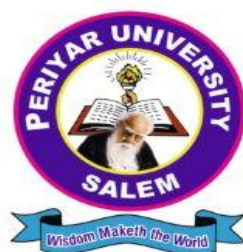# PERIYAR UNIVERSITY

SALEM - 636 011

CENTRE FOR DISTANCE AND ONLINE EDUCATION

(CDOE)

M.A SOCIOLOGY

SEMESTER - I

ELECTIVE – III: HUMAN RESOURCE MANAGEMENT

(Candidates admitted from 2025 onwards)

PERIYAR UNIVERSITY

CENTRE FOR DISTANCE AND ONLINE EDUCATION (CDOE)

M.A Sociology 2025 admission onwards

ELECTIVE - III

Human Resource Management

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UNIT-1

Introduction

Unit Objectives

- Understand the meaning and importance of Human Resource Management (HRM)

- Explain the evolution and scope of HRM

- Describe the nature and objectives of HRM

- Recognize the principles and functions of HRM

- Understand the significance of Hawthorne studies in HR

Human: refer to the skilled workforce in the organisation.

Resource: refer to limited availability or scarce.

Management: refer to maximize or proper utilisation and make best use of limited and a scarce resource.

The success of any organization depends upon how it manages its resources. While several resources are the non–human resource such as land, capital, and equipment, it is the human resource and its management which is at the heart of an organization's success.

Human Resource (HR) refers to all the people who work in an organization called personnel. Human Resource Management refers to the organizational function which includes practices that help the organization to deal effectively with its people during the various phases of the employment cycle. HRM is management function concerned with hiring, motivating, and maintaining people in an organisation. It focuses on people in the organisation.

History of term "HR"

The term "human resources" was first coined in the early 20th century when it began to replace the word "personnel," which had been used to describe the function. The change in terminology reflected a shift in focus from machine-focused manufacturing

to people-focused modern business. Human resource processes have since developed to balance a company's needs and the importance of employee working conditions and benefits.

1.1 Meaning of Human Resources

Organizations are managed by people and through people. Without people, organizations can never exist. Indeed, people who make up the human resources of a company are unique and they can make or break an organization, depending upon their level of commitment, contribution and cooperation. Hence, it is relevant to know the intricacies of the term human resources first, before we discuss HR management (HRM) in detail. Different people have defined human resources differently. Box 1.1 showcases the various definitions of human resources.

1.2 Definitions of Human Resources

Human resources are "a whole consisting of inter-related, inter-dependent and interacting physiological, psychological, sociological and ethical components."

–Michael J. Jucius

"From the national point of view, human resources are knowledge, skills and attitude obtained in the population; while for individual enterprises, they represent the total of the abilities, knowledge and skills of its employees."

–Leon C. Megginson

Features of Human Resources

The distinct features of human resources are:

1. Human resources are the only assets that appreciate over a period while physical resources just depreciate with years.

2. Further, human resources alone can produce an output larger than the input. This is possible due to the creative skills of humans. Creative thinking is the process of predicting, envisioning and then inventing an idea, concept or insight along

innovative and alternative lines. People in the organization are the only basis for such creativity and there is no obvious limit to their imagination.

3. Organizations require human resources of different types to operate all physical resources. Thus, they provide utility value to each one of the physical assets. In fact, the real worth of a physical asset depends on the quality and calibre of the people working with it. An incompetent workforce will spoil the physical resources available to it.

4. There is a growing realization that the flexibility of an organization depends more on people than on any technical factors. Modern equipment may ensure quality and cost competitiveness but the operational flexibility, which is core to product modification and innovation, is provided only by the employees. This is so since humans alone could grasp the situation adequately and respond suitably.

Meaning and Definition of HRM

Human Resource Management (HRM) is a relatively new approach to managing people in any organisation. People are considered the key resource in this approach. it is concerned with the people dimension in management of an organisation. Since an organisation is a body of people, their acquisition, development of skills, motivation for higher levels of attainments, as well as ensuring maintenance of their level of commitment are all significant activities. These activities fall in the domain of HRM. Human Resource Management is a process, which consists of four main activities, namely, acquisition, development, motivation, as well as maintenance of human resources.

According to **Edwin B. Flippo**, "Human resource management is the planning, organizing, directing, and controlling of the procurement, development, compensation, integration, maintenance and separation of human resources to the end that individual, organizational and societal objectives are accomplished."

According to **Tead and Metcaff,** "Human resource management is the planning, supervision, direction and co-ordination of those activities of an organization which

contribute to realizing the definite purpose of that organization, with an animating spirit of co-operation and with a proper regard for the well-being of all the members of the organization."

French Wendell, defines — "Human resource management as the recruitment, selection, development, utilisation, compensation and motivation of human resources by the organisation"

1.3 Nature of HRM

The nature of the human resource management has been highlighted in its following features:

1. Inherent Part of Management: Human resource management is inherent in the process of management. This function is performed by all the managers throughout the organisation rather that by the personnel department only. If a manager is to get the best of his people, he must undertake the basic responsibility of selecting people who will work under him.

2. Pervasive Function: Human Resource Management is a pervasive function of management. It is performed by all managers at various levels in the organisation. It is not a responsibility that a manager can leave completely to someone else. However, he may secure advice and help in managing people from experts who have special competence in personnel management and industrial relations.

3. Basic to all Functional Areas: Human Resource Management permeates all the functional area of management such as production management, financial management, and marketing management. That is every manager from top to bottom, working in any department has to perform the personnel functions.

4. People Centered: Human Resource Management is people centered and is relevant in all types of organisations. It is concerned with all categories of personnel from top to the bottom of the organisation. The broad classification of personnel in an industrial enterprise may be as follows: (i) Blue-collar workers (i.e. those working on machines and engaged in loading, unloading etc.) and white-collar workers (i.e. clerical employees), (ii) Managerial and non-managerial personnel, (iii) Professionals

(such as Chartered Accountant, Company Secretary, Lawyer, etc.) and nonprofessional personnel.

5. Personnel Activities or Functions: Human Resource Management involves several functions concerned with the management of people at work. It includes manpower planning, employment, placement, training, appraisal and compensation of employees. For the performance of these activities efficiently, a separate department known as Personnel Department is created in most of the organisations.

6. Continuous Process: Human Resource Management is not a one shot'function. It must be performed continuously if the organizational objectives are to be achieved smoothly.

7. Based on Human Relations: Human Resource Management is concerned with the motivation of human resources in the organisation. The human beings can't be dealt with like physical factors of production. Every person has different needs, perceptions and expectations. The managers should give due attention to these factors. They require human relations skills to deal with the people at work. Human relations skills are also required in training performance appraisal, transfer and promotion of subordinates.

1.4 Scope of HRM

Human resource management embraces a very wide field of activities. The scope of HRM is so wide and varied that the HR department and the personnel executives typically perform a variety of roles in accordance with the needs of a situation. The HR manager plays multiple roles like that of a researcher, counsellor, bargainer, mediator, peacemaker, problem solver, etc. The functional areas of HRM as outlined by Northcott are as follows:

☐ Employment

☐ Selection and Training

☐ Employee Services

☐ Wages

 Industrial Relations

 Health and Safety

 Education

It has, therefore, been rightly observed by Peter Drucker that 'Management is a multipurpose organ, which has three jobs, two of which are directly related to personnel: managing a business; managing managers; and managing workers and the work'. The personnel executives play an important role in a business organization.They not only help in determining the rules of the organization, but also play a powerful role in interpreting and applying the rules of the system itself. They are expected to enjoy the confidence of the management which is crucial to the efficient and effective operation of the business organization. The focus of human resource management is on people at work. It is indeed a wide area and covers a broad spectrum of activities. A manager, whether he is in charge of production or marketing function, deals with human beings and gets his job done through people.

In the recent past, increasing attention has been paid to the importance of HRM in determining a firm's competitive advantage. Randall Schuler has identified the factors that have caused businesses to focus increased attendance on HRM.

These factors were as follows:

- ➢ Rapid change
- ➢ High levels of uncertainty about basic business conditions
- ➢ Raising costs
- ➢ Rapid technological changes
- ➢ Changing demographics
- ➢ More limited supplies of highly trained labour
- ➢ Rapidly changing government legislation and regulations
- ➢ Increased globalization of industries

These changes in business environment present a number of competitive challenges that are quite different from those faced by firms in earlier times. There exists a substantial and growing body of research evidence showing a strong connection

between how firms manage their people and the economic results they achieve. The adaptation of high-performance work practice can have an economically significant effect on a firm. High-performance work practices provide a number of important sources of enhanced organizational performance. People work harder because of the increased involvement and commitment that comes from having more control in their work. They work smarter because they are encouraged to build skills and competence. HR systems have important, practical impacts on the survival and financial performance of the firms and on the productivity and quality of work life of the people in them.

1.5 Objectives of HRM

The primary objective of HRM is to ensure the availability of competent and willing workforce to an organization. The specific objectives include the following:

1) Human capital: assisting the organization in obtaining the right number and types of employees to fulfill its strategic and operational goals

2) Developing organizational climate: helping to create a climate in which employees are encouraged to develop and utilize their skills to the fullest and to employ the skills and abilities of the workforce efficiently

3) Helping to maintain performance standards and increase productivity through effective job design; providing adequate orientation, training and development; providing performance-related feedback; and ensuring effective two-way communication.

4) Helping to establish and maintain a harmonious employer/employee relationship

5) Helping to create and maintain a safe and healthy work environment

6) Developing programs to meet the economic, psychological, and social needs of the employees and helping the organization to retain the productive employees

7) Ensuring that the organization is in compliance with provincial/territorial and federal laws affecting the workplace (such as human rights, employment equity,

occupational health and safety, employment standards, and labour relations legislation). To help the organization to reach its goals

8) To provide organization with well-trained and well-motivated employees

9) To increase the employees satisfaction and self-actualization

10) To develop and maintain the quality of work life

11) To communicate HR policies to all employees.

12) To help maintain ethical polices and behavior.

The above stated HRM objectives can be summarized under four specific objectives: societal, organizational, and functional and personnel.

1) Societal Objectives: seek to ensure that the organization becomes socially responsible to the needs and challenges of the society while minimizing the negative impact of such demands upon the organization. The failure of the organizations to use their resources for the society's benefit in ethical ways may lead to restriction.

2) Organizational Objectives: it recognizes the role of HRM in bringing about organizational effectiveness. It makes sure that HRM is not a standalone department, but rather a means to assist the organization with its primary objectives. The HR department exists to serve the rest of the organization.

3) Functional Objectives: is to maintain the department's contribution at a level appropriate to the organization's needs. Human resources are to be adjusted to suit the organization's demands. The department's value should not become too expensive at the cost of the organization it serves.

4) Personnel Objectives: it is to assist employees in achieving their personal goals, at least as far as these goals enhance the individual's contribution to the organization. Personal objectives of employees must be met if they are to be maintained, retained and motivated. Otherwise employee performance and satisfaction may decline giving rise to employee turnover.

1.6 Principles of HRM

The seven basic principles of HRM

These cornerstones are:

- Recruitment and selection
- Performance management
- Learning and development
- Succession planning
- Compensation and benefits
- Human resources information systems
- HR data and analysis

Recruitment and selection

Recruitment and selection are probably the most visible elements of HR. We all remember our first interview, don't we?

Recruiting candidates and selecting the best ones to come and work in the company is a key HR responsibility. People are the lifeblood of the organisation and finding the best candidates is an essential task.

The request for new hires usually starts when a new position is created or an existing position becomes available. The line manager then sends the job description to HR and HR starts recruiting candidates. In this process, HR can use different selection tools to find the best person to do the job. These include interviews, different assessments, reference checks and other recruitment methods.

Sometimes, when there are a lot of applicants, HR may deploy screening tools. These tools separate the wheat from the chaff when it comes to suitable candidates. Successful candidates then move on to the next stage, where they are interviewed and further assessed.

Performance management

Once employees are on board, performance management becomes important. Performance management is the second pillar of HR. It is about helping people to perform at their best at work, in order to improve the company's results.

In general, employees have a defined set of responsibilities that they have to take care of. Performance management is a structure that allows employees to get feedback on their performance - to achieve their best performance.

Examples include formal one-to-one performance reviews, 360-degree feedback instruments that also take into account the evaluation of peers, customers and other relationships, and more informal feedback.

Companies typically work with an annual performance management cycle, which involves planning, monitoring, reviewing and rewarding employee performance. The result of this process is that employees are categorised as high and low performers, and as high and low potential.

Successful performance management is largely a shared responsibility between HR and management, where the line manager is usually the leader and HR supports him/her. Good performance management is crucial. Employees who are empowered to reach their full potential improve the efficiency, sustainability and profit margin of a company. Employees who consistently underperform may not fit their role or the culture of the company. It may be necessary to dismiss them.

Learning and development

People are the product of their life experiences, the country and time in which they grew up, and a range of cultural influences. Within HR, learning and development ensures that employees adapt to changes in processes, technology and societal or legal developments.

Learning and development helps employees to retrain and improve their skills. Learning and development (L&D) is driven by HR and good policies can be very helpful in moving the organisation towards its long-term goals.

Many organisations have a pre-defined budget for training and development efforts. This budget is then allocated to employees, with trainees, future leaders and other high potentials often receiving more training opportunities than others. Individuals may come to a company with very different knowledge and experience. L&D offers employees a way to bridge the skills gap and become leaders. A well-known

framework that links performance management to L&D activities is the 9-box grid. Based on the assessments of people's performance and potential, the HR department and managers can advise different development plans.

Succession planning

Succession planning is the process of making contingency plans for the departure of key employees from the company. If, for example, a key senior manager leaves, having a replacement ready will ensure continuity and can result in significant savings for the company.

Succession planning is often based on performance evaluations and continuous training efforts. This results in the creation of a talent pool. This is a pool of qualified candidates who are ready to take up (senior) positions in the event of someone's departure. Building and maintaining this pool is essential for good human resource management.

Compensation and benefits

Another fundamental element of HR is pay and benefits. Fair compensation is essential to motivate and retain employees. One of the fundamental principles of HR management in relation to compensation is to ensure equity and fairness.

Making an appropriate salary offer is a key element in attracting the best talent. This offer should be balanced with the company's budget and profit margins. HR should monitor salary increases and establish merit standards. HR may also conduct a salary audit from time to time.

Compensation includes primary and secondary compensation. Primary pay involves the direct payment of money in exchange for work, which is often a monthly salary and sometimes performance-based pay.

Secondary benefits are any non-monetary rewards. These can include extra holidays, flexible working hours, childcare, pensions, a company car and laptop, and much more.

The aim here is to reward people in a way that motivates them.

Human resource information system

The last two fundamental HR elements are not HR practices, but tools for improving HR. The   first is the human resources information system, or HRIS. An HRIS supports all of the cornerstones discussed above. For example, for recruitment and selection, HR professionals often use an applicant tracking system, or ATS, to track applicants and hires.

