHO SHOULD BE HIRED FOR IT.

THE JOB ANALYSIS MAY INCLUDE THESE ACTIVITIES:

- (A) REVIEWING THE JOB RESPONSIBILITIES OF CURRENT EMPLOYEES,
- (B) DOING INTERNET RESEARCH AND VIEWING SAMPLE JOB DESCRIPTIONS ONLINE OR OFFLINE HIGHLIGHTING SIMILAR JOBS,
- (C) ANALYZING THE WORK DUTIES, TASKS, AND RESPONSIBILITIES THAT NEED TO BE ACCOMPLISHED BY FILLING THE POSITION,
- (D) RESEARCHING AND SHARING WITH COMPANIES THAT HAVE SIMILAR JOBS, AND
- (E) ARTICULATION OF THE MOST IMPORTANT OUTCOMES OR CONTRIBUTIONS NEEDED FROM THE POSITION.

THE IMPORTANT CONCEPTS OF JOB ANALYSIS ARE:

## **1. JOB:**

IN SIMPLE LANGUAGE, A JOB MAY BE UNDERSTOOD AS A DIVISION OF TOTAL WORK INTO PACKAGES/POSITIONS. ACCORDING TO DALE YODER, "A JOB IS A COLLECTION OR AGGREGATION OF TASKS, DUTIES AND RESPONSIBILITIES AS A WHOLE, IS REGARDED AS A REGULAR ASSIGNMENT TO INDIVIDUAL EMPLOYEES AND WHICH IS DIFFERENT FROM OTHER ASSIGNMENTS".

THUS, A JOB MAY BE EXPLAINED AS A GROUP OF POSITIONS INVOLVING SOME DUTIES, RESPONSIBILITIES, KNOWLEDGE AND SKILLS. A JOB MAY INCLUDE MANY POSITIONS. A POSITION IS A PARTICULAR SET OF DUTIES AND RESPONSIBILITIES REGULARLY ASSIGNED TO AN INDIVIDUAL.

## **2. JOB DESCRIPTION:**

JOB DESCRIPTIONS ARE WRITTEN STATEMENTS THAT DESCRIBE THE:

- (A) DUTIES,
- (B) RESPONSIBILITIES,
- (C) MOST IMPORTANT CONTRIBUTIONS AND OUTCOMES NEEDED FROM A POSITION,
- (D) REQUIRED QUALIFICATION OF CANDIDATES, AND
- (E) REPORTING RELATIONSHIP AND CO-WORKERS OF A PARTICULAR JOB.

## **3. POSITION DESCRIPTION:**

THE HUMAN RESOURCE DIRECTOR GUIDE AND MANAGERS THE OVERALL PROVISION OF HUMAN RESOURCES SERVICES, POLICIES AND PROGRAMS FOR THE ENTIRE COMPANY.

THE MAJOR AREAS DIRECTED ARE:

- (A) RECRUITING AND STAFFING;
- (B) ORGANIZATIONAL AND SPACE PLANNING;
- (C) PERFORMANCE MANAGEMENT AND IMPROVEMENT SYSTEMS;
- (D) ORGANIZATION DEVELOPMENT;
- (E) EMPLOYMENT AND COMPLIANCE TO REGULATORY CONCERNS;
- (F) EMPLOYEE ORIENTATION, DEVELOPMENT, AND TRAINING;
- (G) POLICY DEVELOPMENT AND DOCUMENTATION;
- (H) EMPLOYEE RELATIONS;
- (I) COMPANY-WIDE COMMITTEE FACILITATION;
- (J) COMPANY EMPLOYEE AND COMMUNITY COMMUNICATION;
- (K) COMPENSATION AND BENEFITS ADMINISTRATION;
- (L) EMPLOYEE SAFETY, WELFARE, WELLNESS AND HEALTH;
- (M) CHARITABLE GIVING; AND
- (N) EMPLOYEE SERVICES AND COUNSELLING.

#### 4. JOB SPECIFICATION:

IT IS A STANDARD OF PERSONNEL AND DESIGNATES THE QUALITIES REQUIRED FOR AN ACCEPTABLE PERFORMANCE. IT IS WRITTEN RECORD OF THE REQUIREMENTS SOUGHT IN AN INDIVIDUAL WORKER FOR A GIVEN JOB. IT REFERS TO A SUMMARY OF THE PERSONNEL CHARACTERISTICS REQUIRED FOR A JOB. IT IS A STATEMENT OF THE MINIMUM ACCEPTABLE HUMAN QUALITIES NECESSARY FOR THE PROPER PERFORMANCE OF A JOB.

#### 5. JOB DESIGN:

JOB DESIGN IS THE DIVISION OF THE TOTAL TASK TO BE PERFORMED INTO THE MANAGEABLE AND EFFICIENT UNITS- POSITIONS, DEPARTMENTS AND DIVISIONS-AND TO PROVIDE FOR THEIR PROPER INTEGRATION. THE SUB-DIVISION OF WORK IS BOTH ON A HORIZONTAL SCALE WITH DIFFERENT TASKS ACROSS THE ORGANIZATION BEING PERFORMED BY DIFFERENT PEOPLE AND ON THE VERTICAL SCALE, IN WHICH HIGHER LEVELS OF THE ORGANIZATION ARE RESPONSIBLE FOR THE SUPERVISION OF MORE PEOPLE, THE CO-ORDINATION OF SUB-GROUPS, MORE

#### **ASPECTS**

1. JOB ANALYSIS ESTABLISHES THE STRUCTURAL- FUNCTIONAL DELINEATION OF AN ORGANISATION, ACCORDING TO THE CLASSICAL PARADIGM OF ADMINISTRATIVE THEORY.

2. JOB ANALYSIS DEALS WITH RESPONSIBILITIES, DEFINING ROLES, DELINEATING SCOPE AND AUTHORITY AT EACH LEVEL OF THE ORGANISATION.

3. IT ANSWERS THE IMPORTANT UTILITARIAN CALL OF OPTIMIZING ORGANISATIONAL EFFICIENCY THROUGH MAXIMIZING INDIVIDUAL CAPABILITIES, AS PER THE SYSTEMS PARADIGM OF ORGANISATIONAL THEORY.

4. IT BASICALLY DEALS WITH JOB STUDY. IT STUDIES VERY DETAILED, SPECIFIC AND EXHAUSTIVE ON JOB.

5. AS PER SCIENTIFIC MANAGEMENT PRECEPTS, THE JOB ANALYSIS DESCRIBES WORK PROCESS IN DETAIL ON PHYSICAL DEMANDS AT WORK, PHYSICAL CONDITIONS OF WORK AND ALSO HUMAN RELATIONS AND BEHAVIORAL

6. JOB ANALYSIS ANSWERS THE IMPORTANT UTILITARIAN CALL OF OPTIMIZING ORGANISATIONAL EFFICIENCY THROUGH MAXIMIZING INDIVIDUAL CAPABILITIES, AS PER THE SYSTEMS PARADIGM OF ORGANIZATIONAL THEORY.

#### **RECRUITMENT :**

REFERS TO THE PROCESS OF IDENTIFYING, ATTRACTING, INTERVIEWING, SELECTING, HIRING AND ONBOARDING EMPLOYEES. IN OTHER WORDS, IT INVOLVES EVERYTHING FROM THE IDENTIFICATION OF A STAFFING NEED TO FILLING IT.

RECRUITMENT IS THE FIRST STEP IN BUILDING AN ORGANIZATION'S HUMAN CAPITAL. AT A HIGH LEVEL, THE GOALS ARE TO LOCATE AND HIRE THE BEST CANDIDATES, ON TIME, AND ON BUDGET.

“RECRUITMENT MEANS SEARCHING, FINDING AND RECRUITING THE BEST TALENT FOR AN OPEN JOB VACANCY WITHIN THE ORGANIZATION IN SPECIFIC TIME AND COST.”

