

Fourth Semester

BBA (G)

Paper Code: BBA 202

Paper: Human Resource Management

Objectives: The objective of the course is to familiarize students with the different aspects of managing Human Resources in the organization through the phases of acquisition, development and retention.

Unit I

Introduction: Concept, nature, scope, objectives and importance of HRM; Evolution of HRM; Challenges of HRM; Personnel Management vs HRM. Strategies for the New Millennium: Role of HRM in strategic management; human capital; emotional quotient; mentoring; ESOP; flexi-time; quality circles; Kaizen TQM and Six Sigma

Unit 2

Acquisition of Human Resources: HR Planning; Job analysis – job description and job specification; recruitment – sources and process; selection process – tests and interviews; placement and induction. Job changes – transfers, promotions/demotions, separations.

Unit 3

Training and Development: Concept and importance of training; types of training; methods of training; design of training programme; evaluation of training effectiveness; executive development – process and techniques; career planning and development

Unit 4

Compensation and Maintenance: Compensation: job evaluation – concept, process and significance; components of employee remuneration – base and supplementary; Performance and Potential appraisal – concept and objectives; traditional and modern methods, limitations of performance appraisal methods, 360 degree appraisal technique; Maintenance : overview of employee welfare, health and safety, social security.

Text Books:

1. Chhabra, T. N; Human Resource Management; Dhanpati Rai and Co. Pvt. Ltd New Delhi 2003.
2. Dr. Gupta, C. B.; Human Resource Management, Sultan Chand and Sons, New Delhi, 2003.

References:

1. V. S.P. Rao, *Human Resource Management: Text and Cases*, Excel Books, 2007
2. D. Lepak, & M. Gowan, *Human Resource Management*, Pearson Education, 2009



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UNIT-I

INTRODUCTION:

HUMAN RESOURCE MANAGEMENT

According to Flippo, “HRM is the planning, organizing, directing & controlling of the procurement, development, compensation, integration, maintenance & reproduction of human resources to the end that individual, organizational & societal objectives are accomplished.”

MEANING OF HRM: -

HRM is management function that helps managers to recruit, select, train and develop members for an organization. Obviously HRM is concerned with the people's dimensions in organizations. HRM refers to set of programs, functions, and activities designed and carried out.

Human resource management is that part of management which is directly concerned with the people employed in an organization. It involves procuring, developing and maintaining a competent work force so as to achieve the goals of organization efficiently and effectively.

In short, human resource management may be defined as obtaining, utilizing and maintaining an effective and satisfied work force.

FEATURE OF HUMAN RESOURCE MANAGEMENT

1) PART OF MANAGEMENT-Human resource management is an integral part of the management process. It is inherent in all organizations because people comprise an essential part in every organization.

2) **PERVASIVE FUNCTION**-Human resource management is a function that is performed by all managers at all levels of the organization. It is an essential part of the job of every manager. Every manager has to deal with his subordinates to get things done. Therefore, human resource management is required in all functional areas such as finance, marketing, production etc.

3) **CONCERNED WITH PEOPLE**-Human resource management is concerned with people at work and their relationships. It deals with employees as individual and as groups.

4) **WIDE SCOPE**- The scope of human resource management is very wide. It includes a broad spectrum of activities like recruitment, selection, placement, training, transfer, promotion, appraisal and compensation of employees.

HUMAN RESOURCE MANAGEMENT: CONCEPT

Human Resource Management has come to be recognized as an inherent part of management, which is concerned with the human resources of an organization. Its objective is the maintenance of better human relations in the organization by the development, application and evaluation of policies, procedures and programmes relating to human resources to optimize their contribution towards the realization of organizational objectives.

In other words, HRM is concerned with getting better results with the collaboration of people. It is an integral but distinctive part of management, concerned with people at work and their relationships within the enterprise. HRM helps in attaining maximum individual development, desirable working relationship between employees and employers, employees and employees, and effective modeling of human resources as



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contrasted with physical resources. It is the recruitment, selection, development, utilization, compensation and motivation of human resources by the organization.

NATURE

Human Resource Management is a process of bringing people **and** organizations together so that the goals of each are met. The various features of HRM include:

- It is pervasive in nature as it is present in all enterprises.
- Its focus is on results rather than on rules.
- It tries to help employees develop their potential fully
- It encourages employees to give their best to the organization.
- It is all about people at work, both as individuals and groups.
- It tries to put people on assigned jobs in order to produce good results.
- It helps an organization meet its goals in the future by providing for competent and well-motivated employees.
- It tries to build and maintain cordial relations between people working at various levels in the organization.
- It is a multidisciplinary activity, utilizing knowledge and inputs drawn from psychology, economics, etc.



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HUMAN RESOURCE MANAGEMENT: SCOPE

The scope of HRM is very wide:

1. Personnel aspect-This is concerned with manpower planning, recruitment, selection, placement, transfer, promotion, training and development, layoff and retrenchment, remuneration, incentives, productivity etc.
2. Welfare aspect-It deals with working conditions and amenities such as canteens, crèches, rest and lunch rooms, housing, transport, medical assistance, education, health and safety, recreation facilities, etc.
3. Industrial relations aspect-This covers union-management relations, joint consultation, collective bargaining, grievance and disciplinary procedures, settlement of disputes, etc.

HUMAN RESOURCE MANAGEMENT: OBJECTIVES

- To help the organization reach its goals.
- To ensure effective utilization and maximum development of human resources.
- To ensure respect for human beings. To identify and satisfy the needs of individuals.
- To ensure reconciliation of individual goals with those of the organization.
- To achieve and maintain high morale among employees.
- To provide the organization with well-trained and well-motivated employees.



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- To increase to the fullest the employee's job satisfaction and self-actualization.
- To develop and maintain a quality of work

IMPORTANCE OF HUMAN RESOURCE MANAGEMENT

It can be discussed at 4 level –

(1) Significance for an enterprise –

HRM can help an enterprise in achieving its goals more efficiently & effectively in the important ways –

- Attracting & retaining the required affecting HR for planning recruitments, selection, placement, compensation & in promotion policies.
- Developing the necessary skills, right attitude among employees through training, training, development & performance appraisal etc.
- Utilizing effectively the available human resources
- Insuring that the enterprise will have in future, a team of competent & dedicated employees.

(2) Professional Significance –

Effective management of HR helps to improve the quality of work life it permits team work among employees by providing them better working condition it contributes to the professional growth in following ways-

- Providing maximum opportunities for personal development of each employee. Maintaining good relationship between individuals & different working groups.
- Allocating work properly

(3) Social Significance –

Sound HRM has a great significance for the society. It helps to enhance the dignity of labor in the following ways-



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- Providing suitable employees & employment that provides social & psychological satisfaction to people.
- Providing suitable balance between job available & job seekers in the team of numbers, qualifications and needs etc.

(4) National Significance –

HR & their management plays an important role in the development of a nation. The effective utilization of a nations nature, physical & efficient & competent man power.

There are wide differences in the development between countries with similar resources due to difference in quality of work & quality of their people is backward. The level of development in country depend primarily on the skills, attitude & value of its HR.

Role & significance in present scenario-

HRM has become very significance in present scenario due to the following factors-

- Increased in the size & complexity of an organization.
- Rapid technological changes like automation & computerization
- Rise in the population
- Increasing proportion of women in the workforce
- Growth of powerful nation with trade unions
- Up gradation in infrastructure technology

EVOLUTION OF HUMAN RESOURCE MANAGEMENT

(1) Commodity concept –

Before industrial revolution, guild system was used by industries. Guild was closely held group concerned with selecting, training, rewarding & maintaining workers. In this concept, labor was concerned as commodity to be brought & sold.

(2) Factor of production concept –

Under this concept, employees were considered as a factor of production just like land, material & marketing etc which helps the organization in the process of production. This concept was an improvement over commodity concept as employees were provided with better working conditions & higher earnings.

(3) Paternalist concept –

Under this concept, employer shows the attitude towards their employees & begin to provide various schemes to workers such as health facility, pension plans, housing facility, pension plans, housing facility etc. Basically this concept introduced because of 2 remain reason.

- (a) Formation of trade unions
- (b) To ensure that worker had right to protection in employees.

(4) Humanitarian Concept –

This concept is based on believe the employees had certain rights as human being & it was the duty of employer to protect these rights. This approach is also known as “human relation approach”. Employees should not only be provided with material rewards rather than social psychological satisfaction in equally important employees.

(5) Behavioral human resource concept-

In this concept, the main focus was to analyze & understand human behavior in organization. Motivation, group dynamic etc became popular concept. Employees begin to be considered as valuable asset of an organization.

(6) Emerging concept-



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Now employees are considered as partners in an industry. They have voting rights. Workers representative are being appointed as board of directors.

Challenges of HRM

(1)**Globalization:** - HR managers have to deal with Growing internationalization, more heterogeneous functions and involvement in employee's personal life.

(2)**Corporate Re-organizations:-** It is the role of HRM to deal with the anxiety, uncertainties, insecurities and fears during the dynamic trends of Reorganization that relates to mergers and acquisitions, joint ventures, take over, internal restructuring of organizations.

(3). **New Organizational forms:** -HRM faces the challenge to deal with new forms of organizational structure.

(4). **Changing Demographics of Workforce:** - Dual career couples, large chunk of young blood between age old superannuating employees, working mothers, more educated and aware workers etc.

5. **Changed employee expectations:** - Traditional allurements like job security, house, and remunerations are the things of olden times, now employees are demanding empowerment and equality with management.

6. **New Industrial Relations Approach:** - Unions have understood that strikes and militancy have lost their relevance and unions are greatly affected by it. How to adopt a proactive industrial relations approach which should enable HR specialist to look into Challenges unfolding in the future and to be prepared to convert them into opportunities.



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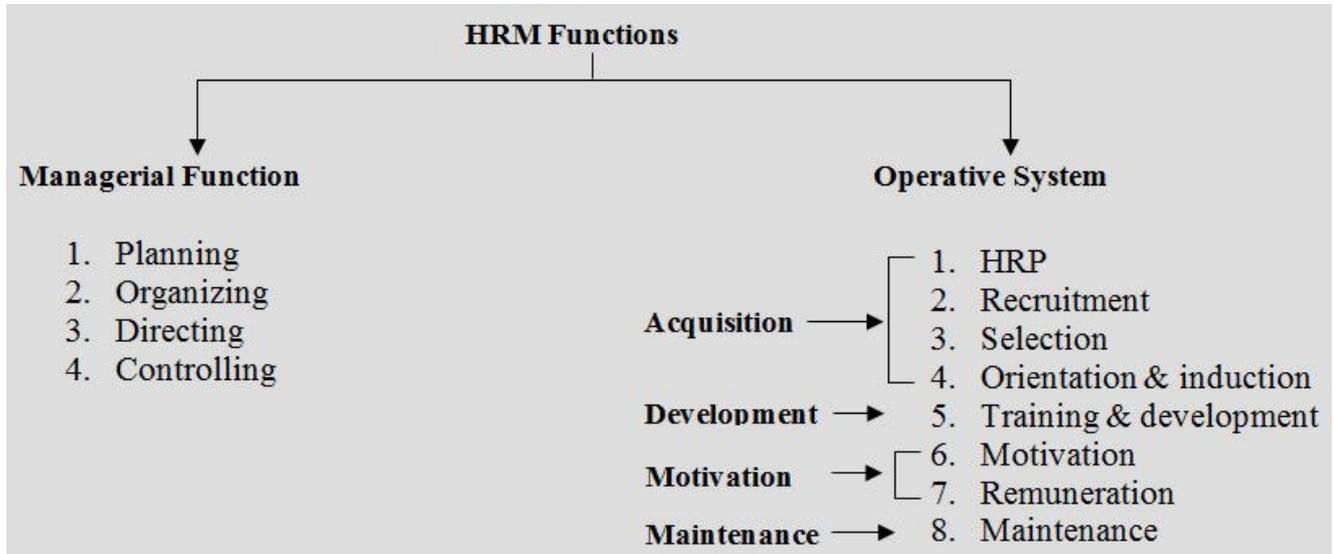
7. **Renewed People Focus:** - The challenge of HR manager is to focus on people and make them justifiable and sustainable.

