

UNIT-I (Introduction)

Outcome of this Presentation

This Presentation will cover CO1

Statement of CO1 is as follows:

Understand the basic concepts of human resource management and different managerial functions, and their scope in order to take the benefits from various policy of management.

Human Resource Management

Human Resource Management (HRM) is a process, which consists of four main activities, namely,

- acquisition,
- development,
- motivation, as well as
- maintenance of

human resources

Definitions of HRM

- **Scott, Clothier and Spriegel have defined Human Resource Management as that branch of management which is responsible on a staff basis for concentrating on those aspects of operations which are primarily concerned with the relationship of management to employees and employees to employees and with the development of the individual and the group.**
- **Northcott considers human resource management as an extension of general management, that of prompting and stimulating every employee to make his fullest contribution to the purpose of a business. Human resource management is not something that could be separated from the basic managerial function. It is a major component of the broader managerial function.**
- **Edwin B. Flippo, —Human resource management is the planning, organising, directing and controlling of the procurement, development, resources to the end that individual and societal objectives are accomplished||. This definition reveals that human resource (HR) management is that aspect of management, which deals with the planning, organising, directing and controlling the personnel functions of the enterprise.**

NATURE OF HRM

- ✓ Inherent Part of Management
- ✓ Pervasive Function
- ✓ Basic to all Functional Areas
- ✓ Basic to all Functional Areas
- ✓ Personnel Activities or Functions
- ✓ Continuous Process
- ✓ Based on Human Relations

OBJECTIVES OF HRM

- To ensure effective utilisation of human resources, all other organisational resources will be efficiently utilised by the human resources.
- To establish and maintain an adequate organisational structure of relationship among all the members of an organisation by dividing of organisation tasks into functions, positions and jobs, and by defining clearly the responsibility, accountability, authority for each job and its relation with other jobs in the organisation.
- To generate maximum development of human resources within the organisation by offering opportunities for advancement to employees through training and education.
- To ensure respect for human beings by providing various services and welfare facilities to the personnel.
- To ensure reconciliation of individual/group goals with those of the organisation in such a manner that the personnel feel a sense of commitment and loyalty towards it.
- To identify and satisfy the needs of individuals by offering various monetary and non-monetary rewards.

FUNCTIONS OF HRM

Managerial Functions

- Planning
- Organization
- Directing
- Controlling

Operative Functions

- Procurement of Personnel
- Development of Personnel
- Compensation to Personnel
- Maintaining Good Industrial Relation
- Record Keeping
- Personnel Planning and Evaluation

IMPORTANCE OF HRM

- It helps management in the preparation adoption and continuing evolution of personnel programmes and policies.
- It supplies skilled workers through scientific selection process.
- It ensures maximum benefit out of the expenditure on training and development and appreciates the human assets.
- It prepares workers according to the changing needs of industry and environment.
- It motivates workers and upgrades them so as to enable them to accomplish the organization goals.
- Through innovation and experimentation in the fields of personnel, it helps in reducing casts and helps in increasing productivity.
- It contributes a lot in restoring the industrial harmony and healthy employer-employee relations.
- It establishes mechanism for the administration of personnel services that are delegated to the personnel department.