RECRUITMENT IS THE PROCESS OF SEARCHING THE CANDIDATES FOR EMPLOYMENT AND STIMULATING THEM TO APPLY FOR JOBS IN THE ORGANISATION.

RECRUITMENT INVOLVES SEEKING AND ATTRACTING A POOL OF PEOPLE FROM WHICH QUALIFIED CANDIDATES FOR JOB VACANCIES CAN BE CHOSEN.

## **SOURCES OF RECRUITMENT**

VARIOUS SOURCES OF RECRUITMENT FOR GROUPED INTO THE FOLLOWING CATEGORIES INTERNAL SOURCES HERE RECRUITMENT IS FROM WITHIN THE ENTERPRISE. THERE ARE TWO IMPORTANT SOURCES OF RECRUITMENT NAMELY ,

### **1. INTERNAL SOURCES OF RECRUITMENT**

THESE ARE THE SOURCES WITHIN THE ORGANIZATION.

#### **A. TRANSFER**

TRANSFER INVOLVES THE SHIFTING OF AN EMPLOYEE FROM ONE JOB TO ANOTHER OR FROM ONE DEPARTMENT TO ANOTHER OR EVEN FROM ONE SHIFT TO ANOTHER.

TRANSFER IS A GOOD SOURCE OF FILLING VACANCIES WITH EMPLOYEES FROM OVERSTAFFED DEPARTMENTS.

#### **B. PROMOTION**

IT LEADS TO ELEVATING AN EMPLOYEE TO A HIGHER POSITION CARRYING HIGHER RESPONSIBILITIES, FACILITIES, STATUS AND EVEN PAY. IT HAS A GREAT PSYCHOLOGICAL IMPACT OR THE EMPLOYEES BECAUSE A PROMOTION AT THE HIGHER LEVEL MAY LEAD TO CHAIN OF PROMOTIONS AT LOWER LEVELS IN THE ORGANISATION.

## **ADVANTAGES**

- EMPLOYEES ARE MOTIVATED TO IMPROVE THEIR PERFORMANCE
- MORAL OF THE EMPLOYEES IS INCREASED
- FEELING OF JOBS THROUGH INTERNAL IS CHEAPER

## **DISADVANTAGES**

- WHEN VACANCIES ARE FILLED THROUGH INTERNAL SOURCES THE SCOPE FOR FRESH TALENT IS REDUCED
- FREQUENT TRANSFER OF EMPLOYEES MAY REDUCE THE PRODUCTIVITY

### **2. EXTERNAL SOURCES**

HERE RECRUITMENT IS FROM OUTSIDE AND THE IMPORTANT SOURCES ARE AS FOLLOWS

#### **A. DIRECT RECRUITMENT**

BY PLACING A NOTICE ON THE NOTICE BOARD OF THE ENTERPRISE SPECIFYING THE DETAILS OF THE JOBS AVAILABLE. IT IS ALSO CALLED AS RECRUITMENT AT FACTORY GATE.

#### **B. MEDIA ADVERTISEMENT**

ADVERTISEMENTS IN NEWSPAPERS OR PROFESSIONAL JOURNALS IS GENERALLY USED WHEN QUALIFIED AND EXPERIENCED PERSONNEL OR NOT AVAILABLE FROM OTHER SOURCES.

#### **C. EMPLOYMENT AGENCIES**

EMPLOYMENT EXCHANGE IS RUN BY GOVERNMENT ARE REGARDED AS A GOOD SOURCE OF RECRUITMENT FOR SEMI-SKILLED AND UNSKILLED.

#### **D. MANAGEMENT CONSULTANTS**

MANAGEMENT CONSULTANCY FIRMS HELP THE ORGANIZATIONS TO RECRUIT TECHNICAL. PROFESSIONAL AND MANAGERIAL PERSONNEL. THEY MAINTAINED THE DATA BANK OF PERSONS WITH DIFFERENT QUALIFICATIONS AND SKILLS AND EVEN ADVERTISE THE JOBS ON BEHALF OF THEIR CLIENTS.

## E. CAMPUS RECRUITMENT

RECRUITMENT FROM EDUCATIONAL INSTITUTIONS IS A WELL-ESTABLISHED PRACTICE OF THOUSANDS OF BUSINESSES AND OTHER ORGANIZATIONS.

## F. RECOMMENDATIONS

APPLICANTS INTRODUCED BY FRIENDS AND RELATIVES MAY PROVE TO BE A GOOD SOURCE OF RECRUITMENT. IN FACT MANY EMPLOYERS PREFER TO TAKE SUCH PERSONS BECAUSE SOMETHING ABOUT THEIR BACKGROUND IS KNOWN.

### ADVANTAGES

- BY USING EXTERNAL SOURCES THE MANAGEMENT CAN MAKE QUALIFIED AND TRAINED PEOPLE.
- WHEN VACANCIES ARE ADVERTISED WEEKLY, A LARGE NUMBER OF APPLICANTS FROM OUTSIDE THE ORGANIZATIONS RECEIVED AND MANAGEMENT HAS A WIDER CHOICE IN SELECTION

### DISADVANTAGES

- IT LEADS TO DISSATISFACTION AMONG THE EXISTING STAFF
- GENERALLY THE RECRUITMENT THROUGH EXTERNAL SOURCES IS A LENGTHY PROCESS AND EVEN A COSTLY ONE.

### SELECTION:

SELECTION IS THE PROCESS OF CHOOSING THE MOST SUITABLE PERSONS OUT OF ALL THE APPLICANT'S. MOREOVER ,IT IS A PROCESS OF MATCHING THE QUALIFICATIONS OF APPLICANTS WITH THE JOB REQUIREMENTS. THE MAIN PURPOSE OF SELECTION IS TO PICK UP THE RIGHT PERSON FOR EVERY JOB. THE SELECTION PROCESS CAN BE SUCCESSFUL IF THE FOLLOWING CONDITIONS ARE SATISFIED

- SOMEONE SHOULD HAVE THE AUTHORITY TO SELECT
- THERE MUST BE SOME STANDARD OF PERSONAL WITH WHICH APPLICANT CAN BE COMPARED
- THERE MUST BE A SUFFICIENT NUMBER OF APPLICANTS FROM WHOM THE REQUIRED NUMBER OF EMPLOYEES MAY BE SELECTED.

### SELECTION PROCEDURE

#### 1. PRELIMINARY INTERVIEW

IT IS THE FIRST STEP AND IT IS GENERALLY BRIEF AND DOES THE JOB OF ELIMINATING THE TOTALLY AND UNSUITABLE CANDIDATES.

#### 2. RECEIVING APPLICATIONS

WHENEVER THERE IS A VACANCY IT IS ADVERTISED OR ENQUIRIES ARE MADE FROM SUITABLE SOURCES AND APPLICATIONS ARE RECEIVED FROM THE CANDIDATES.

#### 3. SCREENING OF APPLICATIONS

AFTER THE APPLICATIONS ARE RECEIVED THEY ARE SCREENED BY A SCREENING COMMITTEE AND A LIST IS PREPARED OF THE CANDIDATES TO BE INTERVIEWED. APPLICANTS MAY BE CALLED FOR INTERVIEW ON SOME SPECIFIC CRITERIA LIKE DESIRE TO WORK, EXPERIENCE AND QUALIFICATIONS.

#### 4. EMPLOYMENT TESTS

NORMALLY THE NUMBER OF CANDIDATES TO BE CALLED FOR INTERVIEW IS FIVE TO SEVEN TIMES THE NUMBER OF POST TO BE FILLED UP. FOR CHOOSING THE RIGHT PERSON VARIOUS EMPLOYMENT TESTS ARE PRACTICED BY THE ORGANIZATIONS.