8. **Managing the Managers:** - The challenge of HRM is how to manage this tribe? How to make them realize that the freedom given to them is to enable them make quick decisions in the interest of the organization and not to resort to witch-hunting.

9. **Weaker Society interests:** - It is a challenge of today's HR managers to see that these weaker sections are neither denied their rightful jobs nor are discriminated against while in service.

10. **Contribution to the success of organizations:** - The biggest challenge to an HR manager is to make all employees contribute to the success of the organization in an ethical and socially responsible way. Because society's well being to a large extent depends on its organizations.

FUNCTIONS OF HRM



1. Staffing

Manpower or human resource planning

- Job analysis: competency matrix
- Job description/Position description
- Job evaluation
- Determination of actual number of employees needed for various jobs (Human Capital Architecture) Recruitment and selection of people

- Attracting talent
- Selection process
- Motivating the talent to join the organization

2. Training and Development



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Induction

- Acclimatization process for new employees training
- Competency mapping and gap analysis
- Appraisal
- Training need assessment
- Training process

Development

- Potential assessment
- Development process

Career planning

- Fast track (talent management)
- Normal career path management

3. Motivation

Appraisal

- Appropriate appraisal system

- Appraisal process

Compensation and benefits

Determination of salary and benefit

Rewards

- Recognition motivation
- Monetary motivation



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4. Maintenance

Communication

- Installing and maintaining two way communication

Health

- Design/Selection and implementation of health schemes

Safety

- Awareness creation
- System for safe working conditions

Employee relations

- Establishing fairness

- Designing and implementing employee relations policies and procedures

Legalities

- Dispute
- Grievances

- Unions
- Employment related legalities
- Health and safety related legalities)

Differences between Personnel Management (PM) and Human Resources Management (HRM)

1. Personnel mean employed persons of an organization. Management of these people is personnel management (PM). Human resource management (HRM) is the management of employees' knowledge, aptitudes, abilities, talents, creative abilities and



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skills/competencies.

2. PM is traditional, routine, maintenance-oriented, administrative function whereas HRM is continuous, on-going development function aimed at improving human processes.

3. PM is an independent function with independent sub-functions. HRM follows the systems thinking approach. It is not considered in isolation from the larger organization and must take into account the linkages and interfaces.

4. PM is treated like a less important auxiliary function whereas HRM is considered a strategic management function.

5. PM is reactive, responding to demands as and when they arise. HRM is proactive, anticipating, planning and advancing continuously.

6. PM is the exclusive responsibility of the personnel department. HRM is a concern for all managers in the organization and aims at developing the capabilities of all line managers to carry out the human resource related functions.

7. The scope of PM is relatively narrow with a focus on administering people. The scope of HRM views the organization as a whole and lays emphasis on building a dynamic culture.

8. PM is primarily concerned with recruitment, selection and administration of manpower. HRM takes efforts to satisfy the human needs of the people at work that helps to motivate people to make their best contribution.

9. Important motivators in PM are compensation, rewards, job simplification and so on.



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HRM considers work groups, challenges and creativity on the job as motivators.

10. In PM improved satisfaction is considered to be the cause for improved performance but in HRM it is the other way round (performance is the cause and satisfaction is the result).

11. In PM, employee is treated as an economic unit as his services are exchanged for wages/salary. Employee in HRM is treated not only as economic unit but also a social and psychological entity.

12. PM treats employee as a commodity or a tool or like equipment that can be bought and used. Employee is treated as a resource and as a human being.

STRATEGIES FOR THE NEW MILLENNIUM

An HRMS is one of the most, if not the most, important business systems within a company. People are often the most expensive resource within a company, and therefore, how we manage the information related to them can drastically affect the corporate bottom line. HR managers for the most part are aware of their various disciplines but many of them have not had a great track record when it comes to being able to translate their information needs into business requirements. This is changing slowly as most new employees coming into the HR profession are computer literate and are used to translating their HR business needs into systems solutions. The Internet is also playing a major role in how HR managers are entering the 21st century. Literally every HR manager these days is using e-mail and surfing the Net. There is a new awareness of the need for rapid information and of the many options for obtaining the right information, fast.

As we enter into the new millennium, we are seeing more and more challenges for the HR manager:

- a) Mergers and acquisitions,
- b) Globalization,
- c) Outsourcing,

- d) Call centres,
- e) New legislation, and
- f) Constant change.

ROLE OF HRM IN STRATEGIC MANAGEMENT

- Business Process Reengineering
- Empowerment
- Total quality management
- Quality Circles
- Work schedules like flexi- timings, job rotation, job sharing, etc.

Strategic HR management involves more than just the administration of human resource programs or activities. However, you still need to do these activities.

Effective people management is all about application of strategic management to people management. You may prefer to call them employees or human capital. It does not really matter.

Discover how the right people management or right strategic human resource management can help your organization ...

To incorporate Human Resource plans into the “mainstream of organizational strategy and management”;

To instill belief on the importance of people in achieving the overall corporate plan, that people add value to the business operations of your organization;



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To ensure that HR people learn to think and act strategically when carrying out their duties and responsibilities...and how these contribute to the achievement of organizational business plans;

To design performance incentive plans and strategies with the intention to continuously motivate employees and thus improve customer service in a dynamic environment;

To arrange for the right training programs to enhance current skills of your people or to provide them with new skills in line with your core business activities and at the same time improve your organization's capability;

To engage, motivate and retain talents,

To ensure that employee termination is properly done, according to existing laws, in order to minimize damage to your organization's image,

In short, you will learn how your human resources, increasingly described as “the only important asset”, can play their important role in the accomplishment of the overall strategic plan and the success of your organization.

New ways, new ideas in strategic human resource management are emerging! On the other hand, you will note that HR is also taking a battering. This becomes very apparent during periods of poor financial performance.

Join those who are changing the way they manage their people.

There is a growing interest by organizations in implementing strategic human resource management. Do not allow others to leave you behind. Do not allow important opportunities pass you by.

Empowerment

In simple words empowerment means allowing the human being or employees to show himself. Empowered employee becomes self directed & self controlled. Empowerment means encouraging & allowing the individuals to take personnel responsibility for improving the rate. Empowerment in any process that provide greater authority through sharing of relevant information & control over factor affecting job performance. Empowerment is different from delegation. Delegation means giving power to do a particular task that is being assigned to them.

- **Importance of Empowerment**
 - Retain skilled workers
 - Face competition
 - Speed H.R development
 - Quick decision
 - Employees satisfaction.
- **Limitation/ Barriers to Empowerment**
 - Love for authority
 - Fear from superiors
 - Dependency on subordinates
 - Lack of confidence
 - Lack of support from top management

Definition of 'Human Capital'

A measure of the economic value of an employee's skill set. This measure builds on the basic production input of labor measure where all labor is thought to be equal. The concept of human capital recognizes that not all labor is equal and that the quality of employees can be improved by investing in them. The education, experience and abilities of an employee have an economic value for employers and for the economy as a whole.



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Emotional Quotient

EQ actually stands for Emotional Intelligence Quotient. Much like an intelligence quotient, or IQ, an EQ is said to be a measure of a person's emotional intelligence. However, there is much debate surrounding the legitimacy of a definition of emotional intelligence quotient, primarily because there is no standard **against** which it can be measured.

Research on EQ began with Yale psychologist Peter Salovey and John Mayer of the University of New Hampshire in the late 1980s. EQ is a concept that was further popularized by Daniel Goleman, another well-respected psychologist, who has written many books on the subject and is co-chair of The Consortium for Research on Emotional Intelligence in Organizations. While these and many other psychology experts view EQ as a scientific study of social behavior and relationships, the actual science behind measuring EQ is often convoluted at best.

Mentoring

Mentoring is most often defined as a professional relationship in which an experienced person

(the mentor) assists another (the mentoree) in developing specific skills and knowledge that will enhance the less-experienced person's professional and personal growth.

What does a mentor do?

- The following are among the mentor's functions:
- Teaches the mentoree about a specific issue
- Coaches the mentoree on a particular skill
- Facilitates the mentoree's growth by sharing resources and networks
- Challenges the mentoree to move beyond his or her comfort zone
- Creates a safe learning environment for taking risks.

- Focuses on the mentoree's total development

An Employee Stock Ownership Plan (ESOP)

is an employee benefit plan which makes the employees of company owners of stock in that company. Several features make ESOPs unique as compared to other employee benefit plans. First, only an ESOP is required by law to invest primarily in the securities of the sponsoring employer. Second, an ESOP is unique among qualified employee benefit plans in its ability to borrow money. As a result, "leveraged ESOPs" may be used as a technique of corporate finance.

The **benefits** for the company include increased cash flow, tax savings, and increased productivity from highly motivated workers. The main benefit for the employees is the ability to share in the company's success. Due to the tax benefits, the administration of ESOPs is regulated, and numerous restrictions apply also called stock purchase plan

Flexi-time

(or flexitime, flexi-time, originally derived from the German word Gleitzeit which literally means "sliding time") is a variable work schedule, in contrast to traditional work arrangements requiring employees to work a standard 9 a.m. to 5 p.m. day. Its invention is usually credited to William Henning. Under flexitime, there is typically a core period (of approximately 50% of total working time/working day) of the day, when employees are expected to be at work (for example, between 11 a.m. and 3 p.m.), while the rest of the working day is "flexitime", in which employees can choose when they work, subject to achieving total daily, weekly or monthly hours in the region of what the employer expects, and subject to the necessary work being done.



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A flextime policy allows staff to determine when they will work, while a flexplace policy allows staff to determine where they will work. Its practical realization can mainly be attributed to the entrepreneur Wilhelm Haller who founded Hengstler Gleitzeit, and later "Interflex Datensysteme GmbH" in Southern Germany, where today a number of companies offer Flexitime (Gleitzeit) solutions which have grown out of his initiative

Quality Circles

are (informal) groups of employees who voluntarily meet together on a regular basis to identify, define, analyze and solve work related problems. Usually the members of a particular team (quality circle) should be from the same work area or who do similar work so that the problems they select will be familiar to all of them. In addition, interdepartmental or cross functional quality circles may also be formed.

An ideal size of quality circle is seven to eight members. But the number of members in a quality circle can vary.

Objectives of Quality Circles

- Promote job involvement
- Create problem solving capability
- Improve communication
- Promote leadership qualities
- Promote personal development
- Develop a greater awareness for cleanliness
- Develop greater awareness for safety



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- Improve morale through closer identity of employee objectives with organization's objectives
- Reduce errors.
- Enhance quality
- Inspire more effective team work

Kaizen

was created in Japan following World War II. The word Kaizen means "continuous improvement". It comes from the Japanese words 改 ("kai") which means "change" or "to correct" and 善 ("zen") which means "good".

Kaizen is a system that involves every employee - from upper management to the cleaning crew. Everyone is encouraged to come up with small improvement suggestions on a regular basis. This is not a once a month or once a year activity. It is continuous. Japanese companies, such as Toyota and Canon, a total of 60 to 70 suggestions per employee per year are written down, shared and implemented.

In most cases these are not ideas for major changes. Kaizen is based on making little changes on a regular basis: always improving productivity, safety and effectiveness while reducing waste.

Suggestions are not limited to a specific area such as production or marketing. Kaizen is based on making changes anywhere that improvements can be made. Western philosophy may be summarized as, "if it ain't broke, don't fix it." The Kaizen philosophy is to "do it better, make it better, and improve it even if it isn't broken, because if we don't, we can't compete with those who do."

Total quality management or TQM

is an integrative philosophy of management for continuously improving the quality of products and processes.