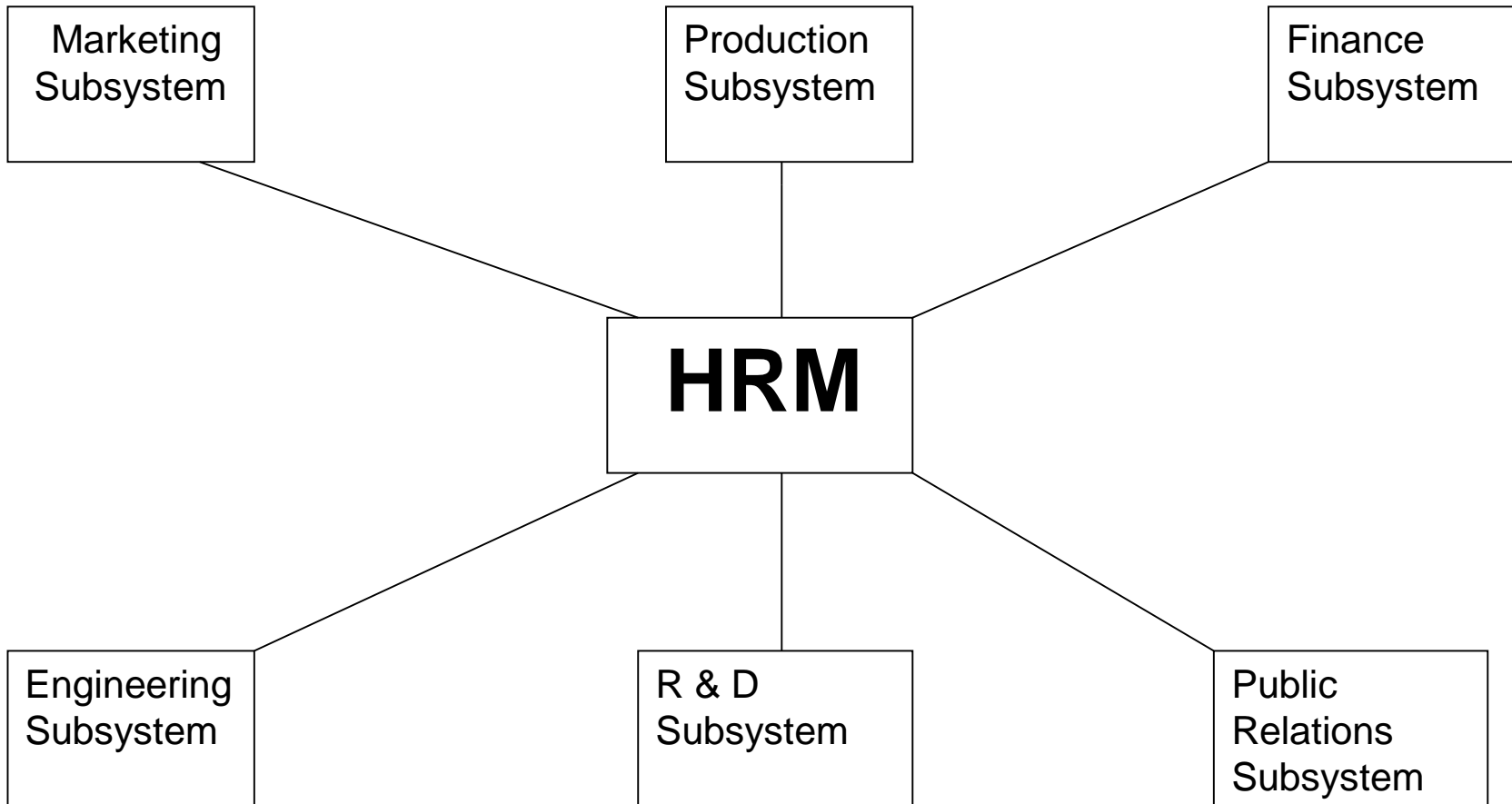
SCOPE Of HRM

Personnel Aspect : This is concerned with manpower planning, recruitment, selection, placement, transfer, promotion, training & development, lay off and retrenchment, remuneration, incentives, productivity etc.

Welfare Aspect : It deals with working conditions and amenities like canteens, crèches, rest and lunch rooms, housing, transport, medical assistance, education, health and safety, recreation facilities etc.

Industrial Relations Aspect: This covers union management relations, joint consultation, collective bargaining, grievance, disciplinary procedures and settlement of disputes etc.

Relation Of HRM With Other Functions



THANK YOU

UNIT-II (Procurement and Placement)

Outcome of this Presentation

This Presentation will cover CO2

Statement of CO2 is as follows:

Familiar with different ACT like Employment Exchanges act and Contract Labour and to understand about the different recruitment and selection process.

Human Resource planning

Human Resource planning is the process by which a management determines how an organization should move from its current manpower position to its desired manpower position. Through planning a management strives to have the right number and the right kinds of people at the right places, at the right time, to do things which result in both the organisation and the individual receiving the maximum long-range benefit.

NEED for Human Resource Planning

1. Future Personnel Needs
2. Coping with Change
3. Creating highly talented Personnel
4. Protection of Weaker sections
5. International Strategies
6. Foundation for personnel functions
7. Increasing Investments in Human resources
8. Resistance to change and Move

Process of Human Resource Planning

- Analysis of Organizational Plans and Objectives
- Forecasting Demand for Human Resources
- Forecasting Supply of Human Resources
- Estimating Manpower Gaps
- Estimating Manpower Gaps
- Matching Demand and Supply

Recruitment Methods

i) Internal sources search:

1. Posted on bulletin/Notice Boards of the organization
2. Through memos circulated among the shop supervisors.
3. Advertised in the in-house employee magazine/bulletins/handouts.
4. Other methods like 'word-of-mouth' and/or "who-you-know" system
5. Perusal of Records
6. Promotions and Transfers
7. Job Posting
8. Employee Referrals

ii) External sources search

1. Direct methods
2. Indirect methods
3. Third party methods

Psychological tests

- Intelligence tests
- Aptitude tests
- Interest tests
- Personality tests
- Thematic apperception test (TAT)
- Rorschach inkblot test

INTERVIEWING

It is the oral examination of candidates for employment. In this step the interviewer matches the information obtained about the candidate through various means to the job requirements and to the information obtained through his own observations during the interview.

It gives opportunity to recruiter to:

- To ask questions that are not covered in the tests.
- To make judgments on the candidates enthusiasm and intelligence.
- To assess facial expressions, appearance, nervousness.
- To give the facts to the candidate regarding the company policies, programmes and promote goodwill of the company.

Types of Interviews

- Selection interview
- Appraisal interview
- Exit interview.

PLACEMENT

Placement is defined as assigning employees jobs for which they have been identified as suitable based on the selection techniques. But such definition would be meaningless, if a particular employee is recruited against a particular vacancy. Generally, the question of placement arises when a group of trainees are recruited. Organisations, to identify the true potentiality of an employee, in such cases, make provision for short-term placement, during which phase, employees are allowed to work on different jobs, through a systematic job rotation programme. However, at a later stage, permanent placement is effected matching the employees' competence, knowledge, skill and job interest.

Employee Induction

After selection of employees, the first step is to orient them to organisational life. Induction or orientation programme of an organisation is a process to guide and counsel the employees to familiarise them with the job and the organisation. This process helps an organisation to clarify the terms and conditions of employment, specific job requirements and also to inculcate confidence in the minds of the new entrants.

Why Induction?

- To introduce new employees with the organisational environment, exposing them to the mission, history and traditions of the organisation, its achievements and future challenges, its personnel policy and expectations from the new employees.
- To create a positive attitude in the minds of the new employees.
- To create proper awareness in the new employees, enabling them to understand the business of the organisation.
- To provide opportunity to interact with other fellow employees and also with other managerial employees of the organisation.

Induction and Placement: Requisites & Problems

However, despite the problem of unemployment in India, there still exists dearth of knowledge and skilled workers and so also executives and managers. The recent economic liberalization programme of the Government of India has now paved the way for entry of multinationals and foreign companies. Market globalisation has further intensified the competition.

Unfortunately, retaining employees after recruitment and selection is an utterly neglected area in Indian corporate sector. Many organisations spend several lakhs of rupees in terms of job advertisement, conducting tests and interviews, hiring the services of consultants and psychologists, etc., for selecting a managerial employee. Very recently a leading Tata organisation has lost few hundreds of their young engineers and professionals, who left en masse to join elsewhere.

Some organizations, on the contrary, do not review the progress of the new employees, who become permanent automatically after completion of their probationary tenure, despite they being unproductive. Thus, a good induction and placement programme needs to ensure employees' retention by keeping their motivation high, while at the same time, getting rid of the unproductive employees within the organisations.