#### A. INTELLIGENCE TEST

INTELLIGENCE TEST MEASURE THE OVERALL INTELLECTUAL CAPACITY OF A PERSON. THESE REVEAL WHETHER AN INDIVIDUAL HAS THE CAPACITY TO DEAL WITH THE PROBLEMS ESPECIALLY NEW ONES.

#### B. APTITUDE TEST

THIS MEASURE THE LATENT ABILITY OR POTENTIAL OF A CANDIDATE TO LEARN A NEW JOB OR SKILL.

#### C. PROFICIENCY TEST

THIS TEST MEASURE WHAT A PERSON CAN DO. THESE DETERMINE THE SKILL AND KNOWLEDGE ALREADY ACQUIRED THROUGH TRAINING AND ON-THE-JOB EXPERIENCE.

#### D. INTEREST TEST

THESE TESTS ARE INVENTORIES OF A CANDIDATES LIKES AND DISLIKES IN RELATION TO WORK. THESE ARE USED TO DISCOVER A PERSON AREA OF INTEREST AND TO IDENTIFY THE KIND OF WORK THAT WILL SATISFY HIM.

#### E. PERSONALITY TEST

THESE ARE PEN AND PAPER TEST USED TO JUDGE THE PSYCHOLOGICAL MAKEUP OF A PERSON. THESE HELP IN ASSESSING A PERSON'S MOTIVATION AND INTEREST HIS ABILITY TO ADJUST HIMSELF TO THE STRESS OF EVERYDAY LIFE.

#### F. SKILL TEST

THESE TESTS MEASURE A PERSON'S ABILITY TO PERFORM A SPECIFIC JOB. THESE ARE PRIMARILY USED FOR SELECTING WORKERS WHO HAVE TO PERFORM SEMI-SKILLED AND REPETITIVE JOBS LIKE ASSEMBLY WORK, PACKING, TESTING AND INSPECTION.

#### G. SITUATION TEST

THESE TESTS MEASURE A CANDIDATES REACTION WHEN PLACED IN A PECULIAR SITUATION. HIS ABILITY TO UNDERGO STRESS AND HIS DEMONSTRATION OF INGENUITY UNDER PRESSURE.

### 5. EMPLOYMENT INTERVIEW

ALTHOUGH EMPLOYMENT TESTS PROVIDE A LOT OF VALUABLE INFORMATION ABOUT THE CANDIDATE BUT THEY DO NOT PROVIDE THE COMPLETE INFORMATION REQUIRED FOR SELECTING THE APPLICANT. INTERVIEW MAY BE USED TO SECURE MORE INFORMATION ABOUT THE CANDIDATE.

THE MAIN PURPOSE OF EMPLOYMENT INTERVIEW

- TO FIND OUT THE SUITABILITY OF CANDIDATE
- TO SEEK MORE INFORMATION ABOUT THE CANDIDATE
- TO GIVE HIM AN ACCURATE PICTURE OF THE JOB.

### 6. CHECKING REFERENCES

A REFEREE IS POTENTIALLY AN IMPORTANT SOURCE OF INFORMATION ABOUT A CANDIDATES ABILITY AND PERSONALITY IF HE HOLDS A RESPONSIBLE POSITION IN THE SAME COMPANY. PRIOR TO FINAL SELECTION THE PROSPECTIVE EMPLOYER NORMALLY MAKES AN INVESTIGATION ON THE REFERENCE IS SUPPLIED BY THE APPLICANT.

### 7. MEDICAL EXAMINATION

THE PHYSICAL EXAMINATION SHOULD DISCLOSE THE PHYSICAL CHARACTERISTICS OF THE INDIVIDUAL THAT ARE SIGNIFICANT FROM THE STANDPOINT OF HIS EFFICIENT PERFORMANCE OF THE JOB HE MAY BE ASSIGNED.

## 8. FINAL SELECTION

HE IS FORMALLY APPOINTED BY THE MANAGEMENT BY GIVING HIM AN APPOINTMENT LETTER OR BY CONCLUDING WITH HIM A SERVICE AGREEMENT.

### INTERVIEW:

INTERVIEW IS A FACE TO FACE INTERACTION BETWEEN TWO PERSONS FOR A PARTICULAR PURPOSE IT IS WIDELY USED NOT ONLY IN EMPLOYEE SELECTION BUT FOR PLACEMENT ORIENTATION APPRAISAL DISCIPLINARY ACTION EXIT OR SEPARATION.

### TYPES OF INTERVIEWS

#### 1. INFORMAL INTERVIEW

IT MAY TAKE PLACE ANYWHERE. IT IS NOT PLANNED AND IS USED WHEN THE STAFF IS URGENTLY REQUIRED.

#### 2. FORMAL INTERVIEW

IT IS A PLANNED ONE AND IS HELD IN A FORMAL ATMOSPHERE. ALL THE FORMALITIES AND PROCEDURES ARE DECIDED IN ADVANCE.

#### 3. STRUCTURED INTERVIEW

SUCH INTERVIEW IS FULLY PLANNED TO A HIGH DEGREE OF ACCURACY AND PRECISION. A LIST OF QUESTIONS TO BE ASKED IS PREPARED AND THE QUESTIONS ARE ASKED IN A PARTICULAR CYCLE.

#### 4. UNSTRUCTURED INTERVIEW

THE CANDIDATE IS ALLOWED TO SPEAK FREELY. IN OTHER WORDS THE FORMAT IS PLANNED AND THE INTERVIEW IS NOT DIRECTED BY THE QUESTIONS TO BE ASKED.

#### 5. DEPTH INTERVIEW

IT IS DESIGNED TO INTENSIVELY EXAMINE THE CANDIDATES PROFICIENCY IN HIS AREA OF SPECIAL INTEREST. THE PURPOSE IS TO GET A TRUE PICTURE OF THE CANDIDATES THROUGH DEEP PROBING INTO HIS MIND.

#### 6. STRESS INTERVIEW

THE PURPOSE OF THIS TYPE OF INTERVIEW IS TO FIND OUT HOW A CANDIDATE BEHAVES IN A STRESSFUL SITUATION. IT IS USED FOR JOBS WHERE IN EMOTIONAL BALANCE IS REQUIRED.

#### 7. PANEL INTERVIEW

SUCH INTERVIEW IS CONDUCTED BY A GROUP OF PERSONS GENERALLY CALLED AS EXPERTS. IT SEEKS TO FULL THE COLLECTIVE WISDOM AND JUDGEMENT OF SEVERAL INTERVIEWERS.

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## TRAINING AND DEVELOPMENT

AFTER AN EMPLOYEE IS SELECTED, PLACED AND INTRODUCED HE OR SHE MUST BE PROVIDED WITH TRAINING FACILITIES. TRAINING IS A SHORT TERM EDUCATIONAL PROCESS OF INCREASING THE KNOWLEDGE AND SKILL OF AN EMPLOYEE FOR DOING A PARTICULAR JOB.

IN OTHER WORDS TRAINING IMPROVES EVEN CHANGES/ MOULDS THE EMPLOYEES KNOWLEDGE, SKILL, BEHAVIOUR, APTITUDE AND ATTITUDE TOWARDS THE REQUIREMENTS OF THE JOB AND THE ORGANISATION.

THE MAIN DIFFERENCE BETWEEN TRAINING AND DEVELOPMENT IS FIRST ONE IS A SHORT TERM PROCESS AND THE LATTER ONE IS A LONG-TERM AND A CONTINUOUS PROCESS.