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TQM functions on the premise that the quality of products and processes is the responsibility of everyone who is involved with the creation or consumption of the products or services offered by an organization. In other words, TQM capitalizes on the involvement of management, workforce, suppliers, and even customers, in order to meet or exceed customer expectations. Considering the practices of TQM as discussed in six empirical studies, Cua, McKone, and Schroeder (2001) identified the nine common TQM practices as cross-functional product design, process management, supplier quality management, customer involvement, information and feedback, committed leadership, strategic planning, cross-functional training, and employee involvement.

Six Sigma seeks to improve the quality of process outputs by identifying and removing the causes of defects (errors) and minimizing variability in manufacturing and business processes. It uses a set of quality management methods, including statistical methods, and creates a special infrastructure of people within the organization ("Black Belts", "Green Belts", etc.) who are experts in these methods. Each Six Sigma project carried out within an organization follows a defined sequence of steps and has quantified financial targets (cost reduction and/or profit increase).

The term Six Sigma originated from terminology associated with manufacturing, specifically terms associated with statistical modeling of manufacturing processes. The maturity of a manufacturing process can be described by a sigma rating indicating its yield, or the percentage of defect-free products it creates. A six sigma process is one in which 99.99966% of the products manufactured are statistically expected to be free of defects (3.4 defects per million). Motorola set a goal of "six sigma" for all of its manufacturing operations, and this goal became a byword for the management and engineering practices used to achieve it.

Unit II

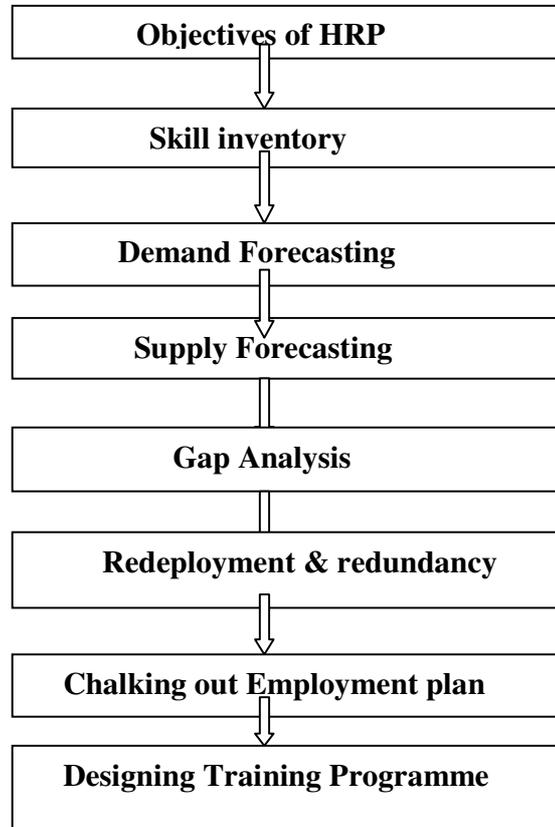
Acquisition of Human Resources

HR Planning refers to classic HR administrative functions, and the evaluation and identification of human resources requirements for meeting organizational goals. It also requires an assessment of the availability of the qualified resources that will be needed. To ensure their competitive advantage in the marketplace and anticipate staffing needs, organizations must implement innovative strategies that are designed to enhance their employee retention rate and recruit fresh talent into their companies. Human resources planning is one way to help a company develop strategies and predict company needs in order to keep their competitive edge.

Objective of HRP

- To forecast future requirement for HR.
- To access the surplus & shortage of HR.
- To anticipate the impact of technology on job & HR.
- To meet the needs of expansion & diversification programme
- To ensure optimum utilization of existing resources
- To provide control techniques to ensure that necessary HR are available as & when required
- To link HRP with organizational planning
- To determine the need of recruitment & training personnel
- To provide a basis for management development programs

Process of HRP



1) Objectives of HRP-

The ultimate purpose of manpower planning is to relate future human resource to future enterprise needs. So as to minimize the future return on investment in human resource. Once the wrong forecast of future requirement of human resource & the wrong analysis of the available manpower inventory are made, it may not be possible to rectify the errors in the short run.

2) Skill Inventory -

The scarcity of talent, difficulty of discovering it & the time required to develop it is fully felt by the organization. To think about their manpower in a systematic way. To understand the nature of the recruitment & development problems, it is necessary to determine the inventory of different skills & talents in the existing organization. The management must then develop in advance.

3) Demand Forecasting-

In HRP process people forecast a manpower requirement in future must be made. It is necessary to make projection for new position.

(i) Employment Trends-

Trends in companies manpower can be judged by comparing & analysis the staff during the first five years.

(ii) Replacement Needs-

These needs depend on death, retirement & resignation of employees.

(iii) Productivity – Improvement in productivity influence manpower requirements.

(iv) Absenteeism – It means a situation when a person fails to come forward. When he is schedule to work.

(v) Growth & Expansion-

Growth & expansion programmed should be analyzed carefully to judge their impact on manpower requirements in future

(4) Supply forecasting –

There are 2 sources of supply of manpower

(i) Internal Sources- Internally human resource can be obtained through & transfer.

Internal resources are more important for manpower planning. In order to estimate internal supply of human resources, it is necessary to conduct HR audit & prepare replacement charge in advance.

(ii) External Resources- It includes advertisement, employment agencies, and campus interview.

(5) Gap analysis –

Manpower planners can identify manpower gaps by comparing demand forecast with supply forecast. Such comparison will reveal either shortage or surplus of HR in future. Gaps may occur in term of knowledge skills & aptitude etc

(6) Re- deployment & Redundancy –



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It is found that there would be surplus manpower of certain categories a plan has to be made for redeployment of such personnel. Redeployment may include-

- (i) Transfer of personnel from the department with surplus manpower to those having shortage of manpower.
- (ii) Provide training to surplus personnel which can offer them placement.

Redundancy include (i) Voluntary retirement (ii) compulsory retirement (iii) layoffs

(iv) Leave of absence without pay.

(7) Chalking out employment plan-

The next phase of personnel planning is to determine how the organization can obtain the quality & quantity of human resources required to meet the objectives. It will include steps the recruitment, selection, placement, transfer & promotion.

(8) Designing Training Programmes' –

Another purpose of accessing the manpower inventory & demand forecasting, these 2 find out the training and development needs in the organization. The operative employees must be given appropriate training so that they may learn the required skills.

Appropriate development programmes should also be designed for the present & the would be executive so that the requires talent can be developed.

Definition: Job Analysis

A job analysis is the process used to collect information about the duties, responsibilities, necessary skills, outcomes, and work environment of a particular job. You need as much data as possible to put together a job description, which is the frequent outcome of the job analysis. Additional outcomes include recruiting plans, position postings and advertisements, and performance development planning within your performance management system.

The job analysis may include these activities

- reviewing the job responsibilities of current employees,
- doing Internet research and viewing sample job descriptions online or offline highlighting similar jobs,



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- analyzing the work duties, tasks, and responsibilities that need to be accomplished by the employee filling the position,
- researching and sharing with other companies that have similar jobs, and
- Articulation of the most important outcomes or contributions needed from the position.

JOB DESCRIPTION AND JOB SPECIFICATION

Job descriptions describe the job and not the individual who fills the job. They are the result of job analysis within a given organization and are essential to the selection and evaluation of employees. Job advertisements or postings are based on the job description.

The character of the organization is the basis for the description of positions. Information about the organization might include

Name of Company

Main Product(s) and/or Service(s)

Location

Number of Employees

Company Structure

Names of Officers

Hours of Work



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Job Analysis

Job analysis is the systematic assembly of all the facts about a job. The purpose is to study the individual elements and duties. All information related to the salary and benefits, working hours and conditions, typical tasks and responsibilities are required for the job analysis. The results of job analysis are job description and job specification. Is the systematic assembly of all the facts about a job. The purpose is to study the individual elements and duties. All information related to the salary and benefits, working hours and conditions, typical tasks and responsibilities are required for the job analysis. The results of job analysis are job description and job specification.

Job Description

Job description is a written statement that defines the duties, relationships and results expected of anyone in the job. It is an overall view of what is to be done in the job. Typically it includes is a written statement that defines the duties, relationships and results expected of anyone in the job. It is an overall view of what is to be done in the job. Typically it includes

Job Title

Date

Title of immediate supervisor

Statement of the Purpose of the Job

Primary Responsibilities

List of Typical Duties and Responsibilities



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General Information related to the job

Training requirements

Tool use

Transportation

Signature of the person who has prepared the job description

Job Specification

Job Specification is an analysis of the kind of person it takes to do the job, that is to say, it lists the qualifications. Normally, this would include is an analysis of the kind of person it takes to do the job, that is to say, it lists the qualifications. Typically this would include

Degree of education

Desirable amount of previous experience in similar work

Specific Skills required

Health Considerations

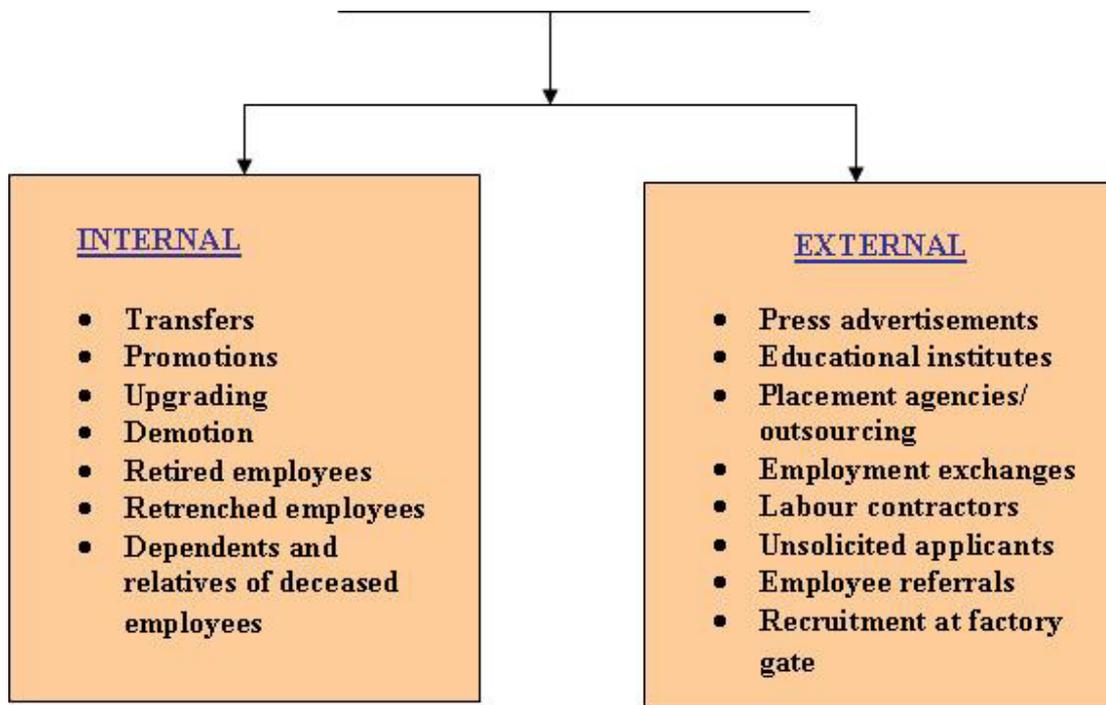
The recruitment and selection is the major function of the human resource department and recruitment process is the first step towards creating the competitive strength and the strategic advantage for the organisations. Recruitment process involves a systematic procedure from sourcing the candidates to arranging and conducting the interviews and requires many resources and time.

SOURCES OF RECRUITMENT

RECRUITMENT

According to “Edwin . B. Flippo” Recruitment is the process of searching the candidates for employment & stimulating them to apply for job in the organization.