For performance management, a performance management system is used to track individual objectives and implement performance reviews.

In the area of training and development, a learning management system (LMS) is used for internal content distribution, and other HR systems are used to track training budgets and approvals.

Payroll specialists often use a payroll system, and there are also digital tools that enable effective succession planning.

All of this functionality can often be achieved in one system - the HRIS. Sometimes, however, the management of these functionalities is split between different HR systems.

The bottom line is that there is a strong digital element to HR work, which is why HRIS is the last element to be considered when talking about the basics of HR.

HR data and analytics

The last of the HR fundamentals revolves around data and analytics. Over the past fifty years, HR has taken a big step forward in becoming more data-driven.

The HR information systems we have just discussed are essentially data capture systems. The data in these systems can be used to make better and more informed decisions.

An easy way to track critical data is through the use of HR indicators or HR KPIs. These are specific measures that address the situation of a company in relation to a given measure. This is called HR reporting.

This reporting focuses on the current and past state of the organisation. Through HR analytics, HR can also make predictions. For example, workforce needs, turnover intentions, the impact of the candidate (recruitment) experience on customer satisfaction, and many more.

By actively measuring and reviewing this data, HR can make more data-driven decisions. These decisions are often more objective, which makes it easier to find management support for these decisions.

1.7 Functions of Human Resource Management

The main functions of human resource management are classified into two categories:

(a) Managerial Functions and (b) Operative Functions

(a) Managerial Functions

Following are the managerial functions of Human Resources Management.

1. Planning: The planning function of human resource department pertains to the steps taken in determining in advance personnel requirements, personnel programmes, policies etc. After determining how many and what type of people are required, a personnel manager has to devise ways and means to motivate them.

2. Organizing: Under organisation, the human resource manager has to organize the operative functions by designing structure of relationship among jobs, personnel and physical factors in such a way so as to have maximum contribution towards organisational objectives. In this way a personnel manager performs following functions:

(a) Preparation of task force;

(b) Allocation of work to individuals;

(c) Integration of the efforts of the task force;

(d) Coordination of work of individual with that of the department.

3. Directing: Directing is concerned with initiation of organized action and stimulating the people to work. The personnel manager directs the activities of people of the organisation to get its function performed properly. A personnel manager guides and motivates the staff of the organisation to follow the path laid down in advance.

4. Controlling: It provides basic data for establishing standards, makes job analysis and performance appraisal, etc. All these techniques assist in effective control of the qualities, time and efforts of workers.

(b) Operative Functions: The following are the Operative Functions of Human Resource Management

1. Procurement of Personnel: It is concerned with the obtaining of the proper kind and number of personnel necessary to accomplish organisation goals. It deals specifically with such subjects as the determination of manpower requirements, their recruitment, selecting, placement and orientation, etc.

2. Development of Personnel: Development has to do with the increase through training, skill that is necessary for proper job performance. In this process various techniques of training are used to develop the employees. Framing a sound promotion policy, determination of the basis of promotion and making performance appraisal are the elements of personnel development function.

3. Compensation to Personnel: Compensation means determination of adequate and equitable remuneration of personnel for their contribution to organisation objectives. To determine the monetary compensation for various jobs is one of the most difficult and important function of the personnel management. A number of decisions are taken into the function, viz., job-evaluation, remuneration, policy, inventive and premium plans, bonus policy and co-partnership, etc. It also assists the organisation for adopting the suitable wages and salaries, policy and payment of wages and salaries in right time.

4. Maintaining Good Industrial Relation: Human Resource Management covers a wide field. It is intended to reduce strifies, promote industrial peace, provide fair deal to workers and establish industrial democracy. It the personnel manager is unable to make harmonious relations between management and labour industrial unrest will

take place and millions of man-days will be lost. If labour management relations are not good the moral and physical condition of the employee will suffer, and it will be a loss to an organisation vis-a-visa nation. Hence, the personnel manager must create harmonious relations with the help of sufficient communication system and co-partnership.

5. Record Keeping: In record-keeping the personnel manager collects and maintains information concerned with the staff of the organisation. It is essential for every organisation because it assists the management in decision making such as in promotions.

6. Personnel Planning and Evaluation: Under this system different type of activities are evaluated such as evaluation of performance, personnel policy of an organisation and its practices, personnel audit, morale, survey and performance appraisal, etc.

1.8 Hawthorne studies

The Hawthorne tests were pivotal examinations in human relations that were conducted in the vicinity of 1924 and 1932 at Western Electric Company's Hawthorne Works in Chicago. The factory employed mainly women workers who assembled telephone cabling equipment. The study aimed to establish the impact of different conditions of work on employee productivity. Initially, Mayo examined the effect of changes in the factory environment such as lighting and humidity. He then went on to study the effect of changes in employment arrangements such as breaks, hours, and managerial leadership. Not only were the Hawthorne experiments the first large-scale studies of working people's conditions ever made; they also produced a range of remarkable results that changed the face of people management.

Some of the major phases of Hawthorne experiments are as follows:

1. Illumination Experiments (1924-27).

2. Relay Assembly Test Room Experiments (1927-28).

3. Mass Interviewing Program (1928-30).

4. Bank Wiring Observation Room Experiment (1931-32).

Characteristics of Hawthorne studies

The following were the main characteristics drawn by Prof. Mayo by Hawthorne studies:

1. Social Unit:

A factory is not only a techno-economic unit but also a social unit. Men are social beings. This social characteristic at work plays a major role in motivating people. The output increased in Relay Room due to the effective functioning of a social group with a warm relationship with its supervisors.

2. Group Influence:

The workers in a group develop a common psychological bond uniting them as the panel in the form of informal organization. Their behaviour is influenced by these groups. The pressure of a group, rather than management demands, frequently has the strongest influence on how productive workers would be.

3. Group Behavior:

Management must understand that a typical group behaviour can dominate or even supersede individual propensities.

4. Motivation:

Human and social motivation can play even a greater role than little monitory incentives in moving or motivating and managing employee group.

5. Supervision:

The style of control affects worker's attitude to work and his productivity. A supervisor who is friendly with his employees and takes an interest in their social problems can get co-operation and better results from the subordinates.

6. Working Conditions:

Productivity increases as a result of improved working conditions in the organization.

7. Employee Morale:

Mayo pointed out that workers were not simply cogs, in the machinery. Instead, the employee morale (both individual and in groups) can have profound effects on productivity.

8. Communication:

Experiments have shown that the output increases when workers have explained the logic behind various decisions and their participation in decision-making brings better results.

9. Balanced Approach:

The problems of employees could not be solved by taking one factor, i.e. management could not achieve the results by emphasizing one aspect. All the things should be discussed, and a decision is made for improving the whole situation. A balanced approach to the whole situation can show better results.

Criticism of Hawthorne Studies / Experiments

The Hawthorne Experiments are mainly criticized on the following grounds:-

1. Lacks Validity: The Hawthorne experiments were conducted under controlled situations. These findings will not work in the real setting. The workers under observation knew about the tests. Therefore, they may have improved their performance only for the experiments.

2. More Importance to Human Aspects: The Hawthorne experiments give too much importance to human aspects. Human aspects alone cannot improve productivity. The production also depends on technological and other factors.

3. More Emphasis on Group Decision-making: The Hawthorne experiments placed too much emphasis on group decision-making. In a real situation, an individual decision cannot be neglected especially when quick decisions are required, and there is no time to consult others.

4. Over Importance to Freedom of Workers: The Hawthorne experiments give a lot of relevance to freedom of the workers. It does not give importance to the constructive role of the supervisors. In reality, too much of freedom to the workers can lower down their performance or productivity.

1.9 Functions of HRM in industrial organization

The functions of Human Resource Management (HRM) within an industrial organization are multifaceted and crucial for organizational success. These functions can be broadly categorized to ensure the effective management of the workforce, aligning individual and organizational goals (Flippo, 1984). Here are some key functions with relevant citations:

1. Human Resource Planning: This involves anticipating the organization's future personnel needs and developing strategies to meet those needs. It includes forecasting labor demand and supply, analyzing the current workforce, and creating plans for recruitment, training, and development (Dessler, 2008).

2. Recruitment and Selection: This function focuses on attracting a pool of qualified candidates and choosing the individuals best suited for the organization's roles. It encompasses job analysis, advertising vacancies, screening applications, conducting interviews, and making hiring decisions (Cascio, 2019).

3. Training and Development: HRM is responsible for equipping employees with the necessary skills, knowledge, and competencies to perform their jobs effectively and to enhance their potential for future roles. This includes conducting training needs assessments, designing and delivering training programs, and evaluating their effectiveness (Werner & DeSimone, 2011).

4. Performance Management: This involves establishing performance standards, evaluating employee performance, providing feedback, and implementing strategies for improvement. It aims to ensure that employees are contributing effectively to organizational goals (Aguinis, 2019).

5. Compensation and Benefits: This function entails designing and administering fair and competitive compensation and benefits packages to attract, retain, and motivate employees. It includes wage and salary administration, incentives, and various employee benefits such as health insurance and retirement plans (Martocchio, 2020).

6. Employee Relations: HRM plays a vital role in fostering positive relationships between the organization and its employees. This includes managing communication, addressing grievances, promoting employee engagement, and ensuring compliance with labor laws and regulations (Stone, 2017). In industrial organizations, this also involves managing relationships with trade unions and collective bargaining processes.

7. Health and Safety: Ensuring a safe and healthy work environment is a critical function of HRM. This includes developing and implementing safety policies,

conducting risk assessments, providing safety training, and ensuring compliance with occupational health and safety standards (Sims, 2002).

8. Maintaining Employee Records: HRM is responsible for creating and maintaining accurate and up-to-date records on all employees, including personal information, employment history, training, performance evaluations, and compensation details. This is essential for legal compliance and effective HR management (Torrington et al., 2014)

LET US SUM UP

Human resources refer to the people who form the workforce of an organization.The main role of human resource management is to recruit, develop, motivate, and retain a competent and committed. workforce.Human resources are unique in their ability to appreciate in value and contribute creatively to organizational goals.The scope of human resource management is vast, encompassing employment, training, health and safety, education, industrial relations, and more.The main objective of human resource management is to maximize the utilization of human resources to achieve both organizational and societal goals.Successful human resource practices result in improved productivity, motivation, loyalty, and competitiveness.

CHECK YOUR PROGRESS

1. Define human resources in your own words.
   _____

2. Why is human resources called the most valuable asset of a business?
   _____

3. List 3 main roles of human resource management.
   _____

4. Explain in brief the people-centric nature of human resource management.
   _____

5. What are the main cornerstones of human resource management?
   _____

6. Why is performance management an important function of human resources?
   _____

7. How does succession planning help organizations to be prepared for future vacancies?

_____

UNIT SUMMARY:

➢ The meaning and definition of human resources and human resource management (HRM).

➢ The features of human resources, emphasizing their unique and appreciating nature.

➢ The scope and roles of human resource management, which comprises employment, training, health, education, industrial peace, etc.

➢ The objectives of human resource management, classified into societal, organizational, functional, and personal.

➢ The pervasive and people-centric character of human resources underscores its importance in all aspects of organizational operations.

➢ Human Resource Management is a crucial department in organizations. It comprises recruitment and selection, performance management, training and development, succession planning, compensation and benefits, HRIS, and HR data and analytics.

➢ The main functions of HRM — both managerial and operative — aim to maximize human potential to help organizations achieve their goals.

➢ The Hawthorne studies underscore the significance of interpersonal relationships, motivation, supervision, and communication in the workplace.

SELF-ASSESSMENT QUESTIONS

1. What do you mean by human resources and human resource management? Explain in your own words.

2. Describe the main features of human resources. Why are human resources different from physical resources in an organization?

3. Explain the roles and responsibilities of a human resource manager in an organization.

4. How does human resource management contribute to the success of an organization? Provide two examples.

5. Evaluate the main learnings from Hawthorne studies and their implications for today's organizations.

6. Why is training and development important in developing employees' skills and knowledge?

7. Explain the role of compensation and benefits in motivating employees.

8. What are the main functions of human resource management in an industrial organization?

9. Discuss the significance of communication and supervision in improving workplace productivity.

ACTIVITY

➤ Prepare a chart depicting the main roles and functions of human resource management.

➤ Prepare flashcards with key terms (such as human resources, HRM, societal objective, functional objective, etc.).

➤ Discuss in small groups: "How human resources contribute more than machines to the success of a business."

➤ Develop a short role-play to show the responsibilities of an HR manager in an organization.

➤ Prepare a chart depicting the 7 cornerstones of Human Resources Management.

➤ Develop a short role-play (in groups) to show the recruitment and selection process in a company.

➤ Prepare a short presentation on Hawthorne studies and their main findings.

➤ Prepare a case study where you describe a workplace scenario and identify which cornerstones of HRM are applicable.

ANSWER FOR CHECK YOUR PROGRESS

1. **Define human resources in your own words.**

   Human resources are the people who make up the workforce of an organization — the employees, workers, supervisors, and managers — who collectively contribute their knowledge, skills, and effort to achieve the goals of the organization.

2. **Why is human resources called the most valuable asset of a business?**

   Human resources are called the most valuable asset because they appreciate in value over time, bring creativity and adaptability, and directly influence productivity and competitiveness. Without motivated and skilled people, physical resources like machinery or land remain under-utilized.

3. **List 3 main roles of human resource management.**
   - Acquisition   (recruiting   and   selecting   employees) Development (training and developing skills)
   - Maintenance (keeping employees motivated, fairly treated, and healthy).

4. **Explain in brief the people-centric nature of human resource management.**

   Answer: Human resource management focuses on people — their needs, goals, skills, motivation, and well-being. It aims to maximize their potential and satisfaction while aligning their roles with the goals of the organization.

5. **What are the main cornerstones of human resource management?**
   - Recruitment and Selection
   - Performance Management
   - Learning and Development
   - Succession Planning
   - Compensation and Benefits
   - Human Resources Information System (HRIS)
   - HR Data and Analytics

6. **Why is performance management an important function of human resources?**

    Performance management is important because it guides employees toward achieving their goals, provides feedback, identifies training needs, and helps align individual goals with organizational goals.

7. **How does succession planning help organizations to be prepared for future vacancies?**

    Succession planning prepares organizations for future vacancies by developing a pool of potential internal candidates who are ready to step up into key roles when necessary.

GLOSSARY

Recruitment: The process of identifying, attracting, and selecting suitable candidates for a job.

Selection: The process of choosing the most appropriate candidate from a pool of applicants.

Performance Management: Continuous process of evaluating and improving employees' performance to align with organizational goals.

Learning and Development (L&D): Activities designed to improve employees' knowledge, skills, and competencies.

Succession Planning: The process of identifying and developing future leaders to fill key roles in the organization.