THANK YOU

UNIT-III (Training & Development)

Outcome of this Presentation

This Presentation will cover CO3

Statement of CO3 is as follows:

Enhance the basic knowledge of training and employee development, to know the basic difference between Job satisfaction and Job description.

NEED AND IMPORTANCE OF TRAINING

- Increasing Productivity
- Improving Quality
- Helping a Company Fulfill its Future Personnel Needs
- Improving Organizational Climate
- Improving Health and Safety
- Obsolescence Prevention
- Personal Growth

Distinction between Training and Development

Training

Training means learnings skills and knowledge for doing a particular job. It increases job skills.

The term 'training' is generally used to denote imparting specific skills among operative workers and employees.

Training is concerned with maintaining and improving current job performance. Thus, it has a short-term perspective.

Training is job-centred in nature.

The role of trainer or supervisor is very important in training.

Development

Development means the growth of an employee in all respects. It shapes attitudes.

The term 'development' is associated | with the overall growth of the executives.

Executive development seeks to develop competence and skills for future performance. Thus, it has a long-term perspective.

Development is career-centred in nature.

All development is 'self development'. The executive has to be internally motivated for self-development.

Principles of Training

- Clear objectives
- Training policy
- Motivation
- Reinforcement
- Organized material
- Learning periods
- Preparing the instructor
- Feedback
- Practice

METHODS OF TRAINING

On-the-Job Training Methods

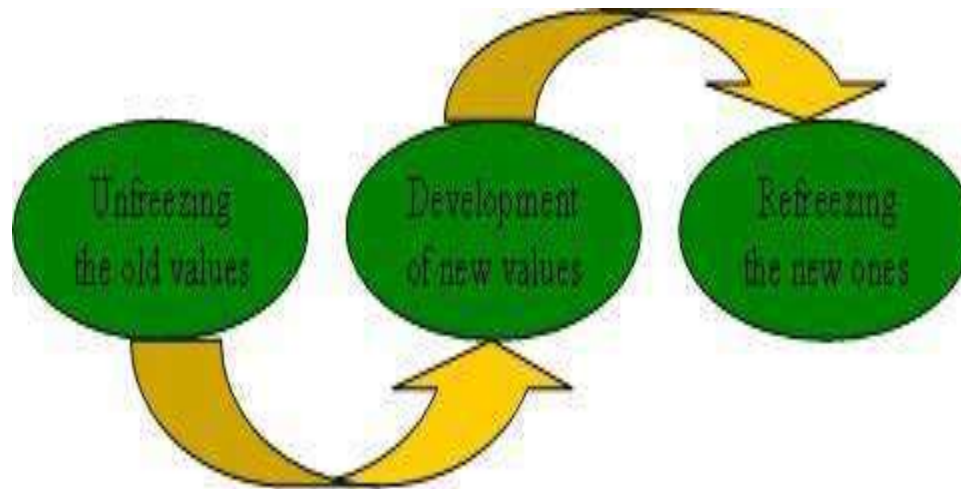
- On Specific Job : Experience, Coaching
- Job Rotation
- Special Projects
- Apprenticeship
- Vestibule Training
- Multiple Management

Off-the-job Training Methods

- Special Courses and Lectures
- Conferences
- Case Studies
- Brainstorming
- Laboratory Training

Sensitivity Training

1. Unfreezing the old values
2. Development of new values
3. Refreezing the new ones



DEVELOPMENT

- Development It refers broadly to the nature and direction of change induced in employees, particularly managerial personnel, through the process of training and education.
- Development is considered to be more general than training and it is aimed towards management people. Usually the intent of development is to provide knowledge and understanding that will enable people to carry out non-technical organisational functions more effectively, such as problem-solving, decision-making and relating to people.
- Development is a long-term educational process utilizing a systematic and organized procedure by which managerial personnel learn conceptual and theoretical knowledge for general purposes.

Promotion

Promotion, involves movement of employee from a lower level position to a higher-level position accompanied by (usually) changes in duties, responsibilities, status and value. Promotion is made either on the basis of seniority or on the basis of merit or both. Normally, management of any organization prefers merit. But the trade unions and workers favor seniority. Seniority means the length of service put in by an employee in the working organization Merit, on the other hand, means the qualification which an employee possesses.

Essentials of a Sound Promotion Policy

- 1. Management's policy regarding filling up of better posts through promotion should be specifically stated and truly adopted.**
- 2. Proper Merit rating methods should be followed to evaluate the performance of workers which will help the management to decide on promotion.**
- 3. Various jobs within the organization should be well defined and rated. There should be an orderly arrangement of various jobs according to its ratings so that the order of promotion can be made well known to all.**
- 4. Promotion should be made on the combined basis of merit and seniority. Hence, promotion policy to be sound should give due weightage to merit as well as seniority as the basis of promotion.**
- 5. Proper training methods should be formulated with a view to prepare employees for promotion to better jobs.**
- 6. Every job in an organization should be analyzed to determine the basic requirement of such jobs as to ability, experience, education, skill, etc. Based on the analysis, a chart showing all these requirements should be prepared. This will help the employees to prepare themselves for higher posts.**
- 7. In any case, no employee should be compelled to accept promotion.**

Performance Appraisal

It is the systematic evaluation of the individual with respect to his or her performance on the job and his or her potential for development.

Performance Appraisal is a formal structured system of measuring and evaluating an employee's job related behaviors and outcomes to discover how & why the employee is presently performing on the job and how the employee can perform more effectively in the future so that the employee, organization and society all benefit.

Objectives of Performance Appraisal

- ❑ **Compensation Decision:** It can serve as a basis for pay raises. This approach to compensation is at the heart of the idea that raises should be given for merit rather than for seniority.
- ❑ **Promotion Decision:** It can serve as a guide for job change or promotion.
- ❑ **Training and Development Programme:** PA can inform employees about their progress and tell them what skills they need to develop to become eligible for pay raises or promotions or both.
- ❑ **Feedback:** It can tell an employee what he can do to improve his present performance and go up the organizational ladder.
- ❑ **Personal Development:** It can help reveal the causes of good and poor employee performance.