It is a linking activity that brings together those offering jobs & those seeking jobs. Recruitment attends to get interested applicants & creating a pool of prospective employees so that management can select derive right person for the right job. Recruitment is a +ve process. Recruitment proceed the selection process.



A general **Recruitment process** is as follows:

Identifying the vacancy:

The recruitment process begins with the human resource department receiving requisitions for recruitment from any department of the company. These contain:

Posts to be filled



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- Number of persons
- Duties to be performed
- Qualifications required
- Preparing the job description and person specification.
- Locating and developing the sources of required number and type of employees (Advertising etc).
- Short-listing and identifying the prospective employee with required characteristics.
- Arranging the interviews with the selected candidates.
- Conducting the interview and decision making

Every organization has the option of choosing the candidates for its recruitment processes from two kinds of sources: internal and external sources. The sources within the organization itself (like transfer of employees from one department to other, promotions) to fill a position are known as the internal sources of recruitment. Recruitment candidates from all the other sources (like outsourcing agencies etc.) are known as the external sources of recruitment.

Employee Selection is the process of putting right men on right job. It is a procedure of matching organizational requirements with the skills and qualifications of people. Effective selection can be done only when there is effective matching. By selecting best candidate for the required job, the organization will get quality performance of employees. Moreover, organization will face less of absenteeism and employee turnover problems. By selecting right candidate for the required job, organization will also save time and money. Proper screening of candidates takes place during selection procedure. All the potential candidates who apply for the given job are tested.

SELECTION



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The selection process leads to creation of a contractual relation between the employer & the employee, selection is a critical process as it requires lot of money to right type of people. If the right type of person is not chosen it will lead to huge losses of the employees in terms of time, efforts & money. Therefore it is essential to follow a suitable selection procedure. Each step in the selection procedure should help in the selection procedure should help in getting more & more information about the applicants to facilitate decision making in the area of selection. In other words, aim of selection process is to reject the unsuitable candidates. Thus selection is a negative process.

The Employee Selection Process takes place in following order-

- 1) **Preliminary Interviews**- It is used to eliminate those candidates who do not meet the minimum eligibility criteria laid down by the organization. The skills, academic and family background, competencies and interests of the candidate are examined during preliminary interview. Preliminary interviews are less formalized and planned than the final interviews. The candidates are given a brief up about the company and the job profile; and it is also examined how much the candidate knows about the company. Preliminary interviews are also called screening interviews.
- 2) **Application blanks**- The candidates who clear the preliminary interview are required to fill application blank. It contains data record of the candidates such as details about age, qualifications, reason for leaving previous job, experience, etc.
- 3) **Written Tests**- Various written tests conducted during selection procedure are aptitude test, intelligence test, reasoning test, personality test, etc. These tests are used to objectively assess the potential candidate. They should not be biased.



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- 4) **Employment Interviews-** It is a one to one interaction between the interviewer and the potential candidate. It is used to find whether the candidate is best suited for the required job or not. But such interviews consume time and money both. Moreover the competencies of the candidate cannot be judged. Such interviews may be biased at times. Such interviews should be conducted properly. No distractions should be there in room. There should be an honest communication between candidate and interviewer.
- 5) **Medical examination-** Medical tests are conducted to ensure physical fitness of the potential employee. It will decrease chances of employee absenteeism.
- 6) **Appointment Letter-** A reference check is made about the candidate selected and then finally he is appointed by giving a formal appointment letter.

TYPE OF TESTS TAKEN IN THE SELECTION PROCESS

The following are the type of tests taken:

1). Ability tests:

Assist in determining how well an individual can perform tasks related to the job. An excellent illustration of this is the typing tests given to a prospective employer for secretarial job. Also called as 'ACHIEVEMENT TESTS'. It is concerned with what one has accomplished. When applicant claims to know something, an achievement test is taken to measure how well they know it. Trade tests are the most common type of achievement test given. Questions have been prepared and tested for such trades as asbestos worker, punch-press operators, electricians and machinists. There are, of course, many unstandardized achievement tests given in industries, such as typing or dictation tests for an applicant for a stenographic position.

2). Aptitude test:

Aptitude tests measure whether an individual has the capacity or latent ability to learn a given job if given adequate training. The use of aptitude test is advisable when an applicant has had little or no experience along the line of the job opening. Aptitude tests help determine a person's potential to learn in a given area. An example of such test is the general management aptitude tests (GMAT), which many business students take prior to gaining admission to a graduate business school programme.

Aptitude test indicates the ability or fitness of an individual to engage successfully in any number of specialized activities. They cover such areas as clerical aptitude, numerical aptitude, mechanical aptitude, motor co-ordination, finger dexterity and manual dexterity. These tests help to detect positive and negative points in a person's sensory or intellectual ability. They focus attention on a particular type of talent such as learning or reasoning in respect of a particular field of work.

Forms of aptitude test:

- **Mental or intelligence tests:** They measure the overall intellectual ability of a person and enable to know whether the person has the mental ability to deal with certain problems.
- **Mechanical aptitude tests:** They measure the ability of a person to learn a particular type of mechanical work. These tests help to measure specialized technical knowledge and problem solving abilities of the candidate. They are useful in selection of mechanics, maintenance workers, etc.
- **Psychomotor or skills tests:** They are those, which measure a person's ability to do a specific job. Such tests are conducted in respect of semi-skilled and repetitive jobs such as packing, testing and inspection, etc.

3). Intelligence test:

This test helps to evaluate traits of intelligence. Mental ability, presence of mind (alertness), numerical ability, memory and such other aspects can be measured. The intelligence is probably the most widely administered standardized test in industry. It is taken to judge numerical, skills, reasoning, memory and such other abilities.

4). Interest Test:

This is conducted to find out likes and dislikes of candidates towards occupations, hobbies, etc. such tests indicate which occupations are more in line with a person's interest. Such tests also enable the company to provide vocational guidance to the selected candidates and even to the existing employees. These tests are used to measure an individual's activity preferences. These tests are particularly useful for students considering many careers or employees deciding upon career changes.

5). Personality Test:

The importance of personality to job success is undeniable. Often an individual who possesses the intelligence, aptitude and experience for certain has failed because of inability to get along with and motivate other people. It is conducted to judge maturity, social or interpersonal skills, behavior under stress and strain, etc. this test is very much essential on case of selection of sales force, public relation staff, etc. where personality plays an important role. Personality tests are similar to interest tests in that they, also, involve a serious problem of obtaining an honest answer.

6). Projective Test:

This test requires interpretation of problems or situations. For example, a photograph or a picture can be shown to the candidates and they are asked to give their views, and opinions about the picture.

7). General knowledge Test:

Now days G.K. Tests are very common to find general awareness of the candidates in the field of sports, politics, world affairs, current affairs.

8). Perception Test:

At times perception tests can be conducted to find out beliefs, attitudes, and mental sharpness etc.

9). Graphology Test:

It is designed to analyze the handwriting of individual. It has been said that an individual's handwriting can suggest the degree of energy, inhibition and spontaneity, as well as disclose the idiosyncrasies and elements of balance and control. For example, big letters and emphasis on capital letters indicate a tendency towards domination and competitiveness. A slant to the right, moderate pressure and good legibility show leadership potential.

10). Polygraph Test:

Polygraph is a lie detector, which is designed to ensure accuracy of the information given in the applications. Department store, banks, treasury offices and jewellery shops, that is, those highly vulnerable to theft or swindling may find polygraph tests useful.



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11). Medical Test:

It reveals physical fitness of a candidate. With the development of technology, medical tests have become diversified. Medical servicing helps measure and monitor a candidate's physical resilience upon exposure to hazardous chemicals.

INTERVIEW: DEFINITION, OBJECTIVES, TYPES AND GUIDELINES FOR EFFECTIVE INTERVIEW

Definition:

Interview is the widely used (election method. It is a face-to-face interaction between interviewee and interviewer. If handled carefully, it can be a powerful technique in having accurate information of the interviewee otherwise unavailable. At the same time, if the interview is not handled carefully, it can be a source of bias, restricting or distorting the flow of communication.

Different scholars have defined 'interview' differently. According to Scott and others, "an interview is a purposeful exchange of ideas, the answering of questions and communication between two or more persons". Bingham and others define an interview as a 'conversation with a purpose'".

Thus, interview can be defined as an attempt to secure maximum amount of information from the candidate concerning his/her suitability for the job under consideration.

It tries to achieve an accurate appraisal of the applicant in terms of his/her educational qualification, training, family background, previous work experience and judge the applicant's certain qualities like manners, appearance, conversational ability, meet other people pleasantly, etc.

Objectives of Interview:

In the selection process, interview serves the following objectives:

1. Verifies the information obtained through application form and tests.
2. Helps obtain additional information from the applicant otherwise not available.
3. Gives the candidate necessary facts and information about the job and the organisation.
4. Helps establish mutual understanding between the company and the candidate and build the company's image.

According to Richard Calhoon, employment interview serves the following three objectives:

First, it is the only way to see an applicant in action – how he looks, his manner, his bearing.

Second, it is the only way to witness how he interacts and how he responds, his way of thinking, the effect of his personality on others.

Third, it is perhaps the best way to get at the 'will do' features of a performance-motivation, initiative, stability, perseverance, work, habits and judgments.



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Types of Interviews:

Four types of interviews for selection have been identified.

These are:

1. Preliminary Interview:

The interviews conducted to screen the applicants to decide whether further detailed interview will be required are called preliminary interviews. The candidate is given freedom by giving job details during the interview to decide whether the job will suit him.

One of the drawback associated with the preliminary interview is that it might lead to the elimination of many desirable candidates in case interviewers do not have much and proper experience in evaluating candidates. The positive argument, if any, for this method is that it saves time and money for the company.

2. Patterned Interview:

In this interview, the pattern of the interview is decided in advance. What kind of information is to be sought or given, how the interview is to be conducted, and how much time is to be allotted to it, all these are worked out in advance. In case interviewee drifts, he/she is swiftly guided back to the structured questions. Such interviews are also called standardised interviews.

3. Depth Interview:

As the term itself implies, depth interview tries to portray the interviewee in depth and detail. It, accordingly, covers the life history of the applicant along with his/her work experience, academic qualifications, health, attitude, interest, and hobbies. This method is

particularly suitable for executive selection. Expectedly, depth interview involves more time and money in conducting it.

4. Stress Interview:

Such interviews are conducted for the jobs which are to be performed under stressful conditions. The objective of stress interview is to make deliberate attempts to create stressful or strained conditions for the interviewee to observe how the applicant behaves under stressful conditions.

The common methods used to induce stress include frequent interruptions, keeping silent for an extended period of time, asking too many questions at a time, making derogatory remarks about the candidate, accusing him that he is lying and so on. The purpose is to observe how the candidate behaves under the stressful conditions – whether he loses his temper, gets confused or frightened.

However, stress-inducing must be done very carefully by trained and skilled interviewer otherwise it may result in dangers. Emotionally charged candidates must not be subjected to further stressful conditions. The candidate should be given sufficient chance to cope with such induced stress before he leaves.

Limitations of Interview:

Research studies have firmly established that, among all selection methods, interview has been the most researched and carefully documented method.

However, interview suffers from some limitations also.

1. Interviewers may not have a clearly defined technique developed. This results in lack of validity in evaluation of the candidate.



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2. There is always variation in offering scoring points to the candidate by the interviewers.
3. Interview can help judge the personality of the candidate but not his ability for the job.
4. A single characteristic of the candidate found out on the basis of interview, may affect the judgment of the interviewer on other qualities of the applicant. This is called 'halo effect'.
5. The biases of interviewers may cloud the objectivity of interview.
6. Finally, interview is a time consuming and expensive device of selection.

The above listed limitations or defects in interview underline the need for observing certain guidelines to make interviews more effective.

Guidelines for Effective Interviewing:

Below are given some guidelines, if observed, can make interview more effective:

1. The interview should have a definite time schedule known to both the interviewers and the interviewee.
2. Interview should be conducted by the competent, trained and experienced interviewers.
3. The interviewers should be supplied with specific set of guidelines for conducting interview.
4. The interviewers should ensure an element of privacy for the interviewee.