### NEED FOR TRAINING

EVERY ORGANISATION SHOULD PROVIDE TRAINING TO EMPLOYEES IRRESPECTIVE OF THEIR QUALIFICATIONS SKILL SUITABILITY FOR THE JOB ETC. IT IS USED CONTINUOUSLY IN EVERY WELL RUN ESTABLISHMENT SPECIFICALLY. THE NEED FOR TRAINING ARISES DUE TO THE FOLLOWING REASONS

- TO MATCH THE EMPLOYEE SPECIFICATIONS WITH THE JOB REQUIREMENTS AND ORGANISATIONAL NEEDS.
- ORGANISATIONAL VIABILITY AND THE TRANSFORMATION PROCESS
- TECHNOLOGICAL ADVANCES
- ORGANISATIONAL COMPLEXITY
- CHANGE IN THE JOB ASSIGNMENT

### TRAINING PROCEDURE

IMPORTANT STEPS IN TRAINING PROCEDURE ARE

#### 1. PREPARING THE INSTRUCTOR

THE INSTRUCTOR MUST KNOW ABOUT BOTH THE JOB TO BE TAUGHT AND HOW TO TAKE. THE INSTRUCTOR MUST DIVIDE THE TOTAL ONE INTO LOGICAL PARTS WITHOUT LOSING THE PROSPECT OF THE WHOLE.

#### 2. PREPARING THE TRAINEE

AS IN INTERVIEWING THE FIRST STEP IN TRAINING IS TO PUT THE TRAINEE AT EASE. MOST PEOPLE ARE SOMEWHAT NERVOUS WHEN APPROACHING AN UNFAMILIAR TASK.

#### 3. GETTING READY TO TEACH

IT INVOLVES

- PLANNING THE PROGRAM
- PREPARING THE OUTLINE
- DO NOT TRY TO COVER TOO MUCH MATERIAL
- DISCUSS EACH ITEM IN DEPTH
- REPEAT BUT IN DIFFERENT WORDS
- KEEP THE SESSION MOVING LOGICALLY.

#### 4. PRESENTING THE OPERATION

THERE ARE VARIOUS ALTERNATIVE WAYS OF PRESENTING THE OPERATIONS NAMELY EXPLANATION, DEMONSTRATIONS AND PRESENTATIONS.

DEMONSTRATION IS AN EXCELLENT ONE WHEN THE JOB IS ESSENTIALLY PHYSICAL IN NATURE.

## 5. TRYOUT TRAINEES PERFORMANCE

THE TRAINER SHOULD NOW BE ASKED TO START THE JOB IMMEDIATELY. THE TRAINEE THROUGH PRACTICE THAT TO REPETITIVE PRACTICE WILL ACQUIRE MORE SKILL.

## 6. FOLLOW UP

THE FINAL STEP IN MOST TRAINING PROCEDURES IS THAT OF FOLLOW UP. THE FOLLOW UP SYSTEM SHOULD PROVIDE FEEDBACK ON TRAINING EFFECTIVENESS AND ON TOTAL VALUE OF TRAINING SYSTEM.

## TRAINING METHODS

THE METHODS OF TRAINING ARE CLASSIFIED INTO TWO CATEGORIES

### 1. ON THE JOB :

ON THE JOB ALSO KNOWN AS JOB INSTRUCTION TRAINING. ON THE JOB TRAINING METHODS INCLUDES

#### A. JOB ROTATION

IT INVOLVES THE MOVEMENT OF THE TRAIN FROM ONE JOB TO ANOTHER THAT RAINY RECEIVES JOB KNOWLEDGE AND GAINED EXPERIENCE FROM HIS SUPERVISOR IN EACH OF THE DIFFERENT JOB ASSIGNMENTS.

#### B. COACHING

THE TRAINEE IS PLACED UNDER A PARTICULAR SUPERVISOR WHO FUNCTIONS AS A COACH IN TRAINING THE INDIVIDUAL HE EXPLAINS HOW TO PERFORM THE WORK WITHOUT TOO MANY MISTAKES.

#### C. JOB INSTRUCTION TRAINING

EXPLAINS THAT TRAINEE THE WAY OF DOING THE JOBS JOB KNOWLEDGE AND SKILLS AND HELLO HIM TO DO THE JOB THE TRAINEE APPRISES THE PERFORMANCE OF TRAINEE PROVIDES FEEDBACK AND CORRECT THE MISTAKES.

#### D. COMMITTEE ASSIGNMENTS

THE COMMITTEE ASSIGNMENTS A GROUP OF TRAINEES ARE GIVEN AND ASKED TO SOLVE AN ACTUAL ORGANISATIONAL PROBLEM THAT TRAINEES SOLVE THE PROBLEM JOINTLY WHICH DEVELOPS TEAMWORK.

### 2. OFF THE JOB TRAINING METHODS

#### A. VESTIBULE TRAINING

IN THIS METHOD ACTUAL WORK CONDITIONS ARE SIMULATED IN A CLASSROOM. MATERIALS AND EQUIPMENT THOSE ARE USED IN ACTUAL JOB PERFORMANCE ARE ALSO USED IN TRAINING.

#### B. ROLE PLAYING

IT IS DEFINED AS A METHOD OF HUMAN INTERACTIONS THAT INVOLVES REALISTIC BEHAVIOUR IN IMAGINARY SITUATIONS IT INVOLVES ACTION DOING AND PRACTICE THE PARTICIPANTS PLAY THE ROLE OF CERTAIN CHARACTERISTICS LIKE QUALITY SUPERVISORS PRODUCTION MANAGER THIS FORUM AND ETC.

#### C. LECTURE

IT 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 TORQUE THIS METHOD REDUCES COST AND TIME.

#### D. DISCUSSION

IT INVOLVES A GROUP OF PEOPLE WHO POSE IDEAS EXAMINE AND SHARE FACTS IDEAS AND DATA AND DRAW CONCLUSIONS ALL OF WHICH CONTRIBUTE TO THE IMPROVEMENT OF JOB PERFORMANCE.

#### E. PROGRAMMED INSTRUCTION

MOST POPULAR ONE IN WHICH THE SUBJECT MATTER TO BE LEARNT IS PRESENTED IN A SERIES OF CAREFULLY PLANNED THE SEQUENTIAL UNITS THESE UNITS ARE ARRANGED FROM SIMPLE TO COMPLEX LEVELS THE TRAINEE GOES THROUGH THESE UNITS BY ANSWERING QUESTIONS ON FILLING THE BLANKS.

## **EVALUATION:**

THE SPECIFICATION OF VALUES FORMS A BASIS FOR EVALUATION THE BASIS FOR EVALUATION AND THE MODE OF COLLECTION OF INFORMATION NECESSARY FOR EVALUATION SHOULD BE DETERMINED AT THE PLANNING STAGE. EVALUATION LEADS TO CONTROLLING AND CORRECTING THE TRAINING PROGRAM.

## **ESSENTIAL INGREDIENTS**

THERE ARE THREE ESSENTIAL INGREDIENTS IN A SUCCESSFUL EVOLUTION THEY ARE

- SUPPORT THROUGHOUT THE EVALUATION PROCESS
- EXISTENCE OF OPEN COMMUNICATION BETWEEN TWO GROUPS
- EXISTENCE OF SOUND MANAGEMENT PROCESS
- EVALUATION CRITERIA

ACCORDING TO HANBLING TRAINING EFFECTIVENESS CAN BE MEASURED IN TERMS OF

### 1. REACTIONS

IT CAN BE EVALUATED IN TERMS OF THE TRAINEES REACTION TO THE OBJECTIVES CONTENT AND METHODS OF TRAINING

### 2. LEARNING

THE EXTENT TO WHICH THE TRAINEES HAVE LEARN THE DESIRE AND KNOWLEDGE AND SKILLS DURING THE TRAINING PERIOD

### 3. BEHAVIOUR

IMPROVEMENT IN JOB BEHAVIOUR AND TRAINEES REFLECT THE MANNER AND EXTENT TO WHICH THE LEARNING HAS BEEN APPLIED TO THE JOB.

### 4. RESULTS

THE ULTIMATE RESULT IN TERMS OF PRODUCTIVITY IMPROVEMENT QUALITY IMPROVEMENT COST REDUCTION LABOUR TURNOVER ARE THE BEST CRITERIA FOR EVALUATING TRAINING EFFECTIVENESS.