THANK YOU

UNIT-IV (Job analysis & Design)

Outcome of this Presentation

This Presentation will cover second portion of CO3 (First portion of CO3 has already been covered in previous presentation on Training & Development-UNIT-III)

CO3 is as follows:

Enhance the basic knowledge of training and employee development, to know the basic difference between Job satisfaction and Job description.

Job Analysis

Job analysis is primary tool in personnel management. In this method, a personnel manager tries to gather, synthesize and implement the information available regarding the workforce in the concern. A personnel manager has to undertake job analysis so as to put right man on right job.

There are two outcomes of job analysis :

- **Job description**
- **Job specification**

The information collected under job analysis

- ✓ Nature of jobs required in a concern.
- ✓ Nature/ size of organizational structure.
- ✓ Type of people required to fit that structure.
- ✓ The relationship of the job with other jobs in the concern.
- ✓ Kind of qualifications and academic background required for jobs.
- ✓ Provision of physical condition to support the activities of the concern. For example- separate cabins for managers, special cabins for the supervisors, healthy condition for workers, adequate store room for store keeper.

Advantages of Job Analysis

- Job analysis helps the personnel manager at the time of recruitment and selection of right man on right job.
- It helps him to understand extent and scope of training required in that field.
- It helps in evaluating the job in which the worth of the job has to be evaluated.
- In those instances where smooth work force is required in concern.
- When he has to avoid overlapping of authority- responsibility relationship so that distortion in chain of command doesn't exist.
- It also helps to chalk out the compensation plans for the employees.
- It also helps the personnel manager to undertake performance appraisal effectively in a concern.

JOB DESCRIPTION

JOB DESCRIPTION is an organized factual statement of job contents in the form of duties and responsibilities of a specific job. The preparation of job description is very important before a vacancy is advertised. It tells in brief the nature and type of job. This type of document is descriptive in nature and it constitutes all those facts which are related to a job

Advantages of Job Description

- It helps the supervisors in assigning work to the subordinates so that he can guide and monitor their performances.
- It helps in recruitment and selection procedures.
- It assists in manpower planning.
- It is also helpful in performance appraisal.
- It is helpful in job evaluation in order to decide about rate of remuneration for a specific job.
- It also helps in chalking out training and development programmes.

JOB SPECIFICATION

JOB SPECIFICATION is a statement which tells us minimum acceptable human qualities which helps to perform a job. Job specification translates the job description into human qualifications so that a job can be performed in a better manner. Job specification helps in hiring an appropriate person for an appropriate position.

Advantages of Job Specification

- It is helpful in preliminary screening in the selection procedure.
- It helps in giving due justification to each job.
- It also helps in designing training and development programmes.
- It helps the supervisors for counseling and monitoring performance of employees.
- It helps in job evaluation.
- It helps the management to take decisions regarding promotion, transfers and giving extra benefits to the employees.

Job as primary tool of personnel management

From the advantages, we can justify the importance of job analysis and its related products. Both job description as well as job specification are important for personnel manager in personnel management function.

Therefore, **job analysis is considered to be the primary tool of personnel management.**

THANK YOU

UNIT-V (Job Satisfaction)

Outcome of this Presentation

This Presentation will cover CO4

Statement of CO4 is as follows:

Study the different motivational theories which help to motivate the worker.

Job Satisfaction

Job Satisfaction, as the name suggests, is the feeling of contentment or a sense of accomplishment, which an employee derives from his/her job. It is a result of appraisal that causes one to attain their job values or meet out their basic needs. It helps in determining, to what extent a person likes or dislikes his/her job.

MOTIVATION

Motivation refers to the psychological processes that stimulate excitement and persistence of voluntary actions aimed at some goal. Because motivation can be highly individualized, managers use a wide range of techniques to keep their employees motivated and happy. Therefore, it is essential for managers to understand the psychological processes involved in motivation so that they can effectively direct employees towards organizational goals.

Maslow's Need Hierarchy theory

One of the most popular needs theories is Abraham Maslow's hierarchy of needs theory. Maslow proposed that motivation is the result of a person's attempt at fulfilling five basic needs: physiological, safety, social, esteem and self-actualization. According to Maslow, these needs can create internal pressures that can influence a person's behavior.



Herzberg's Two-Factor Theory/Motivator-Hygiene

- Five features of work that bring about satisfaction, namely achievement, recognition, the job itself, responsibility and advancement.
- At the other end of the spectrum, Herzberg identified institutional politics, the management approach, supervision, pay, relationships at work and working conditions as factors that may demoralize employees.
- Employees should be promoted after completing certain stages of their career and should receive recognition for special achievements – for example, when they produce exceptional results in their subject areas; on a more basic level, they should also be given responsibility to determine how to handle tasks that relate to their jobs.
- The Two-factor theory has however drawn its share of criticism. fails to distinguish between physical and psychological aspects and to precisely explain what motivators are and how they differ from hygiene factors; it also fails to express the degrees of satisfaction and dissatisfaction as a measure instead of using numbers. Another criticism leveled against it is that it makes assumptions that every individual will react in the same way in the similar situation.

McGregor's X and Y Theories

- McGregor's (1960) Theory X and Y models categorize employees as belonging to one of two groups based on two sets of assumptions. Theory X assumptions take a negative perspective of people: People can have "an inherent dislike for work and avoid it if possible; because of this, they must be coerced, controlled, directed and threatened with punishment to make them work. They prefer to be directed, avoid responsibility, have little ambition, and want security".
- Theory Y assumptions take the opposite view: the mental and physical inputs expended at the workplace are equated and par with those rest or play. External factors or any threats from outside may not be the sole influence for exerting effort. Workers or people can exercise caution and discipline to have objectives achieved, but the hunger in their desire to commit to objectives is dependent on how big are the rewards as assigned to that kind of achievement. Under normal circumstances, people can adapt to seek responsibility and not only accept it.
- Applying these assumptions to a school environment, one could argue that two of the main causes of dissatisfaction among teachers are having to deal with problem students and a strict and inconsiderate management, for example a principal who is coercive and does not appreciate the efforts of teachers, or an overly directive principal who never delegates or allows teachers to make independent decisions. Conversely, a supportive principal may be a source of job satisfaction to teachers.