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5. A resume for all the candidates to be interviewed should be prepared and the same be made available to the interviewers before the interview starts.
6. The interview should not end abruptly but it should come to close tactfully providing satisfaction to the interviewee.
7. The interviewers should show their sensitivity to the interviewee's sentiments and also sympathetic attitude to him/her.
8. The interviewers should also evince emotional maturity and a stable personality during the interview session.

DIFFERENCE BETWEEN RECRUITMENT AND SELECTION

Selection must be differentiated from recruitment, though these are two phases of employment process. Recruitment is considered to be a positive process as it motivates more of candidates to apply for the job. It creates a pool of applicants. It is just sourcing of data. While selection is a negative process as the inappropriate candidates are rejected here. Recruitment precedes selection in staffing process. Selection involves choosing the best candidate with best abilities, skills and knowledge for the required job.

Placement is a process of assigning a specific job to each of the selected candidates. It involves assigning a specific rank and responsibility to an individual. It implies matching the requirements of a job with the qualifications of the candidate.

- **The significances of Placement are as follows: -**

* It improves employee morale.



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- * It helps in reducing employee turnover.
- * It helps in reducing absenteeism.
- * It helps in reducing accident rates.
- * It avoids misfit between the candidate and the job.

It helps the candidate to work as per the predetermined objectives of the organization.

Induction

Once an employee is selected and placed on an appropriate job, the process of familiarizing him with the job and the organization is known as induction. Induction is the process of receiving and welcoming an employee when he first joins the company and giving him basic information he needs to settle down quickly and happily and starts work.

The Objectives of Induction

Induction is designed to achieve following objectives: -

- * To help the new comer to overcome his shyness and overcome his shyness nervousness in meeting new people in a new environment.
- * To give new comer necessary information such as location of a café, rest period etc.
- * To build new employee confidence in the organization.
- * It helps in reducing labor turnover and absenteeism.
- * It reduces confusion and develops healthy relations in the organization.
- * To ensure that the new comer do not form false impression and negative attitude towards the organization.
- * To develop among the new comer a sense of belonging and loyalty to the organization.

The Advantages of formal induction



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- * Induction helps to build up a two-way channel of communication between management and workers.
- * Proper induction facilitates informal relation and team work among employee.
- * Effective induction helps to integrate the new employee into the organization and to develop a sense of belonging.
- * Induction helps to develop good relation.
- * A formal induction programme proves that the company is taking interest in getting him off to good start.
- * Proper induction reduces employee grievances, absenteeism and labor turnover.
- * Induction is helpful in supplying information concerning the organization, the job and employee welfare facilities.

The contents of Induction programme

- * Brief history and operations of the company.
- * The company's organization structure.
- * Policies and procedure of the company.
- * Products and services of the company.
- * Location of department and employee facilities.
- * Safety measures.
- * Grievances procedures.
- * Benefits and services of employee.
- * Standing orders and disciplinary procedures.
- * Opportunities for training, promotions transfer etc.
- * Suggestion schemes.

* Rules and regulations.

JOB CHANGES

Transfers and Job rotation

Transfers and job rotation are forms of enlargement entailing movement from one job to another of comparable responsibility. Transfers usually last for a longer term while job rotation may imply several short term job changes. In addition, some rotations are cyclical and involve going through the same set of jobs over and over.

In a dairy, for instance, workers may be part of a job rotation cycle from milking to cow feeding to calf feeding. Besides alleviating possible boredom, transfers and job rotations expose workers to more tasks. When an absence or turnover occurs, it helps to have other knowledgeable employees who can perform the vacated job.

Morale can suffer when transfers require employees to relocate. A raise in pay may help. Relocations, although not common in farming, can be particularly trying in homes where both husband and wife work. Some organizations requiring relocation may offer assistance to the other working spouse in finding a job in the new community. International assignments carry unique challenges and opportunities.

A **Promotion** is the advancement of an employee's rank or position in an organizational hierarchy system. Promotion may be an employee's reward for good performance i.e. positive appraisal. Before a company promotes an employee to a particular position it ensures that the person is able to handle the added responsibilities by screening the employee with interviews and tests and giving them training or on-the-job experience. A promotion can involve advancement in terms of designation, salary and benefits, and in some organizations the type of job activities may change a great deal.



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A **Demotion** is a compulsory reduction in an employee's rank or job title within the organizational hierarchy of a company, public service department, or other body. A demotion may also lead to the loss of other privileges associated with a more senior rank and/or a reduction in salary or benefits.

An employee may be demoted for violating the rules of the organization by a behavior such as excessive lateness, misconduct, or negligence. In some cases, an employee may be demoted as an alternative to being laid off, if the employee has poor job performance or if the company is facing a financial crisis. A move to a position at the same rank or level elsewhere in the organization is called a lateral move or deployment. A voluntary move to a lower level is also a deployment as it is not a compulsory reduction in level.

Separations

Employee separation is a sensitive issue for any organization. Usually, an employee leaves the organization after several years of service. Thus, the permanent separation of employees from an organization requires discretion, empathy and a great deal of planning. An employee may be separated as consequence of resignation, removal, death, permanent incapacity, discharge or retirement. The employee may also be separated due to the expiration of an employment contract or as part of downsizing of the workforce. Organizations should never harass the employees, especially in the case of resignation, just because they are quitting the organization. In fact, a quitting employee of the organization must be seen as a potential candidate of the future for the organization and also the brand ambassador of its HR policies and practices. However, many organizations are still treating their employees as "expendable resources" and discharging them in an unplanned manner whenever they choose to do so.

Each organization must have comprehensive separation policies and procedures to treat the departing employees equitably and ensure smooth transition for them. Further, each



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employee can provide a wealth of information to the organization at the time of separation. Exit interviews can be conducted by the HR department to ascertain the views of the leaving employees about different aspects of the organization, including the efficacy of its HR policies.

Unit III Training and Development

“Training & Development is any attempt to improve current or future employee performance by increasing an employee’s ability to perform through learning, usually by changing the employee’s attitude or increasing his or her skills and knowledge.”



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Definition of Training - Organized activity aimed at imparting information and/or instructions to improve the recipient's performance or to help him or her attain a required level of knowledge or skill.

Concept and Importance of Training

- **Productivity** – Training and Development helps in increasing the productivity of the employees that helps the organization further to achieve its long-term goal.
- **Team spirit** – Training and Development helps in inculcating the sense of team work, team spirit, and inter-team collaborations. It helps in inculcating the zeal to learn within the employees.
- **Organization Culture** – Training and Development helps to develop and improve the organizational health culture and effectiveness. It helps in creating the learning culture within the organization.
- **Organization Climate** – Training and Development helps building the positive perception and feeling about the organization. The employees get these feelings from leaders, subordinates, and peers.
- **Quality** – Training and Development helps in improving upon the quality of work and work-life.
- **Healthy work environment** – Training and Development helps in creating the healthy working environment. It helps to build good employee, relationship so that individual goals aligns with organizational goal.
- **Health and Safety** – Training and Development helps in improving the health and safety of the organization thus preventing obsolescence.
- **Morale** – Training and Development helps in improving the morale of the work force.
- **Image** – Training and Development helps in creating a better corporate image.



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- **Profitability** – Training and Development leads to improved profitability and more positive attitudes towards profit orientation.
- Training and Development aids in organizational development i.e. Organization gets more effective decision making and problem solving. It helps in understanding and carrying out organizational policies.
- Training and Development helps in developing leadership skills, motivation, loyalty, better attitudes, and other aspects that successful workers and managers usually display.

Types of Training

1. **Orientation Training**-Given to new & inexperienced employees.
2. **Job Training**- Given to Existing employees.
3. **Safety Training**- Given to new & existing employees.
4. **Promotional Training**- Given to existing employees.
5. **Refresher Training**- Given to existing employees.
6. **Remedial Training**- Given to Existing employees.

METHODS OF TRAINING

1. **On the Job Trainings:** These methods are generally applied on the workplace while employees are actually working.

Following are the on-the-job methods.

Advantages of On-the-Job Training:

- It is directly in the context of job
- It is often informal
- It is most effective because it is learning by experience
- It is least expensive
- Trainees are highly motivated
- It is free from artificial classroom situations

Disadvantages of On-the-Job Training:

- Trainer may not be experienced enough to train
- It is not systematically organized
- Poorly conducted programs may create safety hazards

On the Job Training Methods

1. Job Rotation: In this method, usually employees are put on different jobs turn by turn where they learn all sorts of jobs of various departments.

2 Job Coaching: An experienced employee can give a verbal presentation to explain the nitty-gritty's of the job.

3. Job Instruction: It may consist instructions or directions to perform a particular task or a function. It may be in the form of orders or steps to perform a task.

4. Apprenticeships: Generally fresh graduates are put under the experienced employee to learn the functions of job.



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5. Internships and Assistantships: An intern or assistants are recruited to perform a specific time-bound jobs or projects during their education. It may consist a part of their educational courses.

2. OFF THE JOB TRAINING

These are used away from work places while employees are not working like classroom trainings, seminars etc. Following are the off-the-job methods;

Advantages of Off-the-Job Training:

- Trainers are usually experienced enough to train
- It is systematically organized
- Efficiently created programs may add lot of value

Disadvantages of Off-the-Job Training:

- It is not directly in the context of job
- It is often formal
- It is not based on experience
- It is least expensive
- Trainees may not be highly motivated
- It is more artificial in nature

OFF THE JOB TRAINING METHODS



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1. **Classroom Lectures:** It is a verbal lecture presentation by an instructor to a large audience.
2. **Audio-Visual:** It can be done using Films, Televisions, Video, and Presentations etc.
3. **Simulation:** creating a real life situation for decision-making and understanding the actual job conditions give it.

Following are some of the simulation methods of trainings

- 4) **Case Studies-** The typical case study used for trainee is a description of some events that actually occur in an organization. Under this technique, the trainees are actively involved. They are encouraged to consider a variety of alternatives & to explore different approaches to solve the problem. Case studies are extensively used in teaching laws, human relationship, marketing management & business policies in various educational institutions. Students learn that there is no simple solution to particular problems.
- 5) **Role Plays-** Role playing may be described as a technique of creating a life situation, usually one involving conflict between people, & then having persons in a group play the parts or roles of specific personalities. In industry, it is used primarily as a technique for modifying attitude & inters- personal skills. The individual are then designated to play the roles of person in the situation described.
- 6) **Sensitivity Trainings-** It is an important technique of laboratory training . The main objective of sensitivity training is to development of awareness & sensitivity to ones own behavior pattern through interactions with others. The trainee initially explains the technique to the participants & inform them the purpose is to increase their awareness about themselves & others & to know each others feelings & reactions in a group setting.



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- 7) **Programmed Instructions:** Provided in the form of blocks either in book or a teaching machine using questions and Feedbacks without the intervention of trainer.
- 8) **Computer Aided Instructions:** It is extension of PI method, by using computers.

Barriers to Effective Training:

1. Lack of Management commitment
2. Inadequate Training budget
3. Education degrees lack skills
4. Large scale poaching of trained staff
5. Non-coordination from workers due to downsizing trends
6. Employers and B Schools operating distantly
7. Unions influence

How To Make Training Effective?

1. Management Commitment
2. Training & Business Strategies Integration
3. Comprehensive and Systematic Approach
4. Continuous and Ongoing approach
5. Promoting Learning as Fundamental Value
6. Creations of effective training evaluation system

DESIGN OF TRAINING PROGRAMME



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Without a coach, designing your own training plan for the entire season can be a little overwhelming. To simplify the process I've broken it down into 10 easy steps. Follow these steps to design a plan for yourself with the accuracy of a seasoned coach.

Step 1- Set goals.