## **METHODS FOR EVALUATION**

- ASKING THE TRAINEES TO FILL UP EVALUATION FORMS
- USING A QUESTIONNAIRE
- GIVING ORAL OR WRITTEN TEST TO TRAINEES
- ARRANGING STRUCTURED INTERVIEWS
- COMPARING TRAINEES PERFORMANCE ON THE JOB BEFORE AND AFTER TRAINING
- TRAINEES COMMENTS AND REACTIONS DURING THE PERIOD.

## **MANAGEMENT DEVELOPMENT**

THE DEVELOPMENT OF EXECUTIVES ARE MANAGERS HAS BECOME ONE OF THE MOST IMPORTANT AND COMPLEX TASKS OF PERSONAL MANAGEMENT. IT CONSISTS OF ALL ACTIVITIES THROUGH WHICH EXECUTIVES LEARN TO IMPROVE THEIR BEHAVIOUR AND PERFORMANCE

A PROCESS BY WHICH MANAGES ACQUIRED NOT OWN THE SKILLS AND COMPETENCY IN THE PRESENT JOBS BUT ALSO CAPABILITY IS FUTURE MANAGER AND TASKS OF INCREASING DIFFICULTY AND SCOPE.

## **OBJECTIVES OF MANAGEMENT DEVELOPMENT**

- TO INCREASE OVERALL KNOWLEDGE
- TO IMPROVE THE PERFORMANCE OF MANAGERS
- TO INFLUENCE THE BEHAVIOUR OF WORKERS
- TO PROVIDE OPPORTUNITIES TO THE MANAGERS FOR THEIR CAREER ADVANCEMENT.

## **METHODS**

### **A. ON THE JOB METHODS**

- COACHING
- JOB ROTATION
- COMMITTEE ASSIGNMENTS
- MULTIPLE MANAGEMENT

IT IS THE NAME GIVEN TO THE SYSTEM WHEREBY PERMANENT ADVISORY COMMITTEES OF EXECUTIVES STUDY THE PROBLEMS OF ORGANISATION AND MAKE THE RECOMMENDATIONS TO HIGHER MANAGEMENT.

### **B. OFF THE JOB METHODS**

- ROLE PLAY
- PROGRAMMED INSTRUCTION
- CASE STUDY

DEVELOPED BY HARVARD LAW PROFESSOR CHRISTOPHER LANGDELL. UNDER THIS METHOD WRITTEN PROBLEM OR CASE IS PRESENTED TO A GROUP OF TRAINEES FOR ANALYSIS AND SOLUTION. IT GIVES THE TRAINEES AN OPPORTUNITY TO APPLY THEIR KNOWLEDGE TO THE SOLUTION OF THE DESIGNATED PROBLEM.

- MANAGEMENT GAMES

MANAGEMENT GAME IS A CLASSROOM EXERCISE IN WHICH A NUMBER OF TEAMS OF TRAINEES COMPETE AGAINST EACH OTHER TO ACHIEVE CERTAIN OBJECTIVES. THE MANAGEMENT GAME MAY BE EITHER SIMPLE OR COMPLEX. UNDER THIS METHOD THE EXECUTIVE LEARN BY ANALYZING PROBLEMS BY MAKING TRIAL-AND-ERROR TYPE OF DECISIONS

- SENSITIVITY TRAINING

ALSO KNOWN AS LABORATORY TRAINING OR T TRAINING AS IT IS CONDUCTED UNDER CONTROLLED CONDITIONS. IT MEANS THE DEVELOPMENT OF AWARENESS AND SENSITIVITY TO BEHAVIORAL PATTERNS OF ONESELF AND OTHERS

## **CAREER PLANNING AND DEVELOPMENT**

A CAREER IS A SEQUENCE OF SEPARATE, BUT RELATED WORK ACTIVITIES THAT PROVIDE CONTINUITY ORDER AND MEANING TO A PERSON'S LIFE. CAREER PLANNING IS THE SYSTEMATIC PROCESS BY WHICH ONE SELECTS CAREER GOALS AND THE PATH TO THESE GOALS.

- CAREER GOALS: THE FUTURE POSITIONS ONE STRIVES TO REACH AS PART OF THE CAREER
- CAREER PATH: THE SEQUENTIAL PATTERN OF JOBS THAT FORM A CAREER
- CAREER PROGRESSION: MAKING PROGRESS IN ONE'S CAREER THROUGH PROMOTIONS
- CAREER COUNSELLING: GUIDING AND ADVISING PEOPLE ON THEIR POSSIBLE CAREER PATH AND WHAT THEY MUST DO TO GET PROMOTIONS.

## CAREER DEVELOPMENT

IT CONSISTS OF ACTIVITIES UNDERTAKEN BY THE INDIVIDUAL EMPLOYEES AND ORGANISATION TO MEET CAREER ASPIRATIONS AND JOB REQUIREMENTS GENERALLY ONE CAN IDENTIFY 4 CAREER STAGES THAT EVERY INDIVIDUAL COMES ACROSS DURING HIS OR HER CAREER

### 1. EXPLORATORY STAGE

IT STARTS WHEN A NEW EMPLOYEE JOINS AND ORGANISATION HE GETS A REAL SHOCK WHEN FINDS A BIG GAP BETWEEN WHAT AN IDEAL ORGANISATION SHOULD BE AND WHAT IT IS

### 2. ESTABLISHMENT STAGE

ONCE AN INDIVIDUAL HAS TO USE IN HIS CAREER HE REQUIRES REGULAR FEEDBACK ON HIS OWN PERFORMANCE.

### 3. MAINTENANCE STAGE

IN THIS STAGE, EMPLOYEES TRY TO RETAIN THE NAME THEY HAVE ESTABLISHED IN THEIR CAREER. IN A FAST CHANGING WORLD THIS WILL REQUIRE CONTINUOUS EFFORT AT SELF-DEVELOPMENT.

### 4. STAGE OF DECLINE

IMPENDING RETIREMENT SCARES EVERYBODY BUT IT IS OF COURSE INEVITABLE SOME ADVANCED PLANNING FOR RETIREMENT CAN ENSURE A SMOOTH TRANSITION.

MANY ORGANIZATIONS CONDUCT TRAINING PROGRAM FOR THEIR RETIRING EMPLOYEES.

## CAREER COUNSELLING

IT IS ADVISING AND GUIDING THE EMPLOYEES IN THEIR POSSIBLE CAREER PATHS AND THE DIRECTIONS THE NEED FOR CAREER COUNSELLING ARISES WHEN EMPLOYEES HAVE TO PLAN THEIR OWN CAREERS AND DEVELOP THEMSELVES.

THE MAIN OBJECTIVES OF CAREER COUNSELLING IS TO PROVIDE GUIDELINES THAT HELP AN INDIVIDUAL TO UNDERSTAND HIMSELF MORE CLEARLY TO HELP INDIVIDUAL TO ACHIEVE AND ENJOY GREATER PERSONAL SATISFACTION TO ENABLE INDIVIDUALS TO STUDY THE IMMEDIATE AND PERSONAL WORLD IN WHICH THEY LIVE

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## **COMPENSATION**

THE TERM COMPENSATION IS AMOUNT OF ACTUAL PAY TO AN EMPLOYEE BY THE EMPLOYER IN WRITTEN TO THE EMPLOYEE SERVICES TO THE COMPANY

EMPLOYEE COMPENSATION REFERS TO ALL FORMS OF PAY OR REWARDS GOING TO EMPLOYEES AND ARISING FROM THEIR EMPLOYMENT.