Compensation: The pay, incentives, and benefits an employee receives in return for their service.

Unit-2

Human Resource Policies, Planning and Job Analysis

After studying this unit, the learner will be able to:

Human Resource Policies:

- Understand the concept of Human Resource Policies.

- Principles and importance of HR policies in an organization.

- Types and characteristics of effective HR policies.

- Process of policy formulation and implementation.

- HR policies ensure consistency, fairness, and compliance with laws.

Human Resource Planning:

- Understand the concept and scope of Human Resource Planning (HRP).

- Objectives and significance of HRP in workforce management.

- Steps involved in the HRP process.

- Methods used for forecasting human resource requirements

- Relationship between HRP and organizational strategy**.**

Job analysis:

- Job analysis and its purpose in HRM.

- Understand the components: job description and job specification.

- Methods of collecting job-related information.

- Job analysis supports recruitment, selection, and performance appraisal.

- Apply job analysis in designing effective organizational roles.

2.1. Meaning of HR Policies

Policies are the universal statements that direct the flow of thoughts and actions while making decisions. They are also called plans of action. HR policies are the group of organizational processes that establish and maintain employment relations. The approaches adopted by the organization to handle critical features of HRM and provide ongoing instruction on applying these approaches are set out by HR policies. The values and philosophies of the organization, which advocate for the

appropriate method of treating individuals, are identified through HR policies. These policies are the foundation for the principles guiding managers in addressing HR issues.

2.2. Definition of HR Policies

Brewster and Ricbell state, "HR policies are a set of proposals and actions that act as a reference point for managers in their dealings with employees".

According to James B. Bambrick, "Policies are statements of the organisation's overall purposes and its objectives in the various areas with which its operations are concerned personnel, finance, production, marketing and so on".

Dale Yoder states, "A policy is a predetermined and accepted course of thought and action that is defined and established as a guide towards accepted goals and objectives".

According to Armstrong, "Personnel policies provide guidelines for a variety of employment relationships and identify the organisation's intentions in recruitment, selection, development, promotion, compensation, motivation, and integration of human resources".

Objectives of HR Policies

1. Forecasting Workforce Needs: One of the primary objectives of HRP is to forecast the organization's future workforce requirements. This involves analyzing factors such as market trends, business growth projections, technological advancements, and changes in the external environment to determine the number and types of employees needed to achieve organizational goals.

2. Ensuring Adequate Staffing: HRP aims to ensure that the organization has a sufficient number of employees with the required skills and competencies to meet current and future needs. By identifying staffing gaps and developing appropriate recruitment and selection strategies, HRP helps organizations avoid understaffing or overstaffing situations that can impact productivity and performance.

3. Talent Acquisition and Retention: Another objective of HRP is to attract and retain high-quality talent. It involves identifying the skills and competencies needed for various positions, developing effective recruitment strategies, and implementing retention programs to engage and motivate employees. HRP helps organizations

build a talent pipeline and reduce turnover by ensuring that the right people are in the right roles.

4. Succession Planning: Succession planning is an integral part of HRP and involves identifying and developing employees with the potential to fill key leadership positions in the future. By identifying high-potential employees and providing them with training and development opportunities, organizations can ensure a smooth transition of leadership and minimize disruptions caused by vacancies in critical positions.

5. Skills Development and Training: HRP focuses on identifying the skills and competencies required to achieve organizational goals. It involves conducting a gap analysis to identify areas where skills and knowledge are lacking and developing training and development programs to address those gaps. HRP ensures that employees have the necessary skills to perform their jobs effectively and adapt to changing job requirements.

6. Employee Engagement and Motivation: HRP aims to create a positive work environment that fosters employee engagement and motivation. By aligning HR practices with organizational goals and values, HRP helps create a culture of performance, recognition, and employee development. Engaged and motivated employees are more likely to contribute to organizational success and remain committed to the organization.

7. Diversity and Inclusion: HRP recognizes the importance of diversity and inclusion in the workforce. It aims to create a diverse and inclusive workplace that values and leverages the contributions of employees from different backgrounds, cultures, and perspectives. HRP strategies promote equal employment opportunities, fair treatment, and diversity initiatives that enhance organizational performance and innovation.

8. Cost Optimization: HRP helps organizations optimize costs associated with human resources. By aligning workforce needs with business goals, organizations can avoid unnecessary expenses related to overstaffing or hiring external resources. HRP also enables effective workforce utilization, ensuring that employees are deployed efficiently and that their skills are maximized.

9. Legal and Ethical Compliance: HRP ensures that organizations comply with legal and ethical requirements related to human resource management. This

includes adhering to labor laws, employment regulations, and diversity and inclusion guidelines. By incorporating legal and ethical considerations into HR practices, HRP helps organizations maintain a positive employer brand and mitigate legal and reputational risks.

10. Organizational Development: HRP contributes to organizational development by aligning HR strategies with overall business strategies. It helps organizations identify areas for improvement, enhance workforce capabilities, and develop a talent pool that can support future growth and adapt to changing market conditions.

2.3. Content of Human Resource Policy

The content of human resource policy consists of

1. Introduction

Purpose of the HR Policy

Describes the aim of the document—to set expectations, ensure fairness, and provide a framework for managing employees effectively.

Vision, Mission & Core Values

Links HR practices to the organization's overall philosophy and goals, ensuring alignment with company culture.

Scope & Applicability

Defines to whom the policy applies (e.g., all full-time employees, contractors, interns).

Definitions

Clarifies frequently used terms (e.g., "employee", "management", "probation", etc.).

2. Employment Policies

Recruitment & Selection

Outlines the hiring process, approval requirements, and commitment to diversity and inclusion.

Employment Types

Defines roles like:

- Full-time
- Part-time
- Temporary/Seasonal

- Consultants/Contractors

Probation Period

Typical duration (e.g., 3 or 6 months), performance evaluations, and conditions for confirmation or termination.

Background Verification

Standards and procedures for verifying credentials, previous employment, criminal history (if applicable).

Equal Employment Opportunity (EEO)

A commitment to providing equal opportunities regardless of race, gender, religion, disability, etc.

Job Descriptions

Each role's responsibilities, reporting lines, and required qualifications.

3. Code of Conduct

Professionalism

Expected behavior in the workplace—respect, collaboration, punctuality.

Anti-Harassment & Discrimination

Zero tolerance policies, how to report incidents, investigation protocols.

Confidentiality

Obligation to protect company data, intellectual property, and client information.

Conflict of Interest

Guidelines on declaring personal interests that may interfere with professional judgment.

Dress Code

Formal, business casual, or uniform standards depending on industry norms.

Substance Abuse

Policy on drugs, alcohol, and testing (if required, e.g., in manufacturing or transportation).

4. Work Hours, Attendance, and Leave

Work Hours

Standard working hours, flexible options, overtime policy.

Attendance

Expectations and systems (biometric, app-based clock-ins), and consequences for chronic lateness.

Remote Work Policy

Rules for working from home or hybrid setups, including availability and equipment usage.

Leave Policies:

Annual Leave: Accrual and application process.

Sick Leave: Documentation, short/long-term illness.

Maternity/Paternity Leave: Duration and benefits in accordance with labor laws.

Casual/Personal Leave: Usage flexibility.

Compensatory Offs: For working on holidays or weekends.

Unpaid Leave: Application and approval process.

5. Compensation & Benefits

Salary Structure

Pay bands, salary increments, and review cycles.

Incentives & Bonuses

Performance-linked bonuses, referral bonuses, and retention incentives.

Employee Benefits

Medical insurance, dental/vision, retirement/pension contributions, wellness programs.

Reimbursement Policy

Expense reporting guidelines, limits on meals, travel, accommodations, etc.

Payroll Schedule

Monthly/bi-weekly pay cycles, payslip access, tax deductions.

6. Performance Management

Performance Reviews

Frequency (e.g., quarterly, annual), process (self-review, peer, manager feedback).

Goal Setting

KPIs, OKRs, or SMART goals aligned with business targets.

Promotions & Transfers

Internal job postings, promotion criteria, and relocation rules.

Learning & Development

Training programs, upskilling, online courses, and certification sponsorship.

7. Health, Safety & Security

Workplace Safety: Preventive measures, ergonomics, safety gear, accident reporting procedures.

Emergency Procedures**:** Evacuation plans, fire drills, emergency contacts.

Security Protocols: ID cards, visitor logs, CCTV, cybersecurity practices.

8. IT & Data Policy

Use of Technology

Acceptable use of internet, email, and software.

Device & Network Security

Guidelines for password use, VPNs, data encryption.

Bring Your Own Device (BYOD)

Policy on personal laptops/phones for work.

Social Media Use

Rules on posting company-related content and representing the brand online.

9. Disciplinary Actions

Grounds for Disciplinary Action

Fraud, insubordination, harassment, repeated misconduct, etc.

Procedure

Steps: Verbal Warning → Written Warning → Suspension → Termination.

Appeals

Right to appeal decisions, process for review.

Grievance Redressal

Whistleblower protections and how employees can lodge formal complaints.

10. Separation & Exit

Resignation

Notice period, handover procedure, and final working date.

Termination

With cause, without cause, or redundancy.

Exit Interviews

Feedback collection, process insights, voluntary exit surveys.

Clearance Process

Asset return, dues settlement, and final pay.

11. Policy Review & Amendments

Review Cycle

E.g., annually reviewed by HR in collaboration with management and legal.

Amendments

How changes will be made, approved, and communicated.

Employee Acknowledgment

Sign-off from employees that they've read and understood the policy.

2.4. Principles of human resource policy

Human resource (HR) policies are based on principles that guide how employees are treated and managed. These principles include:

Fairness: Employees should be treated equally, regardless of factors like gender, race, or religion.

Dignity: Employees should feel valued and appreciated, regardless of their job role.

Communication: Employees should have clear communication from management, and HR should promote teamwork.

Rewards: Employees should be rewarded for their performance.

Development: Employees should have opportunities for growth and development.

Participation: Employees should feel like they have a voice in the organization.

Succession planning: Companies should have plans in place to replace key employees when they leave.

Necessities of HR policies

HR policy is necessity in the following ways

Employee punctuality and attendance policy

Attendance policies clearly state the expectation that employees should be on time and ready to work for their scheduled shifts. It also outlines the procedures for informing management of late arrivals or unexpected absences. Companies often detail how many violations of this policy an employee can have until they can expect discipline.

Health and safety policy

The Occupational Safety and Health Act requires employers with certain workplace hazards to have specific safety regulations in place. Aside from these legal requirements, it's a good idea to include emergency and safety procedures in your employee handbook. You might also detail the steps that employees must take if a

workplace injury occurs and mention the expectation that all work-related accidents be reported.

Pay and timekeeping policy

A timekeeping policy goes over the importance of accurately tracking work hours and the proper procedures for recording them. You can also include a payday policy that informs employees about important details regarding their compensation, such as the:

- Proper protocol for when a payday occurs on a holiday
- Pay methods
- Frequency of paydays

Meal and break policy

According to local, state and federal laws, organizations must provide employees with breaks for meals, rest and lactation. Establishing a policy for these needs allows you to state the restrictions and rules regarding these break periods, including the duration and frequency. For example, companies may require employees to take an hour lunch break daily.

Leave and time off work policy

Local and state laws have specific requirements for leave that you must include in your organization's employee handbook, such as voting leave. You might also review the organization's policies regarding employee time off benefits. There are many different types of leave policies, including:

- Leave of absence
- Bereavement leave
- Parental leave
- Family leave
- Sick leave
- Vacation
- Statutory holidays

Employment classifications policy

There are several classifications for employees that can influence their eligibility for employee benefits. For example, part-time employees are often ineligible for

healthcare benefits through their employer. You can clearly define these classifications in your employee handbook for every employee type.

Non-discrimination and anti-harassment policy

You can ensure that your workplace remains safe for all employees by establishing policies that clearly prohibit discrimination and harassment. Consider checking the local, state and federal regulations so that you can appropriately and comprehensively address this policy. This helps protect employees from any issues that may arise from other employees.

At-will employment policy

An at-will employment policy reiterates that the employee or organization can dissolve their working relationship for any lawful reason and at any time. Most states recognize at-will employment, and organizations typically consider it an essential policy. Because of this, you can place this statement at the beginning of the employee handbook and again on the handbook's acknowledgment form.

Social media policy

Many organizations have begun including a social media policy in employee handbooks so that they can protect the company's online reputation. You can detail the topics or information that employees are unable to post about on social media and describe the disciplinary action taken if they violate one of these rules. This ensures employees represent the company in a way that matches the company's mission.

Telecommuting policy

The development of technology has enabled many employees to work remotely instead of in a main office. Explain your organization's stance on remote work, then list the policies for telecommuting. These can include things like:

- Positions that are eligible for working remotely
- Any limitations for remote roles
- How you monitor remote employees
- Pay and time policies
- The organization's right to terminate telecommuting at any time

Weapons in the workplace policy

Employers are responsible for the health and safety of their employees. You can either address violence and weapons policies in a more generalized safety policy or

address them on their own. Either way, consider explaining the kinds of weapons you consider weapons, prohibited behavior and any disciplinary measures.

Alcohol and drug policy

While keeping in mind the state laws regarding certain substances, draft a policy that outlines the organization's stance on the use of drugs and alcohol. Mention which substances you prohibit, any testing procedures you use and the disciplinary action for violations of this policy. This can be especially important in industries like construction, where drug and alcohol use can create safety issues.

Confidentiality policy

Confidentiality policies communicate the specific topics that employees must keep private. Consider providing examples of confidential information, the obligations of employees and the consequences for violating the organization's confidentiality policy. You can also share how employees might discuss unethical practices with HR teams to protect them from backlash.

Personal device policy

Many employees prefer using their own devices, like tablets, laptops and phones, for company business. Because of this, you might take security measures. Consider addressing things like what personal devices employees can use for work, how you will monitor them and any limitations or security requirements.

Important HR forms

Proper and thorough documentation allows organizations to track vital information and establish agreements with their staff. Here are some examples of important HR forms:

Business expenses

Business expense forms allow employees to track business-related expenses and request reimbursements in writing. This is most commonly used when employees travel for work. You might have separate expense forms for supplies or other inventory needs.

Performance and discipline

Keeping thorough employee records can prove useful when it's time for reviews or when you must take disciplinary action. Document all disciplinary and performance events, including:

- Performance improvement plans

- Oral and written warnings

- Promotions

- Recognitions

- Performance reviews

Reasonable accommodation requests

State and federal regulations require all employers to provide employees and applicants with reasonable accommodations for their religious beliefs or disabilities. Though reasonable accommodation request forms aren't a requirement, it's in the employer's best interest to keep detailed records of all communications regarding the request.

Leave of absence

Many organizations have employees submit time off requests in writing so that they can track the relevant details, such as the vacation hours used. The state and federal governments may have sample forms you can use for these purposes, like those used for Family and Medical Leave Act (FMLA) requests. Companies might also have time-tracking tools to track this more easily.