McClelland's Need Achievement Theory

- McClelland's need achievement theory postulates that some people are driven to success through seeking "personal achievement rather than rewards themselves"
- This theory is readily applicable to academic environments and explains why some teachers are high achievers, despite the difficulties they face: they set themselves high goals and achieving these goals is what drives them.
- Alderfer's ERG theory is related to Maslow's hierarchy of needs but reduces Maslow's five categories of a need to three; namely, relatedness being (esteem/social needs), then growth being (self-actualization) and existence which is (security/physiological needs).

Value – Percept Theory

- **Individual's values determine their satisfaction on their job because employees in organizations hold different value systems, therefore based on this theory, their satisfaction levels will also differ.**
- **Having a look at Value – Percept theory, the assumption is that the difference between expectations and what is received can bring dissatisfaction depending on how important the job is to the individual.**
- **The potential problem with this theory is that there is a possibility of a relationship between what people desire and what they consider important.**
- **These concepts can be separable theoretically but practically hard to differentiate.**

Vroom's Expectancy Theory

Vrooms's expectancy theory stipulates that behavior is a product of choices that are available for to be prioritized. The idea is to derive satisfaction and minimize dissatisfaction in employees. Individual factors such as personality and skills determine performance (Wagner and Hollenburg, 2007). This theory also explains that performance, motivation, and effort are within an individual's motivation and variables such as valence, instrumentality, and expectancy verifies this. The higher the effort in work relates to the higher the performance.

Porter-Lawler Model

This is a comprehensive and more complete theory of motivation which is inclusive of diverse aspects. This model can give details of the fiber relation that exists between job performance and attitudes which perfectly defines managers. The model also touches on the assumptions of human behavior. The deductions of the model assume that individual behavior is influenced by both internal and external factors, rational and make own choices about their behavior, have different goals, desires and needs. Finally, individuals decide between alternative behaviors

The equity theory

- The equity theory postulates that employees will weigh their input into a job against the output they receive from it – the more the rewards, the greater their satisfaction.
- Regarding this theory, employees who perceive that they receive more output from their jobs than what they put into them will experience job satisfaction. Certain aspects of the job itself also shape how an employee perceives it. Tasks that are clarified bring a better job satisfaction since a clear role breeds a work force that is happy, committed and shows much involvement in work that is done.
- Authors identified five major job characteristics that impact on the psychological state of an employee and influence their motivation and job satisfaction, as well as their levels of absenteeism, namely the variety of skills involved in a task, the identity and significance of the task, autonomy, and feedback. Employees compare their input-outcome ratio with that of other employees and if they perceive it to be fair, employees will experience satisfaction.
- If employees perceive an inequity in their input-outcome ratio compared to other employees, they become dissatisfied and less motivated. theories of motivation.

Workers Participation

Workers' participation in management is an essential ingredient of Industrial democracy. The concept of workers' participation in management is based on Human Relations approach to Management which brought about a new set of values to labour and management. Traditionally the concept of Workers' Participation in Management (WPM) refers to participation of non-managerial employees in the decision-making process of the organization. Workers' participation is also known as 'labour participation' or 'employee participation' in management. Workers' participation in management implies mental and emotional involvement of workers in the management of Enterprise. It is considered as a mechanism where workers have a say in the decision.

The objectives of Workers Participation

- To raise level of motivation of workers by closer involvement.
- To provide opportunity for expression and to provide a sense of importance to workers.
- To develop ties of understanding leading to better effort and harmony.
- To act on a device to counter-balance powers of managers.
- To act on a panacea for solving industrial relation problems.

Different forms of Workers Participation

- Collective Bargaining
- Works Councils
- Joint Management Councils and Committees
- Board Representation
- Workers Ownership of Enterprise

Quality of working life (QWL)

Quality of working life (QWL) is the favorableness or unfavorableness of a job environment for people; it refers to the quality of relationship between employees and the total working environment. According to Harrison (1985) 3, QWL is the degree to which the working organization contributes to material and psychological well-being of its members. Broadly, the concept of QWL involves four major aspects: (i) safe work environment, (ii) occupational health care, (iii) suitable working time, and (iv) appropriate salary.

THANK YOU

UNIT-VI (The Compensation Function)

Outcome of this Presentation

This Presentation will cover CO5

Statement of CO5 is as follows:

Graduate engineer will be familiarized with the issues in wage administration, Bonus, Incentives, performance appraisal Fringe & retirement terminal benefits.

Compensation

- Compensation is what the employees receive in exchange for their contribution to the organization.
- Generally, employees offer their services for three types of rewards.
- Pay refers to basic wages and salaries normally receive.
- Incentives forms such as bonus, commission and profit sharing plans are incentives designed to encourage the employees to produce the results beyond the normal expectation.
- Benefit such as insurance, medical, recreational, retirement etc represent a more indirect type of compensation.
- So the term compensation is a comprehensive one including the pay, incentives, benefits offered by employees for hiring the services of employees.

Job Evaluation

Job evaluation is the output provided by job analysis. Job analysis describes the duties of a job, authority relationships, skills, required, conditions of work and additional relevant information. Job evaluation, on the other hand, uses the information in job analysis to evaluate each job-valuing its components and ascertaining relative job worth. It involves a formal and systematic comparison of jobs in order to determine the worth of one job relative to another, so that the wage or salary can be fixed. So it is a process by which jobs in an organization are appraised.