IT HAS TWO COMPONENTS

- DIRECT FINANCIAL PAYMENTS INCLUDES WAYS SALARIES COMMISSION BONUS INCENTIVES
- DIRECT PAYMENTS INCLUDES EMPLOYER PAID VACATIONS INSURANCE

COMPENSATION REFERS TO A WIDE RANGE OF FINANCIAL AND NON-FINANCIAL REWARDS TO THE EMPLOYEES FOR THE SERVICES RENDERED TO THE ORGANISATION. SYSTEM OF COMPENSATION SHOULD BE DONE OR DESIGN THAT IT ACHIEVES THE FOLLOWING OBJECTIVES

- CAPABLE EMPLOYEES ARE ATTRACTED
- EMPLOYEES ARE MOTIVATED
- EMPLOYEES DO NOT LEAVE THE EMPLOYER FREQUENTLY

## **COMPENSATION MANAGEMENT**

IT IS DESIGNING AND IMPLEMENTING TOTAL COMPENSATION PACKAGE WITH A SYSTEMATIC APPROACH TO PROVIDE VALUE TO EMPLOYEES IN EXCHANGE FOR WORK PERFORMANCE

WAGE

AMOUNT PAID TO THE EMPLOYEE FOR A GIVEN PERIOD OF TIME SUCH AS DAY/WEEK.

SALARY

IT IS A COMPENSATION TO AN EMPLOYEE FOR SERVICE RENDERED ON WEEKLY BASIS OR MONTHLY BASIS

PRINCIPLES

- IT SHOULD BE DEVELOPED KEEPING IN VIEW THE INTEREST OF EMPLOYER EMPLOYEE CONSUMERS AND COMMUNITY.
- IT SHOULD BE STATED CLEARLY IN WRITING.
- PLANS SHOULD BE CONSISTENT WITH THE OVERALL PLANS OF COMPANY.
- THESE SHOULD BE SUFFICIENTLY FLEXIBLE.
- MANAGEMENT SHOULD ENSURE THAT EMPLOYEES KNOW AND UNDERSTAND THE WAYS POLICY OF THE COMPANY.
- THESE SHOULD BE REVIEWED AND REVISED PERIODICALLY.
- FACTORS AFFECTING COMPENSATION
- THE WAGES TO BE PAID TO DIFFERENT CATEGORIES OF WORKERS DEPEND UPON THE FOLLOWING FACTORS
- DEMAND FOR AND SUPPLY OF LABOUR
- ABILITY TO PAY
- COST OF LIVING
- LABOUR UNIONS
- GOVERNMENT

## CURRENT TRENDS IN COMPENSATION

IN PRESENT ERA THE COMPENSATION EMPHASIS ON EMPLOYEE MANAGEMENT IN WEALTH ENERGY EMPLOYEE STRATEGIC GOALS

### 1. PAY TRANSPARENCY

EMPLOYEES WANT TRANSPARENCY IN PAY SYSTEM NOW A DAYS MOST ORGANIZATIONS ARE USING TRANSPARENT PAY SYSTEM. PAY TRANSPARENCY INFLUENCES EMPLOYEES IN

- REDUCING TURNOVER
- CREATING COMPETITIVE ADVANTAGE
- INCREASING EMPLOYEE ENGAGEMENT

### 2. EMPLOYEES STOCK OWNERSHIP PLAN

EMPLOYEE STOCK OWNERSHIP PLAN IS AN EMPLOYEE BENEFIT PLAN IT PROVIDES EMPLOYEE IS THE OWNERSHIP OF STOCKS IN THE COMPANY EMPLOYEES USES ESOP AS A TOOL TO SWITCH LOANS FROM A FINANCIAL INSTITUTE IT ALSO PROVIDES FOR TAX BENEFITS TO THE EMPLOYEES.

### 3. FLEXIBLE BENEFITS

THESE EMPLOYEES TO PICK BENEFITS THAT MEET THEIR NEEDS THE MAIN OBJECTIVE IS TO ALLOW EACH EMPLOYEE TO CHOOSE A BENEFIT PACKAGE THAT IS INDIVIDUALLY TRIED TO HIS OR HER OWN NEEDS.

SOME OF THE CURRENT TRENDS IN COMPENSATION

- PERSONAL ACCIDENT INSURANCE SCHEME
- CORPORATE CREDIT CARD
- CLUB MEMBERSHIPS
- CELLULAR PHONE OR LAPTOP
- WEDDING DAY AUR BIRTHDAY GIFTS
- MATERNITY LEAVE
- PATERNITY LEAVE
- EMPLOYEE REFERRAL SCHEME
- CULTURAL PROGRAMS

### 4. METHODS OF PAYMENT

#### A. TIME RATE SYSTEM

SYSTEM THE WORKER IS PAID BY HOUR DAY WEEK OR MONTH IN OTHER WORDS REMUNERATION TO EMPLOYEES IS PAID BASED ON HOW MANY NUMBER OF HOURS HE OR SHE IS SPENDING IN PERFORMING THE TASK

#### B. PIECE RATE SYSTEM

IMAGES OF THE WORKER DEPENDS UPON HIS OUTPUT AND THE RATE OF EACH UNIT OF OUTPUT INFANT THE PIECE RATE SYSTEM IS INDEPENDENT OF THE TIME TAKEN BY HIM

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## INDUSTRIAL RELATIONS:

TO BE MORE CLEAR THE INDUSTRIAL RELATIONS ARE THE RELATIONS BETWEEN EMPLOYER AND EMPLOYEE, EMPLOYER AND EMPLOYER AND EVEN EMPLOYER AND EMPLOYEE. APART FROM THE PRIMARY OBJECTIVE OF BRINGING ABOUT SOUND AND HEALTHY RELATIONS BETWEEN EMPLOYERS AND EMPLOYEES INDUSTRIAL RELATIONS AIMS AT THE FOLLOWING OBJECTIVES

- TO FACILITATE PRODUCTION AND PRODUCTIVITY
- TO SAFEGUARD THE RIGHTS AND INTERESTS OF BOTH LABOUR AND MANAGEMENT BY ENLISTING THEIR COOPERATION.
- TO ACHIEVE SOUND HARMONIOUS AND MUTUALLY BENEFICIAL LABOUR MANAGEMENT RELATIONS
- TO AVOID UNHEALTHY ATMOSPHERE IN THE INDUSTRY.

## PARTIES

- INDIVIDUAL EMPLOYEES WHO CONTRIBUTE SERVICES UNDER THE EMPLOYMENT CONTRACT IN EXPECTATIONS OF REMUNERATION
- INDIVIDUAL EMPLOYEES WHO PAY REMUNERATION TO THE EMPLOYEES UNDER THE CONTRACT IN WRITTEN FOR SERVICES
- SEPARATE ASSOCIATION OF INDIVIDUAL EMPLOYEES SE TRADE UNIONS WHICH SEEKS TO INFLUENCE THE TERMS AND CONDITIONS OF EMPLOYMENT.
- THE SEPARATE ASSOCIATION OF INDIVIDUAL EMPLOYEES WHICH SEEKS TO INFLUENCE THE TERMS AND CONDITIONS OF EMPLOYMENT.
- THE CENTRAL ORGANISATION OF WORKERS AND EMPLOYERS WHICH SEEK TO CREATE THE APPROPRIATE CLIMATE AND IT WAS AMONG THEIR AFFILIATED UNITS.

## VALUES

### 1. FAMOUS AND EQUITY

THE CONCEPT OF FAIRNESS AND EQUITY IMPLICITLY AND RELIANCE THE ENTIRE CONTACT OF INDUSTRIAL RELATIONS IT IS EXPLICITLY MOST FREQUENTLY ASSOCIATED WITH CONSIDERATIONS OF SALARY CREDENTIALS AND TERMINATION OF THE CONTRACT OF EMPLOYMENT.