Employee handbook agreements

This form states that employees are responsible for reading, understanding and complying with all the organization's policies. You can have employees sign this acknowledgment when you issue the handbook and when you make updates. You might include digital signature options to track compliance.

Hiring forms

Organizations use forms throughout the hiring process to identify and onboard quality candidates. Candidate evaluation forms and job applications are extremely common during the pre-hire process. Additionally, there are certain government documents that candidates must complete after you hire them, such as a Form I-9 and a Form W-4.

Receipt of company property

You can use this form to document the company property that your organization supplies its employees, such as tools or equipment. This can help you track company property and ensure that employees return the items. There might be similar forms for returning equipment when employees leave.

Meaning of Human Resource Planning

HRP or HR Planning, is the process of carefully and scientifically preparing a strategy to ensure the right people are available at the right time, in the right place, and at the right cost for the organization.

Employees are the best resources of a company. Hence, HRP is all about finding the ideal employees and making sure they're in the right job, that benefits both the individual and the organization.

2.5. Definition of Human Resource Planning

E.W. Vetter defines HR Planning as "*A process by which an organization should move from its current manpower position to the desired manpower position. Through planning the management strives to have the right number, right kind of people at the right place and at right time, doing things which results in both organization and individual receiving maximum long run benefits.*"

Robbins and Coulter says "*HR Planning is the process by which manager ensures that they have the right number and right kind of capable people in the right places and at the right times.*"

According to K Aswathappa, "*HR Planning is the process of forecasting a firm's future demand for, and supply of, the right type of people in the right number.*"

2.6. Significance of Human Resource Planning

In a study conducted by Ogunrinde in 2001, it was discovered that organizations that actively practiced human resource planning exhibited superior performance compared to those that did not engage in such planning.

Human Resource Planning is important in several aspects that revolve around working toward organizational goals. It is the baseline for all functions related to HR like recruitment, onboarding, reviewing, etc.

Its key important features include:

1. Increasing productivity

In HR planning, maximizing productivity is crucial. Efficient use of resources and minimizing waste, achieved through staffing activities like training, performance appraisal, and fair compensation, leads to higher productivity.

HR planning ensures employees are skilled, motivated, and properly rewarded, enhancing overall efficiency and productivity in the organization.

2. Implementing managerial activities

The success of managerial tasks like planning, organizing, directing, and controlling relies heavily on having the right people (human resources) in place. Human resources play a crucial role in making sure these managerial activities work effectively.

So, HRP, which is about having the right staff in the right positions, is essential for all managerial functions to succeed. In simpler terms, having the right people is vital for any business to run smoothly.

3. Motivating employees

HR Planning goes beyond just placing the right people in the right roles. It also involves motivating employees through programs like incentives. These incentives are crucial because they encourage active participation and help in retaining employees within the organization.

So, within the scope of HR planning, designing effective incentive plans becomes extremely important. It ensures not only hiring suitable individuals but also keeping them engaged and motivated to contribute their best to the organization.

4. Improving employee relations

Strong human relations are vital for a company's stability. This strength is achieved through effective control, clear communication, and strong leadership. Human resources planning plays a key role in this.

By focusing on training and developing the workforce, HR Planning ensures that employees are skilled and cooperative. This in turn fosters better human relations within the organization. Essentially, HR planning helps create a positive work environment where employees understand their roles, communicate well, and cooperate effectively.

5. Coping with change

Human resource planning is important for organizations to cope with changes in the external environment. It enables the development and implementation of strategies to enhance employee and organizational performance.

6. Evaluating demand and supply of resources

Human resource planning ensures there is the right number of employees (demand) to meet the company's needs without overstaffing or understaffing. It's like finding the

perfect balance, ensuring there are enough people to get the job done efficiently without unnecessary costs or gaps.

7. Increasing quality of hire

Human resource planning impacts the quality of applicants an organization attracts. Companies practicing HR planning know what qualities they need in applicants, making their hiring decisions more precise and effective. This results in attracting candidates who are better suited for the organization's needs.

8. Growing a competitive advantage

As discussed, organizations that invest in human resource planning can identify and nurture the best talents. By having the right people with the right skills in the right places, a company gains a competitive edge.

They can adapt to changes faster, innovate more effectively, and deliver superior products or services. In essence, human resource planning helps companies stay ahead of the competition by ensuring they have the right team to tackle challenges and seize opportunities.

Let's sum up

- HRP is the process of estimating future human resource needs and planning how to meet them.
- It aligns workforce availability with organizational goals and reduces talent gaps.
- The process includes analyzing demand and supply, forecasting, and planning action strategies.
- HRP ensures the right number of people with the right skills are available at the right time.

Check Your Progress

Define Human Resource Policy.

_____

What are the main characteristics of an effective HR policy?

_____

List any three types of HR policies.

_____

Why are HR policies important in an organization?

_____

What are the steps involved in formulating HR policies?

_____

2.7. Human Resource Planning Process

The Human Resources Planning (HRP) process contains systematic steps in HRP that drive effective management of human resources. It is sometimes referred to as the process of human resources planning or manpower planning.

This methodical approach involves careful analysis, prediction, and strategic allocation of workforce resources. By understanding the process of manpower planning, businesses can ensure that the workforce remains a dynamic and responsive asset, vital for achieving long-term success.

Step 1: Analyzing the Environment

Analyzing the environment marks the starting point of Human Resource Planning (HRP). It involves scrutinizing both external and internal factors to identify potential issues, threats, and opportunities shaping the organization's strategic planning.

External environment:

- Competitors
- Legal environment

Internal environment:

- Strategy
- Technology factors

Step 2: Predicting Labour Demands

Predicting labor demands is essential to avoid labor shortages that often impede business expansion. Various methods are employed to forecast how business needs will influence HR requirements. Here are two basic method categories:

- **Qualitative Methods**: Qualitative techniques like the Delphi and nominal group techniques involve expert collaboration to create forecast statements and assumptions. These methods, although time-consuming, allow for in-depth discussions and idea sharing among experts.

- **Quantitative Methods**: Quantitative techniques, such as trend analysis, rely on historical data to project future workforce needs. Crucial steps in trend analysis include selecting appropriate business factors, plotting historical records, computing productivity ratios, determining trends, and making necessary adjustments for future projections.

Step 3: Assessing Labour Supply

Labour supply assessment focuses on both internal (existing workforce) and external (potential recruits) resources. These resources are crucial to determine the supply required in the present and the future.

Internal and external labor supply can be explained as:

- **Internal Supply:** Internal labor supply refers to the available individuals and jobs within the organization. Human Resource Information System (HRIS) data projects future trends based on current patterns.

- **External Supply:** External supply encompasses individuals in the broader labor force who are potential recruits. The relevant labor market varies based on job skills. For highly skilled positions, it might be a national or global market, whereas for unskilled jobs, it typically is the local community.

Step 4: Bridging Gaps

Gap analysis merges labor demand and supply forecasts. This critical process identifies potential skill shortages or surpluses. By aligning environmental forecasts with supply and demand projections, HR planners evaluate the organization's readiness to pursue different business scenarios in alignment with its objectives.

Step 5: Implementation Planning

Following the analysis, implementation planning outlines the necessary steps to put the chosen solution into action. This phase ensures that decisions made in the above steps are translated into actionable plans, setting the sequence of events in motion.

Step 6: Oversight and Evaluation

Oversight and evaluation involve monitoring the effectiveness of human resource plans over time. Any deviations from the plans are identified, and corrective actions are taken as needed. Feedback from various outcomes is utilized to measure the extent to which human resource objectives have been achieved.

2.8. Contributory factors to influence the human resource planning

It's the function of the human resources, or HR department, to forecast and fulfill the hiring needs of an organization. Once employees are recruited, HR then supports them through their tenure on board, through assessments and increments, promotions and training to ensure the employee feels fulfilled and grows.

Factors affecting HRP (human resource planning) can be internal to the organization or external to the industry and economy at large.

1. Internal Factors Affecting HRP

Human resources works with the management across functions to understand their needs. It's a critical role for the smooth functioning of all departments. Here are some internal factors affecting human resource planning:

Recruitment Needs

The key internal factors affecting human resource planning are the recruitment needs of various departments. One of the factors affecting HRP is the need to fill vacant positions. Recruitment is a process that identifies and invites applicants to apply for vacant positions.

Budget

Effective HRP requires resources, money and time and many other resources for functioning. Besides this, all pay packages for hires must also fit into the available resources. Increments are also affected by budgetary constraints.

Training Needs

HR's role doesn't end with recruitment. One of the significant internal factors affecting human resource planning is whether the staff needs upskilling or reskilling.

It's not enough to hire someone who has adequate skills to do their job well. Managers also ensure employees receive adequate on-the-job training.

Work Environment

A pleasant work environment is another factor for HR managers to consider. Employees want to be part of a team that's committed to a common goal and where they enjoy the respect of co-workers and management. If an employee isn't happy, they may leave to work elsewhere.

Retrenchment

From time to time, organizations will need to let people go. These may be underperformers, or perhaps they're employees who'd been hired for a specific

project or location that's shutting down. It falls to HR to see them through this difficult time.

These are the main internal factors affecting human resource planning. But the job of an HR manager doesn't end there. Let's consider the other factors at play.

2. External Factors Affecting HRP

Aside from the intra-organizational needs, there are external factors affecting human resource planning. Here are a few to consider:

Competitive Conditions

HR managers seek to maintain low costs, one of the most common factors affecting human resource planning. When there are many recruiters vying for the same talent, it can drive up costs.

Regulatory Shifts

Whether it's ensuring safety or labor laws, regulatory shifts impact HR practice. Organizations have to provide safe working conditions and appropriate training for their employees, minimizing the risk of accidents. These factors affecting human resource planning can improve working conditions.

Advancing Technology

The HR manager must know recent developments in technology and trends which impact the planning process. In many organizations, new information technologies are being introduced that have a significant impact on functioning. The HR department needs to be two steps ahead. Working with the relevant departments to recruit talent to grow with the organization and offer skills that'll be in demand for future projects is critical.

While these are the external factors affecting human resource planning within an industry, the larger economic climate also has an impact. Here are the economic and climatic factors affecting HRP:

Unforeseen Circumstances

One of the external factors affecting human resource planning is situations that arise out of the control of the organization. These can cause massive changes to how we function. The Covid-19 pandemic is a prime example. Almost overnight, businesses had to adapt to closures, social distancing norms and disruptions in the supply chain. Natural disasters and climate change may cause further changes in the future. While

these factors affecting human resource planning are impossible to predict, organizations need to be prepared.

Economic Conditions

The economic climate will affect an organization's human resource planning as it impacts the bottom line. Changes in the labor market will affect the organization's ability to attract and keep qualified employees.

Demographic Changes

Changes in the population may affect an organization's ability to attract and retain qualified employees. This is one of the long-term external factors affecting human resource planning. An increase or decrease in population may cause an increase or decrease in the supply of qualified candidates. It may also strain the educational system, which will further impact hiring.

Let Us Sum Up

- HRP is the process of estimating future human resource needs and planning how to meet them.
- It aligns workforce availability with organizational goals and reduces talent gaps.
- The process includes analyzing demand and supply, forecasting, and planning action strategies.
- HRP ensures the right number of people with the right skills are available at the right time.

Check Your Progress

What is Human Resource Planning?

_____

Explain the need for HRP in an organization.

_____

List and explain the key steps involved in the HRP process.

_____

How does HRP support business strategy?

_____

Name two methods used for HR forecasting.

_____

2.9. Job Analysis – Meaning:

Job analysis is a systematic and detailed examination of jobs. It is the process of collecting information about a job — that is, the knowledge, skills, and the experience needed to carry out a job effectively. The jobholder is supposed to possess job-related knowledge useful to carry out the job easily.

He must possess relevant skills to put the knowledge into practice quickly and effectively. He should have the ability to understand how the tools, equipment, materials, resources, machines need to be deployed in order to produce results. Only after a careful examination of the requirements of job, the job incumbent's qualifications are generally determined.

In other words, job analysis refers to the anatomy of the job. It is a complete study of job, embodying every known and determinable factor, including the duties and responsibilities involved in its performance, the conditions under which the performance is carried on, the nature of the task, the qualities required in the worker, and such conditions of employment as pay hour, opportunities and privileges. It also emphasises the relation of one job to others in the organisation.

Job Analysis – Definitions:

(1) According to Edwin B. Flippo – "Job analysis is the process of studying and collecting information relating to the operations and responsibilities of a specific job. The immediate products of this analysis are job descriptions and job specifications."

(2) Further, David A. De Cenzo and Stephen P. Robbins has defined "job analysis is a systematic exploration of the activities within a job. It is a basic technical procedure, one that is used to define the duties, responsibilities and accountabilities of a job."

Job analysis provides the following information about a job:

      ii.   Nature of jobs required in a concern;

      iii.   Nature of organizational structure;

      iv.   Type of people required to fit that structure;

      v.   The relationship of a job with other jobs in a concern;

      vi.   Kind of qualifications required for a particular job;

      vii.   Provision of physical condition to support the activities of a concern;

viii.   Materials, equipment and methods used in performing the job.

Job Analysis – Goals:

A comprehensive JA programme is an essential ingredient of sound personnel management. It is the major input to forecasting future human resource requirements, job modifications, job evaluation, determination of proper compensation, and the writing of job evaluation, determination of proper compensation, and the writing of job descriptions.

It is of fundamental importance to manpower management programmes because of the wider applicability of its results. The information provided by JA is useful, if not essential, in almost every phase of employee relations.

1. Organisation and Manpower Planning: It is helpful in organisation planning, for it defines labour needs in concrete terms and coordinates the activities of the workforce, and clearly divides duties and responsibilities.

2.Recruitment, Selection: By indicating the specific requirements of each job (i. e., the skills and knowledge), it provides a realistic basis for the hiring, training, placement, transfer and promotion of personnel. "Basically, the goal is to match the job requirements with a worker's aptitude, abilities and interests. It also helps in charting the channels of promotion and in showing lateral lines of transfer.

3. Wage and Salary Administration: By indicating the qualifications required for doing a specified job and the risks and hazards involved in its performance, it helps in salary and wage administration. Job analysis is used as a foundation for job evaluation.

4. Job Reengineering: Job analysis provides information which enables us to change jobs in order to permit their being manned by personnel with specific characteristics and qualifications.

5. Employee Training and Management Development: Job analysis provides the necessary information to the management of training and development programmes. It helps to determine the content and subject matter of in-training courses. It also helps in checking application information, interviewing, weighing test results, and in checking references.

6. Performance Appraisal: It helps in establishing clear-cut standards which may be compared with the actual contribution of each individual.