It is the process of analyzing and assessing the various jobs systematically to ascertain their relative worth in an organization. Jobs are evaluated on the basis of their content and are placed in the order of importance. In this way, a job hierarchy is established in the organization, the purpose being fixation of satisfactory wage differential among various jobs. It is the job that is ranked and not the holders.

Methods of Job Evaluation

Non-analytical Methods

Ranking Method

Job Classification or Job-grading Method

Analytical Method

Point Ranking Method

Factor Comparison Method

Some Important Terms

Basic Wage: The base rate is the amount of pay (the fixed salary or wage) that constitutes the rate for the job. It may be varied according to the grade of the job or, for shop floor workers, the level of skill required. Base pay will be influenced by internal and external relativities. The internal relativities may be measured by some form of job evaluation. External relativities are assessed by tracking market rates. Alternatively, levels of pay may be agreed through collective bargaining with trade unions or by reaching individual agreements.

Dearness Allowance (DA): It is the allowance paid to employees in order to enable them to face the increasing dearness of essential commodities. It serves as a cushion, a sort of insurance against increase in price levels of commodities. Instead of increasing wages every I there is a rise in price levels, DA is paid to neutralize the effects of inflation; when prices go down, DA can always be cut down to size.

DA is linked in India to three factors: the index factor, the time factor and the point factor.

Overtime Payments: Most manual workers are eligible for paid overtime as well as many staff employees up to management level. Higher-paid staff may receive time off in lieu if they work longer hours. Typically, organizations that make overtime payments give time and a half as an overtime premium from Monday to Saturday, with double time paid on Sundays and statutory holidays. Some firms also pay double time from around noon on Saturday. Work on major statutory holidays such as Christmas Day and Good Friday often attracts higher overtime premia.

Allowances

Allowances can be defined as the amount of something that is allowed, especially within a set of rules and regulations or for a specified purpose. Various allowances are paid in addition to basic pay.

Some of these allowances are as follows –

Dearness Allowance – This allowance is given to protect real income of an employee against price rise. Dearness allowance (DA) is paid as a percentage of basic pay.

House Rent Allowance – Companies who do not provide living accommodation to their employees pay house rent allowance (HRA) to employees. This allowance is calculated as a percentage of salary.

City Compensatory Allowance – This allowance is paid basically to employees in metros and other big cities where cost of living is comparatively more. City compensatory allowance (CCA) is normally a fixed amount per month, like 30 per cent of basic pay in case of government employees.

Transport Allowance/Conveyance Allowance – Some companies pay transport allowance (TA) that accommodates travel from the employee's house to the office. A fixed amount is paid every month to cover a part of traveling expenses.

Bonus & Incentives

Bonus is the extra payment or financial component which is received as a reward for doing one's job well. Bonus usually comes along with salary of the employee. It is the gesture of appreciation from the organization towards their employees.

Incentives are paid in lieu of superior performance shown by an employee. It is like a reward paid for performance. They are paid as a means to attract, motivate and retain employees. Incentive pay plans can elicit strong feelings. Incentive pay plans is based on the philosophy that a fair day's work is not normally attainable without some proportion of pay being at risk because time based workers produce only about 50 to 60 percent of the output of incentive pay workers. Incentives can be broadly classified into financial and non-financial incentives. Financial incentives are the monetary benefits provided to employees for their superior performance whereas non-financial incentives are those incentives that satisfy social and psychological and esteem needs of an employee.

One of the main differences that exist between bonuses and incentives is that a **bonus plan grants to an individual only after a task completed** by the person. On the other hand, **incentive pay mentions to the employees much before they have started working on the task**

Fringe Benefits

- ❑ The term, fringe benefits, refers to various extra benefits provided to the employees, in addition to the compensation paid in the form of wage or salary. These benefits can be defined as any wage cost not directly connected with the employees' productive effort, performance, service or sacrifice. It is also defined as those benefits which are provided by an employer to or for the benefit of an employee and which are not in the form of wages, salaries and time-related payments.

- ❑ Different terms are used to denote fringe benefits. They include social security measures, social charges, welfare measures, supplements, workers' benefits, etc.

- ❑ We can thus conclude that fringe benefits include both monetary and non-monetary benefits given to the employees during and post-employment period of the employee.

Fringe and Retirement terminal benefits

•Fringe benefits are often augmented by special cash benefits, by the provision of medical and other services or by payments in kind, that form part of the wages for expenditure on the goods and services. In addition, workers commonly receive such benefits as holiday with pay low cost meals, low rent housing, etc. Such additions to the wages proper are sometimes referred to as fringe benefits even though they may constitute a significant part of the worker's total income.

•Retirement benefits are benefits payable to the member of the pension scheme on retirement or earlier withdrawal from service, including retirement pensions; retirement lump sums or gratuities; benefits (such as dependants' pensions) payable following the member's death in retirement and periodic increases on all pensions whilst in payment.

Characteristics of wage administration

1. Payment of wages is in accordance with the terms of contract between the employer and the worker.
2. The wages are determined on the basis of time-rate system or piece-rate system.
3. Wages change with the change in the time spent by the labourer.
4. Wages create utility.
5. Wages may be paid weekly, fortnightly, hourly, or on monthly basis.
6. Wage is the reward paid to the workers for the services rendered by them.
7. Wages can be paid in cash or in kind.
8. All kinds of allowances are included in wages.

Issues in wage administration

1. Wage and Salary Level
2. Wage and Salary Structure
3. Wage Fixation for Individual Employees
4. Methods of Wage Payment
5. Compensation for Executives and Managerial Personnel
6. Control

THANK YOU

UNIT-VII (Integration)

Outcome of this Presentation

This Presentation will cover CO6

Statement of CO6 is as follows:

Apply good Human Relation Policy to improve work culture in industries.

Human Relations and Industrial Relations

The term "industrial relations" is different from "Human Relations".

Industrial relations refer to the relations between the employees and the employer in an industry.