### 2. POWER AND AUTHORITY

THE CONCEPT OF POWER AND AUTHORITY OCCUPY A CENTRAL POSITION IN INDUSTRIAL RELATIONS THE EMPLOYMENT RELATIONSHIP IS INHERENTLY A POWER RELATIONSHIP OR A DIRTY RELATIONSHIP POWER CAN BE DEFINED AS THE ABILITY TO INFLUENCE OTHERS WHERE AS A QUALITY MEANS THE FORMAL POWER DEDICATED TO A PERSON BY VIRTUE OF THE OFFICE.

### 3. INDIVIDUALISM AND COLLECTIVISM

EXPRESS THE VALUE IN MODERN HISTORY SOCIETY IS THE IMPORTANCE OF THE INDIVIDUAL AND HUMAN DIGNITY THE WORKFORCE SEEN AS INDIVIDUAL HUMAN BEINGS EACH OTHER WITH HIS OR ASPIRATIONS ATTITUDES AND BENEFITS.

### 4. RIGHTS AND RESPONSIBILITIES

RIGHT IS GENERALLY DEFINED AS A JUST LEGAL CLAIM FOR TITLE RESPONSIBILITY IS DEFINED AS A DUTY OR OBLIGATION OR HAVING CONTROL OR SOMETHING

### 5. INTEGRITY AND TRUST INTEGRITY

CAN BE DEFINED IN TERMS OF THE INDIVIDUAL ACTING IN ACCORDANCE WITH HIS OR HER PERSONAL VALUES RATHER THAN IN TERMS OF INDIVIDUAL ACTING ACCORDING TO SOME UNIVERSALLY ACCEPTED CODE OF CONDUCT.

## **TRADE UNION**

IN SIMPLE WORDS A UNION IS AN ASSOCIATION OF EMPLOYEES WORKING IN AN INDUSTRY. TRADE UNION MAY BE DEFINED AS A CONTINUOUS LONG-TERM ASSOCIATION OF EMPLOYEES FORMED AND MAINTAINED FOR THE BEST SPECIFIC PURPOSE OF EXAMINING AND PROTECTING THE INTERESTS OF MEMBERS IN THE WORKING RELATIONSHIPS

### **WHY THE EMPLOYEE JOIN IN TRADE UNIONS**

THE MAIN OBJECTIVE IS TO SATISFY THE OBJECTIVES WHICH HE COULD NOT SATISFIED SOLELY. BESIDES THIS THERE ARE SOME REASONS NAMELY

- TO ECONOMIC SECURITY
- TO IMPROVE BARGAINING POWER TO SATISFY A SOCIAL NEEDS TO
- SECURE FROM UNEXPECTED PROBLEMS LIKE ILLNESS ACCIDENTS ETC.

### **FUNCTIONS OF TRADE UNIONS**

THE FUNCTIONS OF TRADE UNIONS ARE CLASSIFIED INTO FOUR TYPES AND THEY ARE

#### **A. BASIC FUNCTIONS**

THE FUNCTIONS LISTED BY THE NATIONAL COMMISSION ON LABOUR ARE

- TO SECURE FOR THE WORKERS FAIR WAGES
- TO SAFEGUARD SECURITY OF TENURE
- TO IMPROVE WORKING AND LIVING CONDITIONS
- TO PROMOTE IDENTITY OF INTEREST OF WORKERS WITH THEIR INDUSTRY

#### **B. ECONOMIC FUNCTIONS**

THE PRIMARY FUNCTION IS TO PROTECT THE BASIC INTERESTS AND NEEDS OF MEMBERS. ACTIVITIES LIKE ORGANIZING MUTUAL BENEFIT SOCIETIES CORPORATE HILLS GAMES LIBRARIES AND RECREATIONAL PROGRAMS.

#### **C. SOCIAL FUNCTIONS**

THE IMPORTANT SOCIAL FUNCTIONS ARE

- QUALITY OF WORK LIFE
- EDUCATION
- RESEARCH
- PUBLICATIONS
- POLITICAL FUNCTIONS

FOR DISCHARGING VARIOUS FUNCTIONS UNIONS HAVE TO OPERATE NOT ONLY ON SOCIAL ECONOMICAL AND CIVIC FRONT BUT ALSO ON POLITICAL FRONT.

## **STRUCTURE OF TRADE UNIONS**

### **1. CRAFT UNION**

A CRAFT UNION IS AN ORGANISATION OF WORKERS ENGAGED IN A PARTICULAR CRAFT. FORMED AMONG NON-MANUAL EMPLOYEES AND PROFESSIONAL WORKERS

FOR EXAMPLE, AIR INDIA PILOTS ASSOCIATION

## **2. INDUSTRIAL UNION**

INDUSTRIAL UNION IS AN ORGANISATION OF WORKERS WHICH INCLUDES ALL CATEGORIES OF WORKERS IN ANY ONE INDUSTRY REGARDLESS OF THE DIFFERENCES IN CRAFT, SCALE, GRADE, POSITION OR SEX. INDUSTRIAL UNION MAY BE FRAMED AT THE PLANT LEVEL.

FOR EXAMPLE, TATA WORKERS UNION IN TISCO.

## **3. GENERAL UNION**

GENERAL UNION IS ONE WHOSE MEMBERSHIP COVERS THE WORKERS EMPLOYED IN MANY INDUSTRIES EMPLOYMENT AND CRAFTS

FOR EXAMPLE, JAMSHEDPUR LABOUR UNION

## **4. FEDERATIONS**

THE TRADE UNIONS FORMED FEDERATIONS OF THE INDUSTRIAL, NATIONAL AND INTERNATIONAL LEVELS TO MEET THE COMPETITIVE BUSINESS ENVIRONMENT AND PROBLEMS.

### **WORKERS PARTICIPATION IN MANAGEMENT:**

EMPLOYEE PARTICIPATION IS ALSO CALLED AS WORKER PARTICIPATION OR LABOUR PARTICIPATION. WORKERS PARTICIPATION IN MANAGEMENT IS A RESOUNDING PHASE WHICH BRIDGES THE PAST AND FUTURE. THERE ARE TWO BASIC POINTS IN THE CONCEPT OF WORKERS PARTICIPATION IN MANAGEMENT

- THERE ARE TWO GROUPS OF PEOPLE IN AN UNDERTAKING
- THERE ARE TWO SEPARATE SETS OF FUNCTIONS TO BE PERFORMED

### **OBJECTIVES:**

- TO ELEVATE WORKER STATUS IN INDUSTRY
- TO PROVIDE LABOUR A SENSE OF IMPORTANCE
- TO PROMOTE CORDIAL RELATIONS

### **SCHEMES OF PARTICIPATION**

#### **1. WORKS COMMITTEE**

INDUSTRIAL DISPUTE ACT 1947 PROVIDES FOR THE SETTING UP OF MY PORTRAIT WORKS COMMITTEE AS A SCHEME THE UNDERTAKING OF EMPLOYING 100 OR MORE.

#### **FUNCTIONS**

- ADMINISTRATION OF WELFARE ACTIVITIES
- AMENITIES SUCH AS DRINKING WATER CANTEEN DINING ROOMS
- CONDITIONS OF WORK SUCH AS VENTILATION SANITATION ROOM TEMPERATURE ETC.

#### **2. JOINT MANAGEMENT COUNCILS**

THIS COUNCIL WAS SET UP IN 1985 WHICH CONSISTS OF EQUAL REPRESENTATIVES OF MANAGEMENT AND WORKERS NOT EXCEEDING 12 IN THE UNDERTAKING OF EMPLOYEE AT LEAST 500 WORKERS.

## **OBJECTIVES**

- PROMOTING CORDIAL RELATIONS
- DEVELOPING TRUST
- GOOD STANDARDS OF PRODUCTIVITY

### **3. JOINT COUNCILS**

A JOINT COUNCIL HAS TO BE FORMED AT EVERY DIVISION OR REGIONAL OR ZONAL LEVEL OR IN A PARTICULAR BRANCH OF AN ORGANISATION.