7. Health and Safety: It provides an opportunity for identifying hazardous conditions and unhealthy environmental factors so that corrective measures may be taken to minimise and avoid the possibility of accidents.

Process of Job Analysis

The following steps are involved in the job analysis process:

1. Planning

In the planning phase of job analysis, organizations define the goals and parameters of the analysis. This includes identifying the specific objectives they aim to achieve through the job analysis, such as improving recruitment processes, enhancing job performance, or ensuring legal compliance. Moreover, they determine the scope of the analysis, specifying which jobs or roles will be analyzed and to what depth. Resource allocation is another critical aspect of planning. Organizations need to decide on the resources required for the job analysis process, including personnel, time, technology, and budget. Effective planning sets the foundation for a well-structured and successful job analysis.

2. Data Collection

Once the planning phase is complete, the data collection process begins. This step involves obtaining detailed information about the job being analyzed. There are several methods for data collection, including:

Interviews: Conduct structured interviews with employees who perform the job or their supervisors to gather insights into job responsibilities, skills, and requirements.

Questionnaires: Distributing questionnaires or surveys to employees to collect standardized information about their roles, tasks, and qualifications.

Observations: Observing employees as they perform their job duties to gain firsthand knowledge of the tasks and work environment.

Review of Existing Documents: Examining existing job descriptions, performance evaluations, and other relevant documents to extract information about the job. During this phase, it's essential to ensure that data collection methods are consistent and unbiased, and that information is collected from a representative sample of employees if applicable.

3. Data Analysis

Once the data is collected, it needs to be organized and analyzed systematically. Data analysis involves reviewing and categorizing the information gathered during the data collection phase. The goal is to extract meaningful insights that will inform subsequent steps in the job analysis process:

Job Duties and Responsibilities: What specific tasks does the job entail, and how are they prioritized?

Skills and Competencies: What skills, knowledge, and qualifications are required to perform the job effectively?

Performance Standards: What criteria are used to evaluate job performance, and what are the expected outcomes?

Work Environment: What are the physical and social aspects of the job environment?

4. Documentation

With the key job elements identified and analyzed, the next step is to document the findings. This documentation takes the form of job descriptions and job specifications:

Job Description: This document outlines the essential aspects of the job, including a summary of the job's purpose, duties, responsibilities, reporting relationships, and sometimes performance expectations. It provides a clear and concise overview of the job for use in recruitment, employee orientation, and performance management.

Job Specifications: Job specifications delve deeper into the qualifications and requirements necessary to perform the job. This includes details about education, experience, skills, certifications, and any specific physical or cognitive abilities required.

5. Validation

Validation is a crucial step to ensure the accuracy and reliability of the analysis results. It involves seeking feedback and input from subject matter experts (SMEs) who are well-versed in the job being analyzed. These experts can be employees currently performing the job, supervisors, or other individuals with relevant knowledge and expertise.

Validation serves several purposes:

Accuracy: It helps confirm that such analysis data accurately reflects the job's requirements and responsibilities.

Completeness: SMEs can identify any critical elements that may have been missed during the initial data collection and analysis.

Objectivity: Validation ensures that the analysis process is free from bias and aligns with the perspective of those directly involved in the job.

Acceptance: Involving employees and SMEs in validation fosters buy-in and acceptance of the analysis outcomes.

Let Us Sum Up

- Job analysis involves collecting information about job duties, responsibilities, and required qualifications.
- It produces job descriptions (what a job involves) and job specifications (what a person needs to do the job).
- It supports functions such as recruitment, training, compensation, and performance evaluation.
- Accurate job analysis leads to better job design and organizational effectiveness.

Check Your Progress

Define job analysis and its purpose.

_____

Distinguish between job description and job specification.

_____

What are the main methods of conducting job analysis?

_____

Why is job analysis important in recruitment and selection?

_____

How does job analysis support performance appraisal?

_____

UNIT SUMMARY

This unit provided an overview of Human Resource Policies, emphasizing their role in guiding consistent, fair, and lawful practices within an organization. HR policies

serve as formal statements that regulate employee behavior and align individual goals with organizational values. The unit covered the types of policies, such as recruitment, leave, and compensation, and explained the principles of effective policy formulation, including clarity, legality, and flexibility. It also detailed the steps involved in policy development, from identifying organizational needs to implementation and communication. It also examined the strategic function of Human Resource Planning (HRP), which ensures that the right number of people with the right skills are available to meet current and future organizational needs. The unit outlined the objectives and importance of HRP, especially in aligning workforce planning with business goals. It discussed the HRP process, including demand and supply forecasting, gap analysis, and strategy development. It focused on the foundational HRM activity of Job Analysis, which involves systematically gathering and analyzing information about job roles. The unit clarified the components of job analysis, namely the Job Description (what the job entails) and Job Specification (what the job holder needs).

GLOSSARY

> - HR Policy: A set of principles and rules guiding human resource practices.
> - Grievance Policy: A policy that defines the procedure to resolve employee complaints.
> - Compensation Policy: Guidelines related to employee pay, benefits, and rewards.
> - Formulation: The structured development and design of HR policies.
> - Compliance: Adherence to laws and organizational standards. HRP (Human Resource Planning): A strategy to ensure the availability of human talent in an organization.
> - Manpower Forecasting: Estimating the future requirement of human resources.
> - Demand Forecasting: Estimating the number and type of employees required in the future.

- ➢ Succession Planning: Identifying and developing future leaders from within the organization.
- ➢ Workforce Supply: The availability of internal and external human resources.
- ➢ Job Analysis: Systematic process of gathering information about a job.
- ➢ Job Description: A document that outlines job duties and responsibilities.
- ➢ Job Specification: A statement of the skills, qualifications, and experience required.
- ➢ Task Inventory: A comprehensive list of tasks performed in a job.
- ➢ Competency Mapping: Identifying the skills and abilities required for different roles.

UNIT – III

JOB DESIGN, TALENT MANAGEMENT, EMPLOYEE ENGAGEMENT

Unit Objectives

After studying this unit, the learner will be able to:

- Understand the concept and importance of job design.
- Describe the objectives and factors influencing job design.
- Examine the approaches and techniques in job design.
- Analyse the relevance of job rotation, enrichment and enlargement.
- Understand the concept and scope of Talent Management.
- Identify the objectives and initiatives involved in Talent Management.
- Examine the competencies required for Talent HR managers.
- Analyze the evolution and strategies of employee engagement.
- Describe methods of measuring and enhancing employee engagement.

3.0.Introduction to Job Design

Job design refers to the process of organizing tasks, duties, responsibilities, and relationships to achieve both organizational and individual goals. It aims to combine tasks into complete jobs that are meaningful, satisfying, and efficient. According to Bowditch and Buono, job design is any set of activities involving the alteration of specific jobs or interdependent.

The term 'job design' refers to the way the tasks are combined to form a complete job. It can be defined as building the specifications of the position, contents, method and relationships of the job so as to meet with various technological and

organizational requirements as well as meet the personal needs job holders. According to Bowditch and Buono, job design refers to " any set of activities that involve the alteration of specific jobs or interdependent systems of jobs with the intent of improving the quality of employee job experience and their on- the-job productivity."

While designing a job, the following points are to be borne in mind:

➢ Job redesign is an essential allegiance to quality improvement of the individual, and the organization.

➢ It should be performed from either the bottom up, or top down, depending upon the hierarchy and responsibility of the position and its relationships within the organization.

➢ Job design is a process which integrates work content (tasks, functions, relationships), the reward (extrinsic and intrinsic), and the qualifications required (skills, knowledge, abilities) for each job in a way that meet the needs of employees and the organization.

➢ Some jobs are routine because the tasks are consistent and repetitive; other are non-routine. Some require a large number of varied and diverse skills; other are narrow in scope. Some jobs constrict employees by requiring them to follow very clear-cut procedures; others allow employees considerable autonomy in how they do their work. Some jobs are most effectively accomplished by groups of employees working as a team; whereas other jobs are best done by individuals acting essentially independently. Thus jobs differ in the way their tasks are combined, and different combinations produce a variety of job designs in the organization.

Let Us Sum Up

• Job design is about structuring job roles for efficiency and employee satisfaction.

• It focuses on aligning organizational needs with employee capabilities.

Check Your Progress

1. Define job design.

_____

_____

2. What is the primary goal of job design?

_____

3.1. Purpose and Factors of Job Design

Purpose of job design

There are three objectives of jobs design which are as follows:

➢ to meet the organizational requirements such as higher productivity, operational efficiency, quality of product/service, etc.;

➢ to satisfy the needs of the individual employees like interest, challenge, achievement or accomplishment, etc.; and

➢ To integrate the needs of the individual with the organizational requirements.

Factors influencing effective job design

While designing a job, the following factors are taken into consideration.

i.   The volume of work - it will determine by and large the number of jobs.

ii.   The complexity of the work - to be carried out, both in terms of its variety or breadth and its technical difficulty or depth.

iii.   The work processes involved -It might be desirable for one person to be involved in an entire process, or the work flows may be such that the work process has to be divide between several different people.

iv.   The nature of the people currently employed in the organization-The extent to which jobs can be redesigned depend largely on the kind of people employed

v.   The sequence of flows in the process- the succession of events and their timings affect how the work can be organized. Where activities are carried out over a longer period, this is likely to be the cause of greater complexity.

vi.   The timescales - where immediate responses are required, specific jobs may have to be earmarked to provide such responses. Work requiring longer planning horizons is likely to be more complex and needs therefore to be done at a higher level.

vii.   The geographical scattering of the organization's activities .

viii. The involvement of other parts of the organization in the overall process- there may be a need for extensive communication and coordination and the design of jobs should take account of the way this is to be achieved.

ix.   The effect of information technology (Cushway and Lodge, 2001).

Let Us Sum Up

• Job design serves both individual and organizational goals.

• Factors like complexity, technology, and people influence effective design.

Check Your Progress

1. List three objectives of job design.

_____

2. Mention any two factors influencing job design.

_____

3.2. Approaches to Job Design

Approaches to job design

Basically there are two approaches to job designs which are based upon two different postulations about people. The first approach entails fitting people to jobs. It is based upon the assumption that people can be adapted to any work situation. Thus employee attitudes towards the job are ignored and jobs are designed to produce maximum economic and technological efficiency. This

approach uses the principles of scientific management and work simplification. In contrast , the second approach entails fitting jobs to people. Is based upon the assumption that people are underutilized at the work and they desire more challenges and responsibility. Techniques such as job rotation, job enlargement etc. are used while designing jobs according to the second alternative.

The first approach

Developed by F.W. Taylor, scientific management relied on research and experimentation to determine the most efficient way to perform jobs. Jobs are highly standardised and specialised. Taylor advocates vertical job specialization so that detailed procedures and work practices are developed by engineers , enforced by supervisors, and executed by employees.

He also applied horizontal job specialization such as narrowing the supervisor's role to such a degree that one person manages operational efficiency, another manages inspection, and another is disciplinarian.

Advantages:

Job specialization increases:

- Work efficiency; and
- Employees productivity.

Disadvantages:

- It increases work efficiency, but it doesn't necessarily improve job performance as it ignores the effects of job content on employees.
- It costs more in terms of higher turnover, absenteeism, and mental health problems.
- Employees are concerned only with a small part of the process, so they can't be identified with the customer's needs.
- It ignores the motivational potential of jobs.
- It doesn't apply to professional "knowledge workers."

The Second Approach

During and immediately after the Second World War American writers, particularly, were questioning the association between job and organization design and productivity. It was being understood that problems occur in the selection of personnel if only those able to tolerate and work well in simple, highly repetitive jobs are to be recruited. As early as 1950 in the USA, job rotation and job enlargement were being both encouraged and tasted as means for overcoming boredom at work with all its associated problems. In an early case example IBM introduced changes to machine operators' jobs to include machine setting and inspection. Besides they introduced other wide-ranging changes in both the production system and the role of foremen and supervisors. The concepts of both job rotation and enlargement do not have their basis in any psychological theory. However, the next generation of attempts to redesign jobs emerging from the USA developed from the researches of Frederick Herzberg. During the 1950's and 1960's, Herzberg developed his 'Two Factor' theory of motivation.

Let Us Sum Up

• Scientific management prioritizes efficiency, often ignoring employee motivation.
• Modern approaches focus on employee satisfaction through job enrichment, rotation, and enlargement.

Check Your Progress

1. Differentiate between 'fitting people to jobs' and 'fitting jobs to people'.

_____

2. What is job specialization?

_____

2.3. Techniques of Job Design

Job rotation

Job design involves periodic assignment of an employee to completely different sets of job activities. As traditionally used, job rotation is low in both impact and complexity because it typically moves employees from one routine job to another.

Advantages:

❖ It is an effective way to develop multiple skills in employees, which benefits the organization while creating greater job interest and career options for the employee.

❖ Job rotation may be of considerable benefit if it is part of a larger redesign effort and/or it is used as a training and development approach to develop various employee competencies and prepare employees for advancement.

❖ At times, it may be used to control the problem of repetitive stress injuries by moving people among jobs that require different physical movement.

Job enrichment

Frederick Herzberg, the advocate of two-factor theory, cautioned that jobs designed according to rules of simplification, enlargement, and rotation can't be expected to be highly motivational for the workers. He instead suggested a clear and distinct job design alternative called "job enrichment".

Job enrichment seeks to add profundity to a job by giving workers more control, responsibility, and freedom of choice over how their job is performed. It occurs when the work itself is more challenging, when achievement is encouraged, when there is prospect for growth, and when responsibility, feedback, and recognition are provided. Nonetheless, employees are the final judges of what enriches their jobs.

Herzberg developed the following set of principles for the enrichment of jobs:

➢ removing some controls while retaining accountability;
➢ Increasing personal accountability.

> ➤ assigning each worker a complete unit work with a clear start and end point;
>
> ➤ granting additional authority and freedom to workers;
>
> ➤ making periodic reports directly available to workers rather than to supervisors only;
>
> ➤ the introduction for new and more difficult tasks into the job;
>
> ➤ Encouraging the development of expertise by assigning individuals to specialize.

Job enlargement

Job enlargement combines into one job with two or more tasks which are to be performed. Sometimes it is called "horizontal loading" as all tasks involve the same level of responsibility .The job enlargement approach often has positive effects on employee effectiveness. However, some employees view job enlargement as just adding more routine, repetitive tasks to their already boring job. Other employees regard it as eliminating their ability to perform their jobs almost automatically.

Advantages:

Job enlargement and job rotation approaches are useful in many work settings. One of their biggest advantages is that:

> ➤ They offer a form of training.
>
> ➤ They allow workers to learn more than one task, thus increasing their value to the employer. As they allow workers to perform many tasks, they can be used more flexibly as circumstances.

Let Us Sum Up

• Job rotation improves skill sets and engagement.

• Job enlargement increases task range.

• Job enrichment adds responsibility and motivation.