Step 2- Evaluate event demands

Step 3- Establish schedule framework

Step 4- Periodize your training plan

Step 5- Schedule recovery weeks

Step 6- Schedule performance testing

Step 7- Assign general and race-specific preparation periods

Step 8- Schedule daily workouts

Step 9- Follow the plan

Step 10- Keep track of yourself

EVALUATION OF TRAINING EFFECTIVENESS

The most widely used and popular model for the evaluation of training programs is known as "The Four Levels of Learning Evaluation. The idea behind the model is for an organization to have meaningful evaluation of learning in the organization. The degree of difficulty increases as you move through the levels. However, the knowledge learned regarding the effectiveness of the training program more than compensates for this.

The four levels of the model are:

Level 1: Reaction

Level 2: Learning

Level 3: Behavior

Level 4: Results



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Executive Development is the whole of activities aimed at developing the skills and competencies of those that (will) have executive positions in organizations. While "executive" and "manager" and "leader" are often used interchangeably, "executive" is commonly used to signify the top 5% to 10% of the organization. Similarly, "development" and "training" and "**education**" are often used as synonyms, however "development" is generally seen as the most encompassing of the three in terms of activities that build skills and competencies.

While it is typical to find organizations that have dedicated corporate training & development people and processes, it is not always the case that an organization will have a dedicated executive development set of activities. In some organizations (typically large multi-nationals), there is a separate executive development team, in other organizations executive development is handled as one of many activities by the larger corporate training group, and in yet other scenarios there is no executive development activity to speak of.

In contrast to other corporate training & development activities, which have as their core purpose to build tactical skills for employees, executive development plays a different role for the organization. Indeed some executive development is conducted for the purpose of building tactical skills (sometimes referred to as "hard skills" such as business fundamentals- finance, marketing, operations and also "soft skills" such as communication and team building), yet executive development is also used to evaluate future potential future executives as well as a mechanism for the CEO and the executive team to cascade their strategies, goals, and even elements of the culture to the rest of the management team and ultimately the organization. In the best of cases, executive development not only helps an organization execute its key strategies, it can also help provide input to the strategy creation process. In this way, executive development is much more strategic than typical corporate training & development which is used for most employees of an organization.

Executive Development – Process and Techniques

(A) On the Job Training Methods

On the job training methods are by far the most commonly used in training for all levels of personnel. The object of on the job training is to bring the employees to at least a minimum acceptable standard of performance in the shortest possible time. The worker by these methods learns to master the operations involved on the actual job situation under the supervision of his immediate boss who has to carry the primary burden of conducting this training. Various methods of on the job training are as follows:-

(1) On specific Job—The most common or formal on the job training programme is training for specific job. Current practice in job training has been strongly influenced by the war time training within industry which was first designed to improve the job performance through job instruction training. There are following methods of training:

(A) Experience—This is the oldest method of on-the- job training. But as a sole approach, it is wasteful, time consuming and inefficient. It has been observed that it should be followed by other training methods to make it more effective. In a survey, it was found that they kept up to date through a variety of activities which were largely unrelated to formal continuing education courses. On the job, problem-solving and colleague interactions were prompted as being most important for professional growth by 62 per cent respondents.

(B) Coaching-On-the-job coaching by a superior is an important and potentially effective approach if superior is properly trained and oriented. The technique involves direct personnel instruction and guidance, usually, with extensive

demonstration and continuous critical evaluation and correction. The advantage is increased motivation for the trainee and the minimisation of the problem of learning transfer from theory to practice. The danger in this method lies in the possible neglect of coaching by superior.

(c) Understudy—The understudy method is considered a somewhat different approach from those described above, that a certain person is specifically designated as the heir-apparent. The understudy method makes the trainee an assistant to the current job holder. The trainee learns by experience, observation and imitation. If decisions are discussed with the under study, he can become informed the policies and theories involved. The advantage of this method is that training is conducted in a practical and realistic situation. However disadvantages are many. The method tends to perpetuate mistakes and deficiencies of existing managerial practices. Moreover, the understudies are frequently neglected by those they assist.

(2) Position Rotation—The major objective of job rotation training is the broadening of the background of trainee in the organization. If trainee is rotated periodically from one job to another job, he acquires a general background. The main advantages are: it provides a general background to the trainee, training takes place in actual situation, competition can be stimulated among the rotating trainees, and it stimulates a more co-operative attitude by exposing a man to other fellow's problems and viewpoints. There are certain disadvantages of this method. The productive work can suffer because of the obvious disruption caused by such changes. Rotations become less useful as specialization proceeds, for few people have the breadth of technical knowledge and skills to move from one functional area to another.

(3) Special Projects—This is a very flexible training device. Such special project

assignments grow ordinarily out of an individual analysis of weaknesses. The trainee may be asked to perform special assignment; thereby he learns the work procedure. Sometime a task force is created consisting of a number of trainees representing different functions in the organization. Trainees not only acquire knowledge about the assigned activities, but also learn how to work with others.

(4) Selective Reading—Individuals in the organization can gather and advance their knowledge and background through selective reading. The reading may include professional journals and books. Various business organizations maintain libraries for their own executives. Many executives become members of professional associations and they exchange their ideas with others. This is a good method for assimilating knowledge; however, some executives claim that it is very difficult to find time to do much reading other than absolutely required in the performance of their jobs.

(5) Apprenticeship—Apprentice training can be traced back to medieval times when those intended on learning trade skill bound themselves to a master craftsman to learn by doing the work under his guidance. In earlier periods, apprenticeship was not restricted to artisans, but was used in training for the professions, including medicine, law, dentistry, and teaching. Today's industrial organizations require large number of skilled craftsmen who can be trained by this system. Such training is either provided by the organizations or it is also imparted by governmental agencies. Most States now have apprenticeship laws with supervised plans for such training. Arrangements usually provide a mixed programme of classroom and job experience.

(6) Vestibule Schools— large organizations frequently provided what are described as vestibule schools, a preliminary to actual shop experience. As far as possible, shop conditions are duplicated, but instructive, not output, and are major objective, with special instructors provided. Vestibule schools are widely used in



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training for clerical and office jobs as well as for factory production jobs. Such training is usually shorter and less complex than that adaptable to the apprenticeship system. Vestibule training is relatively expensive, but these costs are justified if the volume of training is large, or if uniform, high-standard results are important.

OFF-THE-JOB TRAINING METHODS

In these methods, trainees have to leave their workplace and devote their entire time to the development objective. In these methods development of trainees is primary and any usable work produced during training is secondary. Following training techniques are used off-the-job:

1. Special course and lectures: - Lecturing is the most traditional form of formal training method. Special courses and lectures can be established by business organizations in numerous ways as a part of their development programmes. First, there are courses which the organizations themselves establish to be taught by members of the organization. Some organizations have regular instructors assigned to their training and development departments such as Tata and Hindustan Lever in private sector, Life Insurance Corporation, State Bank of India and other nationalized commercial banks, Reserve Bank, Hindustan Steel, Fertilizer Corporation and many others in public sector. A second approach to special courses and lectures is for organizations to work with universities or institutes in establishing a course or series of % courses to be taught by instructors of these institutes. A third approach is for the organizations to send personnel to programmes established by the universities, institutes and other bodies, Such courses are organized for a short period ranging from 2-3 days to a few weeks. The first such programme was the Sloan Fellowship Programme, established in 1931 at Massachusetts Institute of Technology, U.S.A. In India, such courses are organized frequently by the



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Institute of Management, Administrative Staff College of India, National Productivity Council, NITIE, All India Management Association and some other organizations and universities.

2. Conferences -This is also an old method, but still a favorite training method. In order to escape the limitations of straight lecturing many organizations have adopted guided-discussion type of conferences in their training programmes In this method, the participants pool their ideas and experience in attempting to arrive at improved methods of dealing with the problems which are common subject of discussion) Conferences may include buzz sessions that divide conferences into small groups of four or five for intensive discussion. These small groups then report back to the whole conference with their conclusions or questions. Conference method allows the trainees to look at the problem from a broader angle. These conferences, however, have certain limitations. Unless the discussion is directed to the fell needs of the participants that may well feel that the whole session is useless.

3. Case studies: -This technique, which has been developed and popularized by the Harvard Business School, U.S.A. is one of the most common form of training. A case is a written account of a trained reporter or analyst seeking to describe an actual situation. Some cases are merely illustrative, others are detailed and comprehensive demanding extensive and intensive analytical ability. Cases are widely used in a variety of programmes).This method increases the trainee's power of observation, helping him to ask better questions and to look for a broader range of problems. A well chosen case may promote objective discussion, but the lack of emotional involvement may make it difficult to effect any basic change in the behaviour and attitude of trainees.

4. Brainstorming: -This is the method of stimulating trainees to creative thinking. This approach developed by Alex Osborn seeks to reduce inhibiting forces by providing for a maximum of group participation and a minimum of criticism, A problem is posed and



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ideas are invited. Quantity rather than quality is the primary objective; Ideas are encouraged and criticism of any idea is discouraged. Chain reactions from idea to idea often develop. Later, these ideas are critically examined. There is no trainer in brainstorming and it has been found that the introduction of known experts into it will reduce the originality and practicability of the group contributions. Brainstorming frankly favours divergence, and this fact may be sufficient to explain why brainstorming is so little used as yet in developing countries where new solutions ought to carry the highest premium. It is virtually untried even though its immediate use is limited to new ideas only, not change in behaviour.

5. Laboratory Training-Laboratory training adds to conventional training by providing situations in which the trainees themselves experience through their own interaction some of the conditions they are talking about. In this way, they more or less experiment on themselves. Laboratory training is more concerned about changing individual behaviour and attitude. It is generally more successful in changing job performance than conventional training methods. There are two methods of laboratory training—simulation and sensitivity training.

A. Simulation—An increasingly popular technique of management development is simulation of performance. In this method, instead of taking participants into the field can be simulated in the training session itself. Simulation is the presentation of real situation of organizations in the training session. It covers situations of varying complexities and roles for the participants. It creates a whole field organization, relates participants through key roles in it, and has them deal with specific situations of a kind they encounter in real life. There are two common simulation methods of training: role-playing is one and business game is the other.

(i) Role-Playing—Role-Playing is laboratory method which can be used rather easily as a supplement to conventional training methods. Its purpose is to increase the trainee's



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skill in dealing with other people. One of its greatest uses is in connection with human relations training but it is also used in sales training as well. It is spontaneous acting of a realistic situation involving two or more persons under class room situations. Dialogue spontaneously grows out of the situation, as it is developed by the trainees assigned to it. Other trainees in the group serve as observers or critics. Since people take roles every day, they are somewhat experienced in the art, and with a certain amount of imagination they can project themselves into roles other than their own.

(ii) **Gaming**—Gaming has been devised to simulate the problems of running a company or even a particular department. It has been used for a variety of training objectives, from investment strategy, collective bargaining techniques, to the morale of clerical personnel. It has been used at all levels, from the top executives to the production supervisors. Gaming is a laboratory method in which role-playing exists but its difference is that it focuses attention on administrative problems, while role-playing tends to emphasize mostly feeling and tone between people in interaction. Gaming involves several teams, each of which is given a firm to operate for a number of periods. Usually the period is a short one, one year or so. In each period, each team makes decisions on various matters such as fixation of price, level of production, inventory level, and so forth'. Since each team is competing with others, each firm's decisions will affect the results of all others.

CAREER PLANNING AND DEVELOPMENT

The word *career* refers to all types of employment ranging from semi-skilled through skilled, and semi professional to professional. The term *careers* has often been restricted to suggest an employment commitment to a single trade skill, profession or business firm for the entire working life of a person. In recent years, however, *career* now refers to changes or modifications in employment during the foreseeable future.