Human relations refer to a personnel- management policy to be adopted in industrial organisations to develop a sense of belongingness in the workers improves their efficiency and treat them as human beings and make a partner in industry.

Industrial relations covers the matters regulated by law or by collective agreement' between employees and employers. On the other hand, problems of human relations are personal in character and are related to the behaviour or worker where morale and social elements predominated. Human relations approach is personnel philosophy which can be applied by the management of an undertaking. The problem of industrial relations are usually dealt with at three levels— the level of undertaking, the industry level and at the national level. To sum up the term "Industrial Relations" is more wide and comprehensive and the term "Human Relations" is a part of it.

Development of Healthy Labour-management Relations

1. The existence of strong, well-organized, democratic and responsible trade unions and association of employers. These associations also tend to create vantage grounds for negotiations consultations and discussion on a mutual basis which ultimately lead to good labour-management relations.
2. Spirit to collective bargaining and willingness to take recourse to voluntary arbitration. Collective bargaining recognizes equality of status between apposing and conflicting groups and prepares the ground, in an atmosphere of trust and goodwill, for discussions, consultation and negotiation on matter of common interest to both industry and labour.
3. Welfare work – whether statutory or non-statutory – provide by the state trade unions and employers to create maintain and improve labour management relations try to achieve peace in the industry.

Grievances

Grievances may be real or imaginary, valid or invalid, genuine and false. Broadly speaking a complaint affecting one or more workers constitutes a grievance. May relate to wages, the mode of payment, payment of overtime, leave, interpretation of service agreements, transfer, dismissal or discharge etc.

Sources of grievances

- Wage grievances
- Supervision
- Working conditions
- Concerning Individual Advancement
- Discipline
- Collective bargaining

Model Grievance Procedure

- Receiving and defining the nature of grievance.
- Getting the relevant facts, about the grievance.
- Analysing the facts after taking into consideration the economic, social, psychological and legal issues involved.
- Taking an appropriate decision after a careful consideration of all facts.
- Communicating the decision to the aggrieved employee. Whatever the decision, it should be followed up in order that the reaction to the decision may be known and in order to determine whether the issue has been closed or not.

Discipline

Discipline is action or inaction that is regulated to be in accordance (or to achieve accord) with a particular system of governance. Discipline is commonly applied to regulate the employees in context of Human Resource Management.

The basic guidelines to maintain discipline?

Firstly, it is proper formulation of rules and communication there of, because until people are aware of the rules how do we expect them to follow them. But knowing the rules won't be sufficient the basic thing is that the rules and regulations should be reasonable. Say for example, if the office has a rule that once an employee enters the premises he can go back only after say 5 in the evening, then in order to strictly comply with the norms it would be unreasonable if I force a sick person to stay back and not give him a half day leave. And then finally we need to keep a check if things are not going fine then we need to take disciplinary action.

Absenteeism

Employee Absenteeism is the absence of an employee from work. Its a major problem faced by almost all employers of today. Employees are absent from work and thus the work suffers. Absenteeism of employees from work leads to back logs, piling of work and thus work delay. There are various laws been enacted for safeguarding the interest of both Employers and Employees but they too have various constraints.

Causes of Absenteeism

Innocent absenteeism - Is one in which the employee is absent from work due to genuine cause or reason. It may be due to his illness or personal family problem or any other real reason.

Culpable Absenteeism - is one in which a person is absent from work without any genuine reason or cause. He may be pretending to be ill or just wanted a holiday and stay at home. The employers have got every right to enquire as to why an employee is absent from work. If an employee is absent because of illness he should be able to produce a doctor's letter as and when demanded.

Causes of labour Turnover: Avoidable causes

Labour turnover refers to the rate at which employees leave employment. Labour turnover can be evaluated by relating the number of employees leaving their employment during a period of time to the total or average numbers employed in that period.

Causes of labour Turnover: Avoidable causes, Unavoidable causes

Avoidable causes

- (i) Lower wages;
- (ii) Bad working conditions;
- (iii) Unsympathetic attitude of the management;
- (iv) Lack of opportunities for promotion;
- (v) Lack of proper training;
- (vi) Improper manpower planning;
- (vii) Lack of proper incentives;
- (viii) Bitter relationship between management and workers;
- (ix) Lack of conveyance, accommodation, medical and educational facilities and recreational amenities etc.

Causes of labour Turnover: Unavoidable causes

Unavoidable causes:

Sometimes workers have to leave the organisation because of management requirements and administrative actions. They also leave their employment at their own will, that is, on personal reasons. In the latter case the management can do nothing but remains a helpless onlooker.

So, unavoidable causes may be administrative or personal.

(1) Administrative causes:

- (i) Termination of service due to indiscipline, insubordination, bad conduct etc.
- (ii) Retrenchment or lay-off due to shortage of resources, low demand for recession.

(2) Personal causes:

- (i) Change for better job;
- (ii) Death;
- (iii) Retirement due to old age;
- (iv) Change for better working conditions, better environment;
- (v) Change for secured job;
- (vi) Marriage, especially of women workers;
- (vii) Illness and accident rendering the worker permanently incapable of doing any work;
- (viii) Domestic need and responsibility etc.

Collective Bargaining

Collective bargaining is a process of negotiating between management and workers represented by their representatives for determining mutually agreed terms and conditions of work which protect the interest of both workers and the management.

According to Dale Yoder', "Collective bargaining is essentially a process in which employees act as a group in seeking to shape conditions and relationships in their employment".

Michael J. Jucious has defined collective bargaining as "a process by which employers, on the one hand, and representatives of employees, on the other, attempt to arrive at agreements covering the conditions under which employees will contribute and be compensated for their services".

Thus, collective bargaining can simply be defined as an agreement collectively arrived at by the representatives of the employees and the employers. By collective bargaining we mean the 'good faith bargaining'. It means that proposals are matched with counter proposals and that both parties make every reasonable effort to arrive at an agreement' It does not mean either party is compelled to agree to a proposal. Nor does it require that either party make any specific concessions.