Check Your Progress

1. Define job enrichment.

_____

2. List one advantage of job rotation.

_____

3.4. Talent Management

Definition:

Talent management refers to the strategic process of attracting, developing, retaining, and utilizing people with the required skills and aptitude to meet current and future organizational needs.

Scope:

➢ Strategic recruitment and workforce planning
➢ Training and development
➢ Performance management
➢ Career and succession planning
➢ Employee retention

Objectives:

➢ Align talent with business goals
➢ Improve productivity and retention
➢ Build leadership pipeline

Talent management refers to the anticipation of required human capital for an organization and the planning to meet those needs. Talent management is the science of using strategic human resource planning to improve business value and to make it possible for companies and organizations to reach their goals. Everything done to recruit, retain, develop, reward and make people perform forms a part of talent management as well as strategic workforce planning. A talent-management strategy should link to business strategy to function more appropriately.

Talent management is an organization's commitment to recruit, hire, retain, and develop the most talented and superior employees available in the job market. So, talent management is a useful term when it describes an organization's commitment to hire, manage, develop, and retain talented employees.

Talent management is a key succession planning tool that provides an integrated means of identifying, selecting, developing and retaining top talent within our organization which is required for long term planning.

Talent management is the procedure to manage the ability, Competency, and power of employees within an organization. It's the role of HR to implement the strategic talent management process in an organization. HR really plays an advisory and support role in the company.

Definitions: Talent management is the systematic process of identifying the vacant position, hiring the suitable person, developing the skills and expertise of the person to match the position and retaining him to achieve long-term business objectives.

SCOPE AND OBJECTIVES OF TALENT MANAGEMENT:

- ➢ **Talent management** is the full scope of HR processes to attract, develop, motivate and retain high-performing employees. This definition has three components: Talent management is aimed at motivating, engaging, and retaining employees to make them perform better. This is why talent management is important.

- ➢ Talent management is a key succession planning tool that provides an integrated means of identifying, selecting, developing and retaining top talent within our organization which is required for long term planning.

7 Reasons why company needs Talent Management
- ➢ 1. Attract Skilled Employees
- ➢ 2. Improve Retention Rates
- ➢ 3. Boost Performance
- ➢ 4. Increase Customer Satisfaction
- ➢ 5. Motivate Employees
- ➢ 6. Develop Employees' Potential
- ➢ 7. Ease Transition Periods

Let Us Sum Up

- Talent management is crucial for organizational growth and performance
- It aligns people strategy with business strategy.

Check Your Progress

Define talent management.

_____

List three objectives of talent management.

_____

3.5. Talent Management Initiative

➢ The managers and the higher authorities need to take the initiative to pave the way for the personal development and long-term association with the organization. Some of the ways in which a manager can motivate and retain employees are as follows:

➢ **Recognition**: Recognizing employees' contribution and their work on individual grounds boost up self-confidence in them.

➢ **Remuneration and Reward**: Increasing pay and remuneration of the employees as a reward for their better performance.

➢ **Providing Opportunities**: Giving the charge of challenging projects to the employees along with the authority and responsibility of the same, makes them more confident.

➢ **Role Design:** The role of employees in the organisation must be designed to keep them occupied and committed, it must be flexible enough to inculcate and adapt to the employee's talent and knowledge.

➢ **Job Rotation:** Employees lack enthusiasm if they perform the same kind of work daily. Thus, job rotation or temporary shifting of employees from one job to another within the organisation is essential to keep them engaged and motivated.

➢ **Training and Development:** On the job training, e-learning programmes, work-related tutorials, educational courses, internship, etc. are essential to enhance the competencies, skills and knowledge of the employees.

- ➢ **Succession Planning:** Internal promotions helps identify and develop an individual who can be the successor to senior positions in the organisation.
- ➢ **Flexibility:** Providing a flexible work environment to the employees makes them more adaptable to the organisation and brings out their creativity.
- ➢ **Relationship Management:** Maintaining a positive workplace where employees are free to express their ideas, take part in the decision-making process, encourage employees to achieve goals and are rewarded for better performance leads to employee retention.
- ➢ **Self-motivation:** Nothing can be effective if the employee is not self-determined and motivated to work.

Let Us Sum Up

Initiatives like recognition, role design, and flexibility motivate employees and enhance retention.

Check Your Progress

What is the purpose of job rotation in talent management?
_____

Why is recognition important in retaining talent?

3.6. Role and competencies of Talent HR Manager

HR core competencies are essential skills needed for HR professionals to do their tasks well. Every role within the HR department will have different requirements in terms of competencies. Some are required, and others are preferred. However, despite their individual roles, we have compiled a list of common HR skills and competencies needed by all HR professionals to deliver successfully on their jobs. These competencies will ensure the professionals keep their A-game on and contribute effectively to the organization's growth.

1. Interpersonal skills

Interpersonal skill is the ability to interact with people around, both verbally and nonverbally. Without a doubt, this is one of the primary **key competencies for**

HR professionals**.** As the name suggests, the first job of any HR person is being human with the employees.

From the day an employee is recruited to the day they walk away from the organization, HR's support is needed, which is why interpersonal skills become essential.

Some of the features of interpersonal skills are:

- Being approachable
- Being available in person and emotionally
- Ability to interact with employees, making them feel at ease
- Knowing the art of being professional yet friendly

2. Communication skills

Communication skills can be considered a sub-sect of interpersonal skills. While this is important for everyone, for an HR professional, this is vital. Many HR professionals assume that they have great communication skills because they constantly converse with employees. However, conversation and communication are two completely different skill sets.

A conversation is the mere exchange of words and thoughts and can be done by anyone at any point in time. Conversation is mostly informal. Communication, on the other hand, requires the person to think, validate their thoughts, and then speak. A person can alter the next course of action by communicating right. HR professionals need to learn the art of communication. Sometimes, they would be required to pacify employees and, at times, speak for them.

In some cases, the way they talk could be the difference between an employee staying back or quitting. So, communication is one of the vital **HR competencies** professionals need to learn and master over time.

3. Active listening skills

Did you know that a person spends 55% of their time in a day listening? However, research states that only 17-25% of this information is actually listened to and

retained. Active listening is the process of listening to someone, understanding the meaning, responding to it the right way, and retaining the information.

This is one of the **HR core competencies** that HR professionals need to build over time.

Here are a few ways to actively listen to employees.

- Maintain eye contact
- Show nonverbally that you are interested in the conversation
- Keep an open mind and do not rush with judgments.
- Ask questions in between to show that you are actively listening.
- Do make notes if necessary.
- You can nod your head, smile in acknowledgement, or politely ask them to continue in between pauses.
- Give regular verbal and nonverbal feedback

4. Learning and unlearning competence

Learning is an important competency skill. Surprisingly, unlearning is too. Unlearning is the ability to move on from outdated skills, competencies, and beliefs and learn new things. One of the **HR skills and competencies** that HR experts need to know is unlearning. The faster an HR individual unlearns and relearns, the more effective they will be as a backbone for the organization.

As a team, make sure you invest in HR-based learning and development programs for everyone in the HR department. As an HR individual, take an active interest in finding new trends and keep updating your knowledge and skills.

5. The ability to be flexible

An HR manager is not just someone to manage the HR team and answer grievances. HR leaders are a part of the global CXOs and are a part of every business decision taken by the organization. That is why one of the **competencies of HR manager**s is to be flexible and adaptable. They need to rethink company policies and find best practices from competitors constantly.

These managers need to be on their toes to find newer tactics to keep employees engaged and productive. This needs to happen, even if it means changing processes upside down and making completely new policies and procedures.

6. Critical thinking

Critical thinking is the ability to critically analyze evidence, facts, and observations and come to a solution. It is one off the **HR skills and competencies** that help steer clear of stereotypes, judgments, and partialities in the workplace. When you learn to think critically, you will approach problems methodically, with the highest quality of fair-mindedness and analysis. As a result, employees and the management would be more comfortable coming to you with grievances and issues, knowing you will analyze them and put forward the right solution.

7. Emotional intelligence (EI)

Now, this is one of the **HR core competencies** that has gained popularity in the recent past. For those with no prior introduction to the term, it is defined as the ability to control, understand, manage, and showcase emotions correctly.

EI is a competency that is   valued during high-pressure situations. This term was introduced only during the 1990s and became popular when Dan Goleman wrote a book about Emotional Intelligence. So, what can you achieve with the right levels of EI at the workplace?

- You can resolve conflicts better
- You can encourage and motivate others
- You can prevent personal emotions from affecting workplace relationships
- You can build qualities like collaboration and synergy with teammates

A 2003 article in Harvard Business Review mentions that about 80% of all the top competencies needed to become top performers in an organization fall under the bracket of Emotional Intelligence! No wonder this is listed as one of the top **HR competencies.**

8. Conflict resolution

This is one of the most straightforward of all the **HR competencies.** As an HR individual, you will be required to resolve conflicts regularly at the workplace – between employees or between an employee and the management. De-escalating tension and helping the concerned parties to reach a reasonable consensus is an essential role of an HR professional.

9. Expertise in using Technological

The sheer amount of technological growth the HR industry has seen in the last decade is astonishing. HR individuals, who, ten years back, collected resumes from peers, shortlisted them and arranged for interviews, now use AI to automate the initial recruitment processes completely. HR experts, who used time sheets to measure productivity, now use smart tools.

HR technological expertise has become one of the game-changing **competencies of HR managers** and experts to grow in their roles and become a thought-leader in the industry. PossibleWorks makes it easier for HR experts to understand and use the latest technology tools by simplifying and customizing them based on requirements. Our tools support the HR team like a rock and help them get more effective, analytical, and critical in their decision-making processes.

10. Analytical expertise

Analytical expertise could be a derivation of technological expertise. The right tools give you enough data to analyze employee behavior, productivity levels, and workplace trends and make data-driven decisions. Analytical expertise is one of the **key competencies for HR** that will be a strategic advantage to the organization. As HR processes get more analytical, solutions get better and more streamlined.

Again, investing in the right technological tools will help make processes more analytical. So HR experts, along with picking the right tools, need to train themselves to use the vast amount of data mines these tools offer.

Let Us Sum Up

- HR professionals require a blend of soft skills and technical skills.

- Emotional intelligence and communication are vital for effective talent management.

Check Your Progress

What are the key competencies required by HR managers?

_____

Why is emotional intelligence important for HR professionals?

_____

3.7. Evolution of Engagement: Pre-Industrial and Industrial Eras

While **employee engagement** can be deemed a recent phenomenon, it cannot be denied that its seeds were sown quietly way earlier. In the pre-industrial era, craftsmen, artisans, and farmers found pride and motivation in their personal work and community recognition. Having work centered around family trades or local economies, there was an inherent sense of ownership and connection in them.

But after the industrial revolution took center stage in the 18th and 19th centuries, the nature of work took a drastic turn. The establishment of factories and assembly lines replaced the independently owned businesses and significantly shifted how work was organized. Workers were reduced to cogs in a machine catering to strict and long hours, with little to no focus on well-being. Motivation no longer came from job satisfaction but just to fulfill the job necessity.

The transition, coupled with the rise of scientific management, heavily emphasized increasing productivity and efficiency. Although the approach yielded tangible output, the human element was missing. Employees' emotional and psychological needs were thoroughly overlooked, simply limiting their existence to mere tools of production.

However, this approach was far from perfect, and it came with limitations that steadily gave rise to worker dissatisfaction, absenteeism, and turnover rates. This went on to shed light on the need for a more holistic approach that could motivate and engage employees, giving rise to theories emphasizing the human side of work.

As a result, it set the stage for the modern understanding of what we call **employee engagement** today.

The Hawthorne Studies and the Human Relations Movement

As we look at the evolution of employee engagement, a major turning point came with the **Hawthorne Studies**, which changed how we understood motivation at work. Conducted at Western Electric's Hawthorne Works in Chicago, these studies initially aimed at measuring the impact of lighting on workers' productivity.

Interestingly, researchers found that regardless of the prevailing lighting conditions, productivity increased because employees felt observed and valued. This finding added to the realization that social and psychological factors such as attention, recognition, and group dynamics played a crucial role in motivating employees.

This led to the **Human Relations Movement**, which shifted the focus from just managing work to understanding employees' emotional and social needs. This movement served as the foundation for the emerging modern engagement concepts, emphasizing that employees thrive in environments where they feel respected, connected, and part of a team rather than environments that only prioritize efficiency.

Kahn Introduces the Concept of Employee Engagement

The year 1990 witnessed a groundbreaking moment in the field of employee engagement when **William Kahn** published his research **"Psychological Conditions of Personal Engagement and Disengagement at Work".** This became one of the significant foundational pieces in understanding employee engagement. It would not be wrong to deem this research a revolutionary piece because it shifted the focus from job satisfaction to the deeper psychological aspects of how and why employees engage with their work.

He was the first to point out that employee engagement goes beyond just job satisfaction. It involves the physical, cognitive, and emotional investment that individuals make in their work roles.

Kahn emphasized three core psychological conditions that influenced engagement:

Meaningfulness: Kahn stresses that employees are inclined to invest in themselves when they see their contributions aligning with a greater purpose.

Safety: Ensuring safety is a step to building trust in the organization and leadership. When employees feel safe, they are willing to bring their authentic selves to work, cultivating a higher level of engagement.

Availability: Employees should have the physical, emotional, and cognitive resources necessary to engage.

Kahn introduced the idea that engagement is not a one-dimensional concept linked solely to job satisfaction or external awards. His research pushed engagement beyond the theoretical concept to become a more strategic and actionable goal for businesses worldwide.

2.8. Developing Employee Engagement and engagement strategies.

To increase employee engagement levels, employers should give careful thought to the design of engagement initiatives.

General guidelines

As HR professionals consider adopting or modifying practices or initiatives to increase employee engagement, they should:

- **Make sound investments.** The organization should consider the strategic implications of various HR practices and determine which are more important and merit greater investment to enhance engagement levels.

- **Develop a compelling business case.** HR professionals should be able to demonstrate how these investments have led to positive, measurable business outcomes for the organization or other businesses.

- **Consider unintended consequences.** When evaluating alternatives for redesigning HR practices to foster employee engagement, think about the likely impact of the revised policies. Are there potentially unintended, unfavorable consequences that may occur based on the impact of that change on employees in different circumstances and life situations?

- **Base investment decisions on sound data.** Employee engagement should be measured annually. Survey items should be linked to the organization's key performance measures, such as profitability, productivity, quality, customer satisfaction and customer loyalty. Outcomes of employee engagement research should include the identification of the highest-impact engagement levers and survey items that differentiate top-performing business units from less successful units.

- **Create an "engagement culture."** This can be done by communicating the value of engagement in the mission statement and executive communications, ensuring that business units implement their engagement action plans, monitoring progress, adjusting strategies and plans as needed, and recognizing and celebrating progress and results.