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There are many definitions by management scholars of the stages in the managerial process. The following classification system with minor variations is widely used:

1. Development of overall goals and objectives,
2. Development of a strategy (a general means to accomplish the selected goals/objectives),
3. Development of the specific means (policies, rules, procedures and activities) to implement the strategy, and
4. Systematic evaluation of the progress toward the achievement of the selected goals/objectives to modify the strategy, if necessary.

The career management process begins with setting goals/objectives. A relatively specific goal/objective must be formulated. This task may be quite difficult when the individual lacks knowledge of career opportunities and/or is not fully aware of their talents and abilities. However, the entire career management process is based on the establishment of defined goals/objectives whether specific or general in nature. Utilizing career assessments may be a critical step in identifying opportunities and career paths that most resonate with someone. Career assessments can range from quick and informal to more in-depth. Regardless of the ones you use, you will need to evaluate them. Most assessments found today for free (although good) do not offer an in-depth evaluation.

OBJECTIVES OF CAREER PLANNING

1. Build commitment in the individual
2. Develop long range perspective
3. Reduce personal turnover expenses
4. Lessen employee obsolescence
5. Ensure organizational effectiveness
6. Allow individual to achieve personal and work related goals.



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CAREER DEVELOPMENT

Career development is the series of activities or the on-going/lifelong process of developing one's career. It usually refers to managing one's career in an intra-organizational or inter-organizational scenario. It involves training on new skills, moving to higher job responsibilities, making a career change within the same organization, moving to a different organization or starting one's own business.

Career development is directly linked to the goals and objectives set by an individual. It starts with self-actualization and self-assessment of one's interests and capabilities. The interests are then matched with the available options. The individual needs to train himself to acquire the skills needed for the option or career path chosen by him. Finally, after acquiring the desired competency, he has to perform to achieve the goals and targets set by him.



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UNIT-IV

COMPENSATION & MAINTENANCE:

Compensation is a systematic approach to providing monetary value to employees in exchange for work performed. Compensation may achieve several purposes assisting in recruitment, job performance, and job satisfaction.

Compensation is a tool used by management for a variety of purposes to further the existence of the company. Compensation may be adjusted according the business needs, goals, and available resources.

Compensation and Maintenance may be used to:

- Recruit and retain qualified employees.
- Increase or maintain morale/satisfaction.
- Reward and encourage peak performance.
- Achieve internal and external equity.
- Reduce turnover and encourage company loyalty.
- Modify (through negotiations) practices of unions.

JOB EVALUATION- Concept and Significance of Job Evaluation

Job evaluation is a process of analyzing and assessing the various jobs systematically to ascertain their relative worth in an organization.

Jobs are evaluated on the basis of content, placed in order of importance. This establishes Job Hierarchies, which is a purpose of fixation of satisfactory wage differentials among various jobs.

Jobs are ranked (not jobholders)



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Job Evaluation involves determination of relative worth of each job for the purpose of establishing wage and salary differentials.

Relative worth is determined mainly on the basis of job description and job specification only. Job Evaluation helps to determine wages and salary grades for all jobs. Employees need to be compensated depending on the grades of jobs which they occupy.

Clearly remuneration must be based on the relative worth of each job.

The job evaluation is done for the purpose of wage and salary differentials, demand for and supply of labour, ability to pay, industrial parity, collective bargaining etc

PROCESS OF JOB EVALUATION:

1. Defining objectives of job evaluation
 - i. Identify jobs to be evaluated (Benchmark jobs or all jobs)
 - ii. Who should evaluate job?
 - iii. What training do the evaluators need?
 - iv. How much time involved?
 - v. What are the criteria for evaluation?
 - vi. Methods of evaluation to be used
2. Wage Survey
3. Employee Classification
4. Establishing wage and salary differentials.

METHODS OF JOB EVALUATION

A. Analytical Methods

(i) **Point Ranking Methods:** Different factors are selected for different jobs with accompanying differences in degrees and points.



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(ii) **Factor Comparison Method:** The important factors are selected which can be assumed to be common to all jobs. Each of these factors are then ranked with other jobs. The worth of the job is then taken by adding together all the point values.

B. Non-Analytical Methods

(iii) **Ranking Method:** Jobs are ranked on the basis of its title or contents. Job is not broken down into factors etc.

(iv) **Job Grading Method:** It is based on the job as a whole and the differentiation is made on the basis of job classes and grades. In this method it is important to form a grade description to cover discernible differences in skills, responsibilities and other characteristics.

DRAWBACKS IN JOB EVALUATION:

- Encourages employees on how to advance in position when there may be limited opportunities for enhancement as a result of downsizing.
- It promotes internal focus instead of customer orientation
- Not suitable for forward looking organizations, which has trimmed multiple job titles into two or three broad jobs.

COMPONENTS OF EMPLOYEE REMUNERATION- BASE AND SUPPLEMENTARY

What is Salary?

"Salary" is the remuneration received by or accruing to an individual, periodically, for service rendered as a result of an express or implied contract.

An employee is getting paid in lieu of the work done by him/her for the organization, he is employed in.



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Employee's total compensation consists of four-components.

Although the relative proportion of each component in the total compensation varies from firm-to-firm. But the structure of Compensation is almost the same, which is as follows:-

1. Basic pay
2. Dearness allowance
3. House rental allowance
4. Medical allowance
5. City compensatory allowance
6. Conveyance allowances
7. Incentives
8. Fringe benefits

I. Basic Pay

It is the fixed & primary part of the pay-package.

For Blue-Collared employees, basic wage may be based upon the work done (i.e. piece wage system)

For White-Collared employees, basic wage is generally time bound (i.e. time wage system)

Factors which determine the basic wage/salary:-

1. Job-Evaluation
2. Demand for & supply of Labor
3. Prevailing wage-rate
4. Statutory requirements (minimum wage-rate)
5. Employer's ability to pay

II. Allowances

These allowances ensure the retention and prolonged years of service of an employee in the same organization, as it provides job & salary satisfaction.

1. Dearness allowance- This allowance is given to deal with the pressure of inflation in the economy. It protects the real income (what we get in-hand) against inflation.



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2. House rental allowance- Those employers who do not provide living accommodation to its employees, they provide HRA to its employees. It is calculated as a percentage of basic pay.
3. City compensatory allowance- This kind of allowance is generally paid to employees in Metropolitan Cities or other big cities where Cost of Living is comparatively higher than other cities.
4. Conveyance allowances- Some employers pay Travelling Allowance to their employees. It is usually fixed sum, which is paid to cover some part of travelling charges.
5. Incentives- Incentive Compensation is the Performance-Linked remuneration. It is paid with a view to inspire, encourage & motivate employees to work hard & do better. Incentives can be both Individual & Group- Based.
6. Fringe Benefits - These are the additional benefits that an employee gets in addition to the Basic Pay. This is usually paid to Executive-Class Employees.

POTENTIAL APPRAISAL – Concept and Objectives

Potential Appraisal is the identification of the hidden talents and skills of a person. The person might or might not be aware of them.

Potential appraisal is a future – oriented appraisal whose main objective is to identify and evaluate the potential of the employees to assume higher positions and responsibilities in the organizational hierarchy. Many organizations consider and use potential appraisal as a part of the performance appraisal processes.

The objective of potential appraisal is to identify the potential of a given employee to occupy higher positions in the organizational hierarchy and undertake higher responsibilities.

Potential appraisals are required to:

- inform employees about their future prospects;
- help the organization chalk out of a suitable succession plan;



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- update training efforts from time to time;
- Advise employees about what they must do to improve their career prospects.

PERFORMANCE APPRAISALS

“It is formal, structured system of measuring, evaluating job related behaviors and outcomes to discover reasons of performance and how to perform effectively in future so that employee, organization and society all benefits.”

Performance Appraisals is the assessment of individual's performance in a systematic way. The performance is measured against such factors as job knowledge, quality and quantity of output, initiative, leadership abilities, supervision, dependability, cooperation, judgment, versatility and health. Assessment should be confined to past as well as potential performance also.

OBJECTIVES OF PERFORMANCE APPRAISALS

- General Goals Specific Goals
- Developmental Use
- Individual needs
- Performance feedback
- Transfers and Placements
- Strengths and Development needs
- Administrative Decisions / Uses
- Salary
- Promotion
- Retention / Termination
- Recognition



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- Lay offs
- Poor Performers identification
- Organizational Maintenance HR Planning
- Training Needs
- Organizational Goal achievements
- Goal Identification
- HR Systems Evaluation
- Reinforcement of organizational needs
- Documentation
- Validation Research
- For HR Decisions
- Legal Requirements

Performance Appraisal Process

1. Objectives definition of appraisal
2. Job expectations establishment
3. Design an appraisal program
4. Appraise the performance
5. Performance Interviews
6. Use data for appropriate purposes
7. Identify opportunities variables
8. Using social processes, physical processes, human and computer assistance

TECHNIQUES / METHODS OF PERFORMANCE APPRAISALS

TRADITIONAL METHODS OF PERFORMANCE APPRAISAL:-



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- 1. Rating Scales:** Rating scales consists of several numerical scales representing job related performance criterions such as dependability, initiative, output, attendance, attitude etc. Each scales ranges from excellent to poor. The total numerical scores are computed and final conclusions are derived.
- 2. Checklist:** Under this method, checklist of statements of traits of employee in the form of Yes or No based questions is prepared. Here the rater only does the reporting or checking and HR department does the actual evaluation.
- 3. Forced Choice Method:** The series of statements arranged in the blocks of two or more are given and the rater indicates which statement is true or false. The rater is forced to make a choice. HR department does actual assessment.
- 4. Forced Distribution Method:** Here employees are clustered around a high point on a rating scale. Rater is compelled to distribute the employees on all points on the scale. It is assumed that the performance is conformed to normal distribution.
- 5. Critical Incidents Method:** The approach is focused on certain critical behaviors of employee that makes all the difference in the performance. Supervisors as and when they occur record such incidents.
- 6. Behaviorally Anchored Rating Scales:** statements of effective and ineffective behaviors determine the points. They are said to be behaviorally anchored. The rater is supposed to say, which behavior describes the employee performance.
- 7. Field Review Method:** This is an appraisal done by someone outside employees' own department usually from corporate or HR department.



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8. **Performance Tests & Observations:** This is based on the test of knowledge or skills. The tests may be written or an actual presentation of skills. Tests must be reliable and validated to be useful.

9. **Confidential Records:** Mostly used by government departments, however its application in industry is not ruled out. Here the report is given in the form of Annual Confidentiality Report (ACR) and may record ratings with respect to following items; attendance, self expression, team work, leadership, initiative, technical ability, reasoning ability, originality and resourcefulness etc.

The system is highly secretive and confidential.

10. **Essay Method:** In this method the rater writes down the employee description in detail within a number of broad categories like, overall impression of performance, promote ability of employee, existing capabilities and qualifications of performing jobs, strengths and weaknesses and training needs of the employee.

11. **Cost Accounting Method:** Here performance is evaluated from the monetary returns yields to his or her organization. Cost to keep employee, and benefit the organization derives is ascertained. Hence it is more dependent upon cost and benefit analysis.

12. **Comparative Evaluation Method (Ranking & Paired Comparisons):** These are collection of different methods that compare performance with that of other co-workers. The usual techniques used may be ranking methods and paired comparison method.

- **Ranking Methods:** Superior ranks his worker based on merit, from best to worst. However how best and why best are not elaborated in this method. It is easy to administer and explanation.

- **Paired Comparison Methods:** In this method each employee is rated with another employee in the form of pairs. The number of comparisons may be calculated with the help of a formula as under. $N \times (N-1) / 2$

MODERN METHODS OF PERFORMANCE APPRAISAL:-

1. **Management by Objectives (MBO):** It means management by objectives and the performance is rated against the achievement of objectives stated by the management. MBO process goes as under.

- Establish goals and desired outcomes for each subordinate
- Setting performance standards
- Comparison of actual goals with goals attained by the employee
- Establish new goals and new strategies for goals not achieved in previous year.