## **CHARACTERISTICS**

- IT SHALL FUNCTION FOR A PERIOD OF 2 YEARS
- MEMBERS IN UNIT ARE THE COUNCIL MEMBERS
- JOINT COUNCIL SHALL APPOINT ONE MEMBER AS ITS SECRETARY.

### **4. UNIT COUNCILS**

UNIT COUNCILS SET UP IN EACH UNIT OF ORGANISATION EMPLOYING HUNDRED AND MORE PERSONS. THE PURPOSE OF UNIT COUNCIL IS TO DISCUSS DAY TO DAY PROBLEMS AND FIND SOLUTIONS

### **5. SHOP COUNCILS**

A SHOP COUNCIL CONSISTS OF AN EQUAL NUMBER OF REPRESENTATIVES FROM BOTH GROUPS SHOP COUNCIL IS REQUIRED IN THE INTEREST OF INCREASING PRODUCTION PRODUCTIVITY AND OVERALL EFFICIENCY

### **6. PLANT COUNCILS**

IT IS FORMED IN PURSUANCE OF THE RECOMMENDATIONS OF THE SECOND MEETINGS OF THE GROUP ON LABOUR AT NEW DELHI ON 23RD SEPTEMBER 1985. PLANT COUNCILS DETAILS WITH OPERATIONAL AREAS ACADEMIC AREAS FINANCIAL AREAS PERSONAL MATTERS WELFARE MEASURES AND ENVIRONMENTAL ISSUES.

## **COLLECTIVE BARGAINING**

SYDNEY AND B WEB WERE THE FIRST USED THE TERM COLLECTIVE BARGAINING IN 1891 WHICH MEANS A PROCESS OF DISCUSSION AND NEGOTIATION BETWEEN TWO PARTIES. THE PHRASE COLLECTIVE BARGAINING IS MADE UP OF TWO WORDS

COLLECTIVE, THE PROCESSES IS COLLECTIVE BECAUSE ISSUES RELATING TO TERMS AND CONDITIONS OF EMPLOYMENT ARE RAISED BY REPRESENTATIVES

BARGAINING REFERS TO EVOLVING AND AGREEMENT USING METHODS LIKE INNOVATION DISCUSSION ETC.

SPECIFICALLY COLLECTIVE BARGAINING IS A PROCESS BY WHICH EMPLOYERS AND A GROUP OF EMPLOYEES AGREE UPON THE CONDITIONS OF WORK.

## **OBJECTIVE:**

THE PRIMARY OBJECTIVE OF COLLECTIVE BARGAINING IS TO COME TO AN AGREEMENT.

## **NATURE:**

IN SOME COUNTRIES IT IS CONSIDERED AS A DUTY OF EMPLOYEES TO ENGAGE IN COLLECTIVE BARGAINING IN GOOD FAITH IN OTHER COUNTRIES IT IS THE TERM THAT DISTINGUISH SELF-INTEREST ISSUES AND RIGHT ISSUES.

INTEREST ISSUES REFERS TO WAGES AND WORKING CONDITIONS

WRITE ISSUES CONCERNING THE INTERPRETATION OF DO'S AND DON'TS IN THE COURSE OF EMPLOYEE AND EMPLOYER RELATIONSHIP

## **FUNCTIONS**

SERVICE A NUMBER OF IMPORTANT FUNCTIONS IT IS A RULE OF MAKING ONE THAT FORMULATES TERMS AND CONDITIONS UNDER WHICH LABOUR AND MANAGEMENT MAY CO-OPERATE AND WORK TOGETHER OVER A CERTAIN PERIOD.

JOHN AND DIREK FRAMED IMPORTANT FUNCTIONS OF COLLECTIVE BARGAINING AND THEY ARE AS FOLLOWS

- ESTABLISHING RULES OF WORKPLACE
- DETERMINING THE FORM OF COMPENSATION
- STANDARDIZING THE COMPENSATION
- DETERMINING PRIORITIES ON EACH SIDE
- REDESIGNING THE MISSIONARY OF BARGAINING.

## **COLLECTIVE BARGAINING PRACTICES IN INDIA**

COLLECTIVE BARGAINING INDIA GROW AT PAR WITH THE GROWTH OF TRADE UNION ONLY AFTER INDEPENDENCE THERE WAS CONSTABLE GROWTH IN TRADE UNIONS IN INDIA COLLECTIVE BARGAINING IS MOSTLY USED FOR BASIC MONETARY BENEFITS.

## **RECENT TRENDS IN COLLECTIVE BARGAINING**

### **1. DECENTRALIZED AND INDIVIDUALIZED BARGAINING**

THE COLLECTIVE BARGAINING IN INDIA REMAINED LARGELY DECENTRALIZED, I.E. COMPANY OR UNIT LEVEL BARGAINING RATHER THAN INDUSTRY LEVEL BARGAINING. BUT IN SOME SECTORS (MOSTLY PUBLIC SECTOR INDUSTRIES) THE INDUSTRY LEVEL BARGAINING WAS DOMINANT. HOWEVER, PRIVATIZATION OF PUBLIC SECTOR TRANSFORMED THE INDUSTRY LEVEL BARGAINING TO COMPANY LEVEL BARGAINING. ON THE OTHER HAND, DUE TO DRASTIC INFOMALISATION OF WORKFORCE AND DOWNSIZING IN THE INDUSTRIES, THE STRENGTH AND POWER OF THE TRADE UNIONS IS HEAVILY REDUCED. THE TRADE UNIONS MAINLY REPRESENTED THE INTERESTS OF FORMAL WORKERS.

HIGH LEVEL OF INFORMALISATION OF WORKFORCE COMBINED WITH THE INDIVIDUALIZED BARGAINING ACTUALLY CHANGED THE CHARACTER OF THE TRADE UNIONS ALSO. IN RELEVANT SECTORS AND INDUSTRIAL REGIONS, IT CONVERTED MANY TRADE UNIONS (PARTICULARLY IN SECTOR DOMINATED BY INFORMAL WORKERS) IN TO LEGAL CONSULTANTS (PURSUING INDIVIDUAL CASES AND CHARGING FEES FOR THEIR SERVICES) RATHER THAN COLLECTIVE BARGAINING AGENTS.

### **2. DECLINING WAGE SHARE**

DECLINING STRENGTH OF COLLECTIVE BARGAINING IS ALSO REFLECTED IN SHARPLY INCREASING SHARE OF PROFIT AND DRASTICALLY DECLINING THE WAGE SHARE (SINCE 2001-02), RESULTING IN DEPRESSING PURCHASING POWER. APPROXIMATELY 73 MILLION OUT OF 173 MILLION WAGE EARNERS THROUGHOUT INDIA DO NOT RECEIVE MINIMUM WAGES. ABOUT 30–40 PER CENT OF THESE LOW-PAID WAGE EARNERS BELONG TO POOR FAMILIES.

### **3. NEW WAVE OF LABOUR MOVEMENT FOR UNIONIZATION**

A NEW WAVE OF WORKERS STRUGGLE FOR UNIONIZATION IS EMERGING FROM BELOW BY AND LARGE INDEPENDENT FROM THE CENTRAL TRADE UNIONS. THIS IS MAINLY EMERGING IN THE FORMAL SECTOR. THE WORKERS ARE REALIZING BY THEIR OWN EXPERIENCES THAT THEY CAN'T CHANGE THEIR FATE WITHOUT ORGANIZING THEMSELVES IN A TRADE UNION. IN MANY CASES THE WORKERS DO NOT GET EVEN THE LEGAL BENEFITS LIKE MINIMUM WAGES, PREMIUM RATE OF OVERTIME AND HOLIDAYS AND CASUAL LEAVES. ONCE THE UNION IS FORMED, AT LEAST THE MINIMUM BENEFITS GUARANTEED BY LAW ARE EASILY AVAILABLE TO ALL WORKERS.