HR practices

HR practices have a significant impact on employee engagement. The following practices can increase employee engagement:

- **Job enrichment.** Incorporate meaning, variety, autonomy and co-worker respect into jobs and tasks so that employees view their role more broadly and become more willing to take on duties beyond their job description.
- **Recruiting.** Target applicants who are likely to view their work as interesting and challenging. Encourage those who are not suited for particular work to opt out of the process.
- **Selection.** Choose candidates who are most likely to perform job duties well, make voluntary contributions and avoid improper conduct.
- **Training and development.** Provide orientation to create understanding about how the job contributes to the organization. Offer skill development training to increase job performance, satisfaction and self-efficacy.
- **Strategic compensation.** Use pay-for-performance programs to focus employees' attention on incentivized behaviors. Adopt competency-based pay to encourage acquisition of knowledge and skills and enhance employee performance.
- **Performance management.** Set challenging goals that align with the organization's strategic objectives, provide feedback, and recognize accomplishments and extra voluntary contributions.

Let Us Sum Up

- Employee engagement evolved from task-based focus to psychological investment.

- Engagement is driven by meaningful work, recognition, and trust.

Check Your Progress

Who introduced the concept of psychological engagement at work?

_____
_____

What are Kahn's three psychological conditions for engagement?

_____
_____

2.9. Measuring Employee Engagement

There are various ways to measure the level of engagement within your company. As a leader you can either:

- Use an engagement survey
- Measure employee engagement yourself
- Use a hybrid approach in which annual engagement is measured by the survey provider, while pulse engagement is measured by the company throughout the year.

   That being said, using an employee engagement survey to measure engagement is one of the most successful methods. An engagement survey is not a place for random questions, you must consider the following elements when measuring engagement in your organisation.

1. Determine Engagement Outcomes

An engagement outcome is a survey question that represents the behaviours or feelings of an engaged employee. These questions typically measure perceptions of organisational pride, intent to stay, and advocacy.

Outcomes help reveal the current state of employee engagement within your company.

These items don't identify specific actions. Instead, they identify targets that organisations should maintain or improve.

2. Identify What's Important

In order to improve employee engagement in your organisation, you have to identify what's important to your employees. Engagement surveys commonly ask employees to rate their opinions of:

- Teamwork
- Trust in Leadership
- Career development
- Communication
- Confidence in the future of the company
- Individual needs
- Value and recognition

All of these drivers help your organisation to understand what impacts engagement so they can put the right strategy in place to improve.

3. Develop a Regular Listening Strategy

Companies who implement regular employee feedback have turnover rates that are 14.9% lower than for employees who receive no feedback.

Conducting regular employee engagement surveys is key to valid and actionable survey results. But how often should you survey your employees?

Research has shown that the annual employee engagement survey is better than less frequent measuring. But behaviours and preferences change over time.

As a result, organisations may need to survey more often and in different ways to capture all employee voices. Use pulse surveys to dive deeper into engagement results or to gather real-time feedback on any important topic that arises. Add lifecycle surveys to measure perceptions at key moments in the employee journey.

3.10. Measuring Employee Engagement: The Metrics

Here are 5 employee engagement metrics that you need to be including in your surveys:

1. Recognition

Employees want to be recognised for their work. It makes them realise their worth and how their work is impacting the overall success of the organisation. According to a study by Gallup, you must acknowledge your employees at least once a week to improve the level of engagement.

Workplace recognition is a very important metric as it is one of the crucial elements for ensuring an engaged and productive workforce. Managers often miss out on praising their employees at work, and if that continues, it brings down their willingness to go that extra mile.

Therefore, when creating an employee engagement survey, you must focus on asking your employees if they are getting recognised for their work. If your workforce comes out positive, that's great! You're one step closer to achieving highly engaged employees.

2. Professional Development

Career development will always be one of the top priorities for employees no matter what their job profile is. Every employee aspires to learn from their job and develop their position in their organisation.

Managers need to ensure that every employee is getting equal opportunities for professional development. The absence of these opportunities could result in high employee turnover which must be avoided.

Start by integrating career development questions within your engagement survey, asking your workforce if they are satisfied with the opportunities they're being offered.

3. Wellbeing At Work

If you aren't taking a proactive approach towards workplace wellbeing, then your workforce is more likely to be unhappy, unmotivated and unproductive. You need to address this immediately. After all, we all spend most of our week in the workplace (sometimes up to 40+ hours a week).

Creating employee wellbeing initiatives should be just as important as building your brand and developing your product. You *need* to think about your people - think about what you are going to do to improve their happiness in the workplace. It can truly make a difference and improve employee productivity across the whole organisation.

4. Work Culture

A company is defined by its work culture. Having an inclusive work environment within the organisation helps in attracting and retaining top talent. Even the level of workforce engagement is impacted by the culture at work.

If your organisation has a very healthy culture where everyone is respected equally, issues are taken care of with utmost priority, transparency is maintained, and communication is valued, then hardly any employee would ever like to leave your organization. But no matter what, things do change. Even if you don't notice it, your employees will, and so you must try to know if there's anything wrong so you can act on it to keep things running smoothly.

5. Work-life Balance

Employees perform the best when they can give interrupted focus on their work. This means balancing their time at work and their personal life so that they can perform to the best of their ability.

It's important to keep it in check by making one of your employee engagement metrics. An example for a survey question could be "On a scale of 1-10, how would

you rate your work-life balance?". This is enough feedback to make any necessary changes to your company.

3.11. Methods of Measuring Employee Engagement

As previously discussed, the most common way to measure engagement is using surveys, but that's not all you should be using.

Surveys are only a small part of your engagement strategy and only one way of measuring. Employee engagement is a complex issue that requires effort from everyone within your company. Having company intranet software such as Oak Engage can help you improve employee engagement and keep a constant pulse on your workforce engagement.

Here are some methods you could be measuring employee engagement on a regular basis:

1. Pulse Surveys and Polls

Gather real, actionable insights that your business can use to improve employee engagement and enhance your employee experience. Pulse Surveys allow your business to gauge interest, understand opinion, gather feedback and more. An extremely versatile tool, Oak Pulse Surveys give you everything you need to collate valuable data from your people, all within your own dedicated intranet solution.

Oak intranet also provides polls as a feature. A poll is designed as a collaborative tool to increase employee engagement, productivity and efficiency. Companies no longer have to gather information by email, but can start a poll on their intranet. It may be used to get an understanding of what your people want, involve more employees in conversations or leverage a poll to generate content.

2. One to One's

Another great way to measure engagement is through one-to-one meetings with your employees.

Having regularly scheduled meetings where you can have an informal chat with each member of your team is a great way to get a sense of how they're feeling and address any issues that may arise.

The advantage of having these meetings is that you're able to collect feedback in person, therefore you'll get a more detailed conversation about each issue that's addressed.

3. Measure Retention Rates

Research sponsored by Achievers and published in the Harvard Business Review demonstrates the direct relationship between retention and engagement. Measuring retention rates lets you view the overall arc of your engagement levels.

This approach provides you with a wider viewpoint, offering insight into the gradual effectiveness of efforts that you introduce to improve employee engagement. Focusing on retention rate also helps you think more clearly about employee engagement because anything you do to improve your retention rate will automatically also increase your staff's engagement.

3.12. Measuring engagement of remote workers

With the return to the office brings with it a range of working models. Hybrid working and remote work is here to stay for many organizations. Leaders and management must ensure they measure the engagement of remote workers. Focus on utilising digital tools. Use your intranet and it's tools to connect with your employees and assess employee engagement.

Pulse Surveys

If you want to gain a perspective of employee engagement send out a pulse survey. Pulse surveys should be done every few weeks in order to give a quick insight into the health of your company. Don't let the fact your company is working remotely stop them from reaching your employees.

There are plenty of topics to use in employee engagement surveys. You could ask how employees are finding remote working. How has your company supported

them? Ask them if there is anything you can do to improve employee engagement or if they need any tools.

Pulse surveys allow businesses to gather data on employees' opinions. They are a chance for managers to get feedback and insight into how they're feeling. A major positive aspect of pulse surveys is that they require minimal effort. They're short, simple and usually multiple choice. They can be completed in minutes, perfect for quick communication!

Social engagement

Measure employee engagement by seeing how your employees engage with your digital workplace. Frequent likes and comments on content suggests that your employees are staying engaged. Utilising features of your social intranet to improve employee engagement.

Have you noticed a decline in members of your team interacting with content? It may be an indication that the levels of employee engagement are starting to slip. If this does happen, take time to reach out to those members of staff who aren't engaging. Ask them how they are feeling about work and try to determine whether there is a problem that needs fixing. Measuring employee engagement is often a case of being proactive rather than reactive.

Stay Interviews

You know about exit interviews, a process usually carried out by HR when an employee leaves. The intention of an exit interview is to find out why employees are leaving. You should be finding out how to make changes to improve employee engagement. However, employees can be hesitant to talk honestly about their job satisfaction. Especially if there are underlying issues.

Rather than being honest about their feelings, disengaged employees search for another job. This can be detrimental to businesses. They lose their top employees and must search for new talent. In so many instances these situations can be resolved. 75% of the causes of employee turnover are preventable. If management knows how an employee truly feels, they can help. By providing commitment, motivation and resources to help employees stay engaged.

Let Us Sum Up

- Surveys and real-time feedback are essential for engagement measurement.
- Metrics help understand drivers of satisfaction and performance.

Check Your Progress

Name two methods to measure employee engagement.

_____

Why are pulse surveys effective?

_____

Unit Summary

This unit examined the fundamental aspects of Job Design, explaining its meaning, objectives, influencing factors, and practical approaches. It detailed the evolution from scientific management to human-centered design, elaborating on techniques such as job rotation, job enlargement, and job enrichment. The content emphasized how effective job design aligns organizational needs with employee well-being and productivity and also explained the comprehensive concept of Talent Management, including its scope, objectives, and best practices. It highlighted the key competencies needed by HR managers, detailed the historical development of employee engagement, and explained practical methods to measure and improve engagement levels in the organization.

Glossary

Job Design: Structuring the components of a job for efficiency, satisfaction, and effectiveness.

Scientific Management: Early approach focusing on task standardization for efficiency.

Job Rotation: Systematic movement of employees across different tasks to reduce monotony.

Job Enlargement: Expanding the number of similar-level tasks in a job.

Job Enrichment: Increasing job depth by adding responsibility and autonomy.

Motivation: Internal or external drive that influences employee behavior and performance.

Self – Assessment Questions

1. Define job design and explain its importance in human resource management.
2. Describe the objectives of job design from both organizational and employee perspectives.
3. Discuss any five factors influencing effective job design.
4. Compare and contrast the approaches: "fitting people to jobs" vs. "fitting jobs to people".
5. Explain the concepts of job enlargement, job rotation, and job enrichment with examples.
6. State the advantages and disadvantages of scientific management.
7. Evaluate Herzberg's contribution to job design theory.

Activity:

You are appointed as an HR officer in a textile manufacturing firm. Many employees report high boredom and disengagement. Design a job enrichment and job rotation plan to improve their morale and productivity.

Case Study:

IBM in the 1950s introduced changes like job enlargement and role redesign for machine operators. Analyze the impact of such techniques in today's IT or service-based industries. Are these practices still relevant? Justify your answer.

Unit-4
RECRUITMENT–MEANING AND IMPORTANCE

Edwin Flippo rightly defined "Recruitment as the process of searching for prospective employees and stimulating them to apply for jobs in the organization." Recruitment involves estimating the available vacancies and making suitable arrangements for their selection and appointment. In order to attract people for the jobs, the organization must communicate the position in such a way that job seekers respond. To be cost effective, the recruitment process should attract qualified applicants and provide enough information for unqualified persons to self-select themselves out. Thus, the recruitment process begins when new recruits are sought and ends when their applications are submitted. The result is a pool of applicants from which new employees are selected. The general purpose of recruitment is to provide a pool of potentially qualified job candidates. Specifically, the purposes are to:

- ✓ Determine the present and future requirements of the retail organization, in conjunction with its personnel-planning and job-analysis activities.
- ✓ Increase the pool of job candidates at minimum cost.
- ✓ Help increase the success rate of the selection process by reducing the number of visibly under qualified or overqualified job applicants.
- ✓ Help reduce the probability that job applicants, once recruited and selected, will leave the organization only after a short period of time.
- ✓ Begin identifying and preparing potential job applicants who will be appropriate candidates.
- ✓ Induct outsiders with a new perspective to lead the company.
- ✓ Infuse fresh blood at all levels of the organization.
- ✓ Develop an organizational culture that attracts competent people to the company.
- ✓ Search for people whose skills fit the company's values.
- ✓ Devise methodologies for assessing psychological traits.
- ✓ Search for talent globally and not just within the Company.
- ✓ Design entry pay that competes on quality but not on quantum.
- ✓ Anticipate and find people for positions that do not exist yet.
- ✓ Increase organizational and individual effectiveness in the short term and long term.

✓ Evaluate the effectiveness of various recruiting techniques and sources for all types of job applicants.

Management must attract more candidates in order to increase the selection ratio so that the most suitable candidate can be selected out of the total candidates available. Recruitment is positive as it aims at increasing the number of applicants and selection is somewhat negative as it selects the suitable candidates in which the unsuitable candidates are automatically eliminated. Though the function of recruitment seems to be easy, several factors make the performance of recruitment a complex one.

Retail organisations face a challenge of shortage of good manpower talent and their subsequent retention as people tend to move to 'greener pastures' or lured by competition. So, HR functions have resorted to making a 'talent pool' as nothing but a set of suitable and competent employees ready to take a vacant position. The retail HRs create this pool by conducting various tests and assessments. This minimises the transition time and the retail HR can use the notice period for transition of responsibilities from the former to the latter.

Objectives of Recruitment

✓ **Attracting Qualified Candidates:** The primary goal is to draw in individuals who possess the skills, qualifications, and experience required for specific job roles. Ensures the organization has access to a large and diverse talent pool.

✓ **Filling Vacant Positions Efficiently:** Recruitment aims to fill open positions promptly to avoid disruption in operations. Ensures continuity and smooth functioning of departments.

✓ **Improving Organizational Performance:** By hiring competent employees, recruitment contributes to the overall productivity and success of the organization. Good recruitment enhances employee performance and reduces errors.

✓ **Minimizing Turnover:** Proper recruitment strategies help in selecting candidates who are a good fit culturally and professionally. This reduces the chances of early resignations or terminations.

✓ **Building a Talent Pipeline:** Recruitment is not just about current vacancies; it also focuses on creating a pool of potential candidates for future needs. Helps in succession planning and strategic workforce development.

✓ **Promoting Employer Branding:** A well-managed recruitment process enhances the company's image in the job market. Attracts high-quality candidates and strengthens the employer brand.

✓ **Ensuring Legal Compliance:** Recruitment must align with labor laws, equal employment opportunity regulations, and non-discriminatory practices.Helps avoid legal issues and maintains ethical standards.

✓ **Supporting Organizational Goals:** Recruitment aligns human resources with long-term organizational objectives.Ensures the company has the right people in the right roles to drive growth and innovation.

RECRUITMENT PROCESS

Recruitment process involves a systematic procedure from sourcing the candidates to arranging and conducting the interviews. This process requires many resources and time

Let us learn the steps to be involved in the process of recruitment.

1. **Identify Vacancy:** The first step in the process of recruitment is to identify the vacant position and their numbers in the retail organization or in the retail store in line with the organizational objectives.

2. **Job Description and Person Specification:** This is the second step in the whole recruitment process. The retail Hr needs to define the nature or the characteristics of the job and the personal and professional traits required to perform the job in the person.

3. **Advertising the Vacancies:** In this step the Hr. of the retail company creates awareness of the job vacancies with the help of different internal and external sources. So, the right applicant may apply for the position and make the recruitment process smooth and effective.

4. **Managing the Response:** In this step Hr starts receiving the responses from the number of applicants for the advertised post and do the scanning of the received application

5. **Short-Listing:** After the scanning of the resumes received from the applicants, the hr segregates the resumes to keep the resumes suitable for the required job and the rest are kept for future references.

6. **Arranging Interviews:** Here the Hr arrange for the interview and makes all the arrangements such as venue, interviewers, evaluation sheets and finally intimating the required interview panel and the applicants as well.

7. **Conducting Interview and Decision Making:** Now the final step is to conduct the interview for all the eligible candidates and then select them as per the suitability of the candidate.

The recruitment process is immediately followed by the selection process i.e. the final interviews and the decision making, conveying the decision and the appointment formalities.

RECRUITMENT

Recruitment is a positive process of attracting suitable applicants to apply for the available jobs. It is a process of searching the candidates to employ and stimulating them to apply for jobs in the organization. Normally in small companies, managers and administrators take care of recruitment; and in large organizations, it is outsourced to external agencies. There are two sources of recruitment viz. internal sources search and external sources search.

The following are the most used internal methods of recruiting people.

1. Promotions and Transfers: Promotion and Transfers are used to fill vacancies from within the organization in retail. A transfer is a lateral movement within the same grade, from one job to another. It may lead to changes in duties and responsibilities, working conditions, etc., but not necessarily salary. Promotion, on the other hand, involves movement of employees from a lower-level position to a higher-level position accompanied by (usually) changes in duties, responsibilities, status, and value. For example: a fashion consultant having identified leadership skills may be promoted to a Team leader or groomed next for department manager job profile. A floor manager can be promoted as assistant Unit Head or even a category manager.

2. Job Posting: Job posting is another way of hiring people from within. In this method, the retail organization publicises job openings on bulletin boards, notice boards in a staff canteen or at the staff entry point, electronic methods and similar outlets. One of the important advantages of this method is that it offers a chance to highly qualified persons working within the retail company to look for growth opportunities without looking for greener pastures outside. Technology has played a crucial role in this with such information available on portals, mails, and social media messages.

3. Employee Referrals: Employee referral means using personal contacts of employees to locate job prospects. It is a recommendation from a current employee regarding a

job applicant. The logic behind employee referral is that "it takes one to know one". Employees working in the organization, in this case, are encouraged to recommend the names of known persons working in other organizations for a possible vacancy soon.

In fact, this has become a popular way of recruiting people in the highly competitive sectors especially in our retailing vertical.

External Sources

According to Dunn and Stephen, there are three external sources of recruitment viz. direct methods, indirect methods, and third party methods.

Direct Method:

The campus placements and casual applicants are commonly used direct methods of recruitment. You may be aware that the most frequently used direct method is campus placements in coordination with the college placement officer who will stimulate students to apply for jobs. Usually, this type of recruiting is performed in co-operation with placement bureaus of educational institutions assisting in attracting students, arranging interviews, and making available space and students' resumes. The advantage of this method is the companies get an opportunity to demonstrate the activities and prospects of the organization to skilled, semi-skilled, and unskilled prospective employees. They can also seek the opinion of the teachers. The interviews can the arranged on short notice and are also cost-effective. Other direct method includes casual applicants who directly apply to companies, with or without reference to the company advertisements.

Indirect Methods:

Now let us discuss indirect sources of attracting applications for filling job vacancies (i.e., recruitment). Advertisements; Industry/trade associations; Professional Associations; other reputed firms are the sources of indirect methods of recruitment. Normally for filling higher-level jobs or for filling a large number of vacancies, when qualified internal employees are not available in required numbers, companies give advertisements in newspapers, websites, job portals, TV, radio, etc. Proper design of advertisements will encourage the right persons to apply for jobs. Seminars/conferences conducted by the industry associations and other professional bodies/institutions are another source of indirect recruitment. In such meetings, companies can identify and attract the professional talent required for the organization.

Third-party methods:

Recruitment can also be done through third parties like employment exchanges, private consultancy agencies for filling the desired vacancies. This approach is mostly used to attract applicants for lower-level technical, sales, clerical staff, office workers, supervisors, and lower-level management personnel. The companies can also seek applications from trade unions. In the present day, the internet is also widely used to fill these vacancies.

The followings are the advantages of third-party sources:

1. Faster recruiting cycle.

2. Reduced recruiting costs like mailing costs, advertisements.

3. Reduces the amount of paperwork.

4. Reduces workload for the HR department.

5. It helps them to attract better quality applicants.

6. Attracts a large and broader range of applicants than traditional methods.

Challenges of Recruitment

Despite having so many sources of recruitment, it is still difficult for managers to choose the best candidates. You should also be aware of the important challenges of recruitment. The ability of an organization to attract applicants depends on the good or bad image of the organization, its working conditions, poor quality of the products, and political pressures. Sometimes unattractive jobs, internal policies of the organization, budgetary support, and government interference can also add to the challenges of the recruitment process. Another challenge is recommendations from within and outside the organization and nepotism. As HR managers you should develop a policy and convince the senior management to support your idea of attracting the right applicants to fill suitable vacancies. There could be resistance within the organization and much depends on your power and position in the organization.

SELECTION PROCESS

Now after going through the recruitment process, you should start the selection process. The selection process starts after the recruitment process ends. Selection of suitable employees is quite a significant task to appoint the right persons for the right job at the right time and right place. From among the applicants received through the recruitment process, you should sort the applicants by looking for the technical skills, communication skills, typing, computers skills, etc., required for filling the job vacancies in the organization. The selection plays a significant role because it is during the selection process the followings are judged by the HR managers:

- Determination of the suitability of the applicants to the organizational culture.

- Ability to perform the tasks assigned.

- Short-term training and long-term development needs of the selected employees.

- Ability to work with teams.

- Suitability of the applicants to achieve short-term and long-term objectives of the organization

Process and Techniques of Selection

The selection process may vary from organization to organization. The following is the normal process of selection followed in many organizations:

- Screening of applicants –grades.

- Application Blank

- Group discussion

- Employment Tests: Written, Psychological Test

- Interviews: Preliminary interviews, Final interviews

- Reference Checks

- Physical Examination

- Final Selection

1. Screening of Applicants-Grades

You should do the screening in two phases. In the first phase, a rough screening is done to check the eligibility in terms of age, qualifications, skills, trades, software knowledge, experience, etc. In the second phase, fine screening is done to consider the other criteria. For example, in India, if we say eligibility is 60 % marks in the qualifying exam then there will be many applications. Fine screening is done by judging the quality of the college from where the applicant is graduating or completing the qualifying exam. We should be able to identify good universities and colleges in the country and decide whether the students are getting marks based on intelligence, hard work, and discipline. Our previous experience of the students working in the organization is also considered as a benchmark for deciding the quality of the college. Considering the quality of the college sometimes the experience criteria can also be relaxed because those students can perform as well as experienced employees if we provide training to compensate with the experience. In this way, if we screen we will be able to separate a good candidate from all the applicants for filling different vacancies in the organization.

2. Application Blank

Application blanks will be given to screened applicants for uniformly filling their bio-data. An application blank is a printed bio-data designed to bring uniformity among the information provided by the applicants. As you are aware the applicants write their bio-data in different styles. To compare the data of different applicants, companies application form keeping in mind the factors to be considered to fill suitable candidates for the job vacancies. This application designed to suit the requirements of the companies is called application blank. For example, some applicants do not write their year of passing the qualifying exams, percentage of marks they get, name of the college from where they complete degree or diploma, experience, salary is drawn in previous organization. To have data for comparison, organizations expect prospective employees to fill the application blank. You must also be aware that research has found that about 60% of the hiring decision is normally taken based on the application blank.

The weighted application blank: Here weights are assigned to different attributes such as intelligence, skill, hard work, sincerity, dependability, etc. This is a cost-effective tool that can reduce employee turnover and also an easy-to-do analysis of job applicants' responses to questions on standardized job-application forms and can help to predict with accuracy the candidates' potential for long-term employment of an applicant.

3. Group Discussion

Group discussion is a process of making applicants discuss some current or subject-based topic so that the employer can understand the communication, leadership, coordination, teamwork, empathy-related skill in the applicants. Group discussion is also useful to judge whether the prospective employee will gel well with the organizational culture, group/team culture with which he/she will be associated after selection for a particular job.

4. Employment Tests

The written test will be conducted to test the analytical abilities of the person and particular knowledge about the subject and other psychological tests were also conducted to test the suitability of the person who is going to be held that particular job. When used appropriately under a well-planned testing programme, tests can and do lead to several positive benefits to a company in the long run. These benefits are as under:

i.   It is easier to determine the value of a test as a selection device in comparison to interview or application blanks.

ii.   Tests are subjected to minimum subjective bias. Tests are much more objective than any other device.

iii.   Tests provide a uniform basis for comparing candidates from diverse backgrounds.

iv.   Tests reduce to a considerable extent the labor turnover which in the turn, may reduce the cost of training because lesser workers will have to be trained as a result of reduced turnover.

v.   Tests help in increasing production because better workers are employed and may result in increased satisfaction of employees because they are placed on the job for which they are most competent and interested.

vi.   Tests minimize the time of selection and can also be judiciously used in training the selected manpower.

Trade Tests are those tests that are designed to measure proficiency and skill already acquired by the candidate through training experience? These are also known as proficiency or performance tests. Various jobs require specialized skills such as driving, typing, stenography. In these jobs, the candidate is asked to demonstrate his abilities by undergoing a trade test. Many industrial organizations in India are using this test for the selection of clerical, supervisory, managerial, and technical personnel

Psychological Tests are the best judges of the psychological behavior in selecting an employee and are superior to the traditional interview procedure. It helps the management in selecting a candidate for a technical position. The psychological test may be classified into the following categories:

1. Intelligence Tests
2. Interest Tests
3. Achievement Tests
4. Aptitude Tests
5. Personality Test

There are several instruments available for the above tests and the organizations and recruitment agencies have used them extensively for filtering the probable candidates for the job interviews. You may be aware that an instrument is developing by testing the validity of and predictability of a questionnaire by administering it across samples drawn from various industries in different regions of different countries. An iterative procedure is followed tested till the results are dependable. A key will also be developed by the researchers to interpret the research data and after being satisfied the instrument along with the key will be published for

use by several researchers and organizations. You should also be aware that some instruments are free and others might have copyrights of the instruments they develop with a lot of effort. Accordingly, prior permission/payment should be made to the copyright holder before using the instruments.

5. Interviews: Interview Process, Preliminary interviews, and Final interviews

Interview Process

First, let us understand the process of interviewing, and later we will understand the significance of preliminary and final interviews. An interview process should focus on the following broad steps:

➢ Breaking the ice/putting the candidate at ease.

➢ Getting and checking information.

➢ Summarizing/closure.

➢ Giving information- job/company.

Ice-breaking means putting the applicant at ease by introducing panel members to the interviewee. The panel should receive the candidate courteously and may be asked to relax. Water, light refreshments, tea/ coffee may also be offered to the applicant so that he/she feels that the panel members are quite friendly. From the body language, we can understand whether the interviewee is at ease or has stress. After ensuring that the applicant is at ease then he/she may be asked to introduce him or herself

During the interview process, the panel may cross-check the information provided in the application blank or resume and seek more information if necessary. Questions on job-related conceptual and technical issues may be asked and depending on the quality of the answers the interview may be continued to understand in depth about the suitability of the interviewee to the job under consideration. In case of the suitability of the interviewee, information about the job and company may be given and an indication of whether the applicant will proceed for the next stage of the selection process may be hinted. The interview may be summarized and closed.

Types of Interviews

Following are the different types of interviews. Depending on the nature of the job and the responses given by the interviewee the type of interview may be changed from time to time.

✓ Directed interview

✓ Non-directed interview

✓ Patterned interview

- ✓ Stress interview
- ✓ Group interview
- ✓ Board interview
- ✓ Exit interview

a) **Directed interview:** This is a straightforward face-to-face question and answers interview in which the questions related to the job duties and responsibilities are addressed. This provides an opportunity to measure the job knowledge, personal characteristics, attitudes, and level of motivation of the interviewee.

b) **Non-directed interview:** Non-directed interview is also called a depth interview. Here the interviewee is kept at ease and is the panel can engage in an informal conversation with the candidate to explore the overall personality of the applicant. This is a conversational interview where the interviewee is free to express his ideas. Even though some answers are wrong the panel may continue with the interview to judge the suitability of the candidate for the job.

c) **Patterned interview:** Patterned interviews are also called structured interviews. Based on the job requirements a set of questions are prepared in advance and a standard method of recording observations is indicated to all the panel members. This method is more suitable if a large number of candidates apply for the jobs or for filling many vacancies in the organizations. A combination of direct and non-direct interview approaches may be adopted to filter the interviewees.

d) **Stress interview:** For certain jobs, there is a need for the emotional stability of the employees. Under any circumstances, the job demands that the employees should not lose their cool temperament. For example, employees working in customer relations or public relations departments or personal secretaries of senior managers should always maintain a cool temperament and should not lose their temperaments. To judge this quality stress interview is conducted. Here the panel members try to annoy, embarrass or frustrate the candidate. They ask questions rapidly without giving enough time to answer. They often interrupt the candidates while answering and even criticize their answers. They even try to insult and

frighten the interviewee. You should understand that all this is done to know the mental and emotional stability of the prospective candidates for jobs that require the ability to maintain calmness even during stressful situations.

e) Group interview: Group interviews are conducted through group discussion among the interviewees. A topic for discussion will be given for discussion within a time limit. In this method the interviewers will observe the characteristics like initiation, leading, influencing, coordination, empathy, clarifying, time sense, effectiveness, summarizing, etc. The underlying assumption is that the behavior displayed can be related to the potential success in the job.

f) Board interview: An interview board or panel of experts will call interviewees one by one and assess the in-depth knowledge to screen the interviewees.