Scope of Collective Bargaining

The scope of collective bargaining has steadily been widened since the early days of collective bargaining.

As trade unions move from a defensive function to the role of initiators of change, several transformations are bound to take place. Management prerogatives based on the functional requirements of the companies are being redefined in a more pragmatic and flexible fashion. Now union leaders feel that it is not wise to build a fence round the rights and responsibilities of management on the one hand and the union on the other. The area pattern of bargaining has moved from simple style plant bargaining to region-wise and finally to dramatic industry-wise negotiation.

Each organisation has evolved its own stylize of collective bargaining, reflecting its particular values and cultural characteristics. This company-wise, industry-wise or region-wise diversity in subjects and issues is due to various factors, viz. (i) enlightened and sympathetic attitude of management in some companies than the other ones (ii) relative strength of the union (iii) sound financial position of the company (iv) increased profit (iv) increased production and productivity (vi) favourable attitude of conciliation officers in different regions (vii) favourable market conditions. Thus, the scope of negotiable issues is constantly expanding and the contents of agreements are accordingly experiencing a process of innovation and revitalization.

Objectives of Collective Bargaining

The basic objective of collective bargaining is to arrive at an agreement between the management and the employees determining mutually beneficial terms and conditions of employment.

This major objective of collective bargaining can be divided into the following sub-objectives:

1. To foster and maintain cordial and harmonious relations between the employer/management and the employees.
2. To protect the interests of both the employer and the employees.
3. To keep the outside, i.e., the government interventions at bay.
4. To promote industrial democracy.

Importance of collective Bargaining

- Collective bargaining develops better understanding between the employer and the employees.
- It promotes industrial democracy
- It benefits the both-employer and employees
- It is adjustable to the changing conditions
- It facilitates the speedy implementation of decisions arrived at collective negotiation

Role of trade unions in maintaining cordial Industrial Relations

- Unions carry out a number of functions. They negotiate on behalf of their members on pay scales, working hours and working conditions. These areas can include basic pay, overtime payments, holidays, health safety, promotion prospects, maternity and paternity rights and job security.
- Depending on the circumstances, unions may try to protect or improve workers' rights. They also provide information on a range of issues for their members, for instance on pensions. They help with education and training schemes and may also participate in measures designed to increase demand for the product produced and hence for labour.
- Some also provide a range of benefits to their members including strike pay, sickness pay and unemployment pay. In addition many get involved in pressurizing their governments to adopt a legislation, which will benefit their members or workers in general, such as fixing a national minimum wage.
- Collective Bargaining
- The Basis of Wage Claims

THANK YOU

UNIT-VIII (Maintenance)

Outcome of this Presentation

This Presentation will cover CO6

Statement of CO6 is as follows:

Apply good Human Relation Policy to improve work culture in industries.

Employee Welfare

Employee or labour welfare is a comprehensive term including various services, benefits and facilities offered to employees by the employer. Through such generous fringe benefits the employer makes life worth living for employees. The welfare amenities are extended in addition to normal wages and other economic rewards available to employees as per the legal provisions.

Dr Parandikar, "Labour welfare work is work for improving the health, safety and general well being and the industrial efficiency of the workers beyond the minimum standard laid down by labour legislation".

Importance of Welfare of Employees

The working environment in a factory adversely affects the health of employees because of excessive heat or cold, noise, fumes, dust and lack of sanitation and pure air. Such oppressive conditions create health problems for workers. These have to be contained through preventive steps aimed at improving the lot of workers.

The congested environs, noisy machines, slum areas, monotonous jobs impact the psyche of ruralities who come to cities in search of jobs. To escape from such trying conditions, the worker absents himself, becomes irregular and shows signs of indiscipline. Such changes – known as the social invasion of the factory.

It is not an easy task however to look beyond the profit margins and focus on employee well-being in times of shrinking bottom line, but then that is perhaps the need of the times. There are many organizations however who consider employee welfare as a hygiene issue.

Administration of welfare amenities

Administration of Welfare and recreational include:

- Canteens
- Consumer Stores
- Credit Societies
- Housing
- Legal Aid
- Employee Counselling
- Holiday Homes
- Educational Facilities
- Transportation
- Parties and Picnics

Social Security

Social security is a security that society furnishes through appropriate organization against certain risks to which its members are exposed. These risks are contingencies of life like accidents and occupational diseases. Employer has to provide various benefits like safety measures, compensation in case of involvement of workers in accidents, medical facilities, etc., with a view to provide security to his employees against various contingencies.

Purpose of Employee Safety in Industry

The main purpose of effective safety programmes in an organisation is to prevent work - related injuries and accidents. A well managed factory will see to it that there are no physical hazards such as

- Slipping, Tripping, or Falling on the Floor Hazards
- Obstruction and collision Hazards
- Equipment Hazards
- Hazards from Falling Objects
- Fire Hazards

The most important workplace factors that can affect health workers' performance include;

- Job aids,
- Goal-setting,
- Supervisor support,
- Workplace incentive,
- Performance feedback,
- Defined processes,
- Physical factors,
- Social factors
- Environmental factors.

Safety Previsions under the Factories Act 1948

Section 21: Fencing the Machinery

Section 22: Work on or Near Machinery in Motion

Section 23: Employment on Dangerous Machines

Section 24: Devices for Cutting off Power

Section 25: Self-Acting Machinery

Section 26: Casing of New Machinery

Section 27: Prohibition of Employment of Women and Children Near Cotton-Openers

Employee State Insurance Act, [ESI] 1948

The Employees State Insurance Act (ESI Act) was enacted with the object of introducing a scheme of health insurance for industrial workers.

The scheme envisaged by it is one of compulsory State Insurance providing for certain benefits in the event of sickness, maternity and employment injury to workmen employed in or in connection with the work in factories other than seasonal factories. The ESI Act, which has replaced the Workmen's Compensation

THANK YOU