2. **Psychological Appraisals:** These appraisals are more directed to assess employee's potential for future performance rather than the past one. It is done in the form of in-depth interviews, psychological tests, and discussion with supervisors and review of other evaluations. It is more focused on employees emotional, intellectual, and motivational and other personal characteristics affecting his performance. This approach is slow and costly and may be useful for bright young members who may have considerable potential. However quality of these appraisals largely depends upon the skills of psychologists who perform the evaluation.

3. **Assessment Centers:** An assessment center is a central location where managers may come together to have their participation in job related exercises evaluated by trained observers. It is more focused on observation of behaviors across a series of select exercises or work samples. Assesses are requested to participate in other similar activities which require same attributes for successful performance in actual job. The characteristics assessed assessment center can be assertiveness, persuasive ability, communicating ability, planning and organizational ability, self confidence, resistance to stress, energy level, decision making, sensitivity to feelings, administrative ability, creativity alertness etc.



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4. **360 degree feedback**, also known as 'multi-rater feedback', is the most comprehensive appraisal where the feedback about the employees' performance comes from all the sources that come in contact with the employee on his job.

360 degree appraisal has four integral components:

Limitations of performance appraisal methods

1. Halo Effect

The rater may base the full appraisal on the basis of one positive quality which was found out earlier. For e.g. If a person is evaluated on one quality i.e. emotional stability and if he scores very high in the case of emotional stability, then the rater may also give him high scores (marks or grades) for other qualities such as intelligence, creativity etc., even without judging these characteristics.

2. Problem of Leniency or Strictness

Many raters are too lenient (not strict) in their ratings. High scores may be given to all employees, even if they have no merit. Also a reverse situation may take place, where all employees are rated very strictly and very low scores are given.

3. Central Tendency

Sometimes a rater gives only middle range scores to all individuals. Extremely high or low scores are avoided. This is called Central Tendency.

4. Personal Bias

Performance appraisal is affected by personal bias of the rater. If the rater has good relations with the rate (an employee who is getting rated), he may give higher scores to the rate, even though the rate does not deserve such high scores. So personal bias may lead to favoured treatment for some employees, and bad treatment to others.



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5. Paper Work

Some supervisors complain that performance appraisal is pointless paper work. They complain because many times, performance appraisal reports are found only in the files. It does not serve any practical purpose. In other words, the performance appraisal reports are not used by some organizations. They are conducted just as a formality or for the name sake.

6. Fear of Spoiling Relations

Performance appraisal may also affect superior-subordinate relations. An appraisal makes the superior more of a judge than a coach. So, the subordinate may have a feeling of suspicion and mistrust, about the superior.

7. Evaluate performance not person

The rater should evaluate the performance, i.e. output, new ideas, extraordinary efforts, etc. and not the person. In reality, the person is evaluated and not his performance. It should be noted that failure is an event and a not a person.

8. Horn Effect

Sometimes the raters may evaluate on the basis of one negative quality. This results in overall lower rating of the particular employee. For e.g. "He does not shave regularly. Therefore, he must be lazy at work."

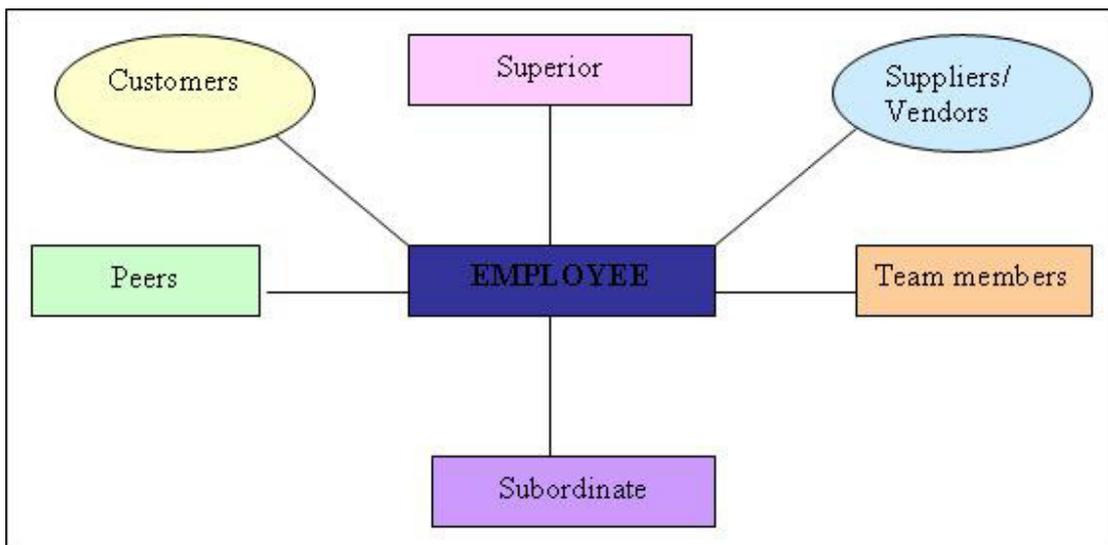
9. Spillover Effect

In this case, the present performance appraisal is greatly influenced by past performance. A person who has not done a good job in the past is considered (assumed) to be bad for doing present work.

360 degree feedback, also known as 'multi-rater feedback', is the most comprehensive appraisal where the feedback about the employees' performance comes from all the sources that come in contact with the employee on his job.

360 degree appraisal has four integral components:

1. Self appraisal
2. Superior's appraisal
3. Subordinate's appraisal
4. Peer appraisal.



360 degree performance appraisal is also a powerful developmental tool because when conducted at regular intervals (say yearly) it helps to keep a track of the changes others' perceptions about the employees. A 360 degree appraisal is generally found more suitable for the managers as it helps to assess their leadership and managing styles. This technique is being effectively used across the globe for performance appraisals. Some of the organizations following it are Wipro, Infosys, and Reliance Industries etc.



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Maintenance: Overview of employee Welfare, Health and Safety, Social Security

Employee Welfare: Organizations provide welfare facilities to their employees to keep their motivation levels high. The employee welfare schemes can be classified into two categories viz. statutory and non-statutory welfare schemes. The statutory schemes are those schemes that are compulsory to provide by an organization as compliance to the laws governing employee health and safety. These include provisions provided in industrial acts like Factories Act 1948, Dock Workers Act (safety, health and welfare) 1986, Mines Act 1962. The non statutory schemes differ from organization to organization and from industry to industry.

STATUTORY WELFARE SCHEMES

The statutory welfare schemes include the following provisions:

Drinking Water: At all the working places safe hygienic drinking water should be provided.

Facilities for sitting: In every organization, especially factories, suitable seating arrangements are to be provided.

First aid appliances: First aid appliances are to be provided and should be readily assessable so that in case of any minor accident initial medication can be provided to the needed employee.

Latrines and Urinals: A sufficient number of latrines and urinals are to be provided in the office and factory premises and are also to be maintained in a neat and clean condition.

Canteen facilities: Cafeteria or canteens are to be provided by the employer so as to provide hygienic and nutritious food to the employees.



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Spittoons: In every work place, such as ware houses, store places, in the dock area and office premises spittoons are to be provided in convenient places and same are to be maintained in a hygienic condition.

Lighting: Proper and sufficient lights are to be provided for employees so that they can work safely during the night shifts.

Washing places: Adequate washing places such as bathrooms, wash basins with tap and tap on the stand pipe are provided in the port area in the vicinity of the work places.

Changing rooms: Adequate changing rooms are to be provided for workers to change their cloth in the factory area and office premises. Adequate lockers are also provided to the workers to keep their clothes and belongings.

Rest rooms: Adequate numbers of restrooms are provided to the workers with provisions of water supply, wash basins, toilets, bathrooms, etc.

NON STATUTORY SCHEMES

Many non statutory welfare schemes may include the following schemes:

Personal Health Care (Regular medical check-ups): Some of the companies provide the facility for extensive health check-up

Flexi-time: The main objective of the flexitime policy is to provide opportunity to employees to work with flexible working schedules. Flexible work schedules are initiated by employees and approved by management to meet business commitments while supporting employee personal life needs

Employee Assistance Programs: Various assistant programs are arranged like external counseling service so that employees or members of their immediate family can get counseling on various matters.

Harassment Policy: To protect an employee from harassments of any kind, guidelines are provided for proper action and also for protecting the aggrieved employee.

Maternity & Adoption Leave – Employees can avail maternity or adoption leaves. Paternity leave policies have also been introduced by various companies.



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Medi - claim Insurance Scheme: This insurance scheme provides adequate insurance coverage of employees for expenses related to hospitalization due to illness, disease or injury or pregnancy.

Employee Referral Scheme: In several companies employee referral scheme is implemented to encourage employees to refer friends and relatives for employment in the organization.

For smooth functioning of an organization, the employer has to ensure safety and security of his employees. Health and safety form an integral part of work environment. A work environment should enhance the well being of employees and thus should be accident free.

In organizations the responsibility of employee health and safety falls on the supervisors or HR manager. An HR manager can help in coordinating safety programs, making employees aware about the health and safety policy of the company, conduct formal safety training, etc. The supervisors and departmental heads are responsible for maintaining safe working conditions. Responsibilities of managers:

- Monitor health and safety of employees
- Coach employees to be safety conscious
- Investigate accidents
- Communicate about safety policy to employees
- Responsibilities of supervisors/departmental heads:
 - Provide technical training regarding prevention of accidents
 - Coordinate health and safety programs
 - Train employees on handling facilities and equipments
 - Develop safety reporting systems
 - Maintaining safe working conditions

WELFARE PROVISIONS ARE PROVIDED BY THESE AGENCIES:-



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1. Central Government
2. State Government
3. Employees
4. Trade Unions
5. Charitable/Social Service Organizations

EMPLOYEE HEALTH & SAFETY

According to joint ILO/WHO Committee, an organizational health, industrial health is:-

1. Promotion & maintenance of physical, mental & social well-being of workers in all occupations.
2. Preventions among workers of ill-health caused by working conditions. (Respiratory diseases due to smoke at work-place)
3. Protection of workers in their employment from risk-resulting from factors adverse to health.
4. Planning & maintenance of the worker in an occupational environment adapted to his physical & psychological equipment.

MEASURES FOR ENSURING INDUSTRIAL HEALTH

1. Safety Committee
2. Safety training
3. Material handling equipments
4. Guarding of machines
5. Maintenance of plant
6. Regular inspection
7. Equipment re-design
8. Proper clothing
9. Clean floors
10. Safety campaign



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EMPLOYEE SOCIAL SECURITY

According to ILO, Social Security is the protection which society provides for members through a series of public measures, against the economic & social distress that otherwise would be caused by the stoppage or substantial reduction of earning resulting from sickness, maternity, employment, injury, unemployment, invalidity, old age & death, the provision of subsidies for families with children.

The following are the ACTS made to ensure SOCIAL SECURITY:-

1. Worker's Compensation Act, 1923
2. The Employee's State Insurance Act, 1948
3. The Employee's Provident Funds & Miscellaneous Provisions Act, 1952
 - i) Provident Fund Scheme
 - ii) Employee's Pension Scheme, 1995
 - iii) Employee's Deposit Linked Insurance Scheme, 1976
4. The Maternity Benefit Act, 1961
5. The Payment of Gratuity Act, 1972

Social security is primarily a social insurance program providing social protection or protection against socially recognized conditions, including poverty, old age, disability, unemployment and others. Social security may refer to:

Social insurance, where people receive benefits or services in recognition of contributions to an insurance program. These services typically include provision for retirement pensions, disability insurance, survivor benefits and unemployment insurance.

Income maintenance, mainly the distribution of cash in the event of interruption of employment, including retirement, disability and unemployment Services provided by administrations responsible for social security. In different countries this may include medical care, aspects of social work and even industrial relations. More rarely, the term is also used to refer to basic security, a term roughly equivalent to access to basic necessities—things such as food, clothing, housing, education, money, and medical care.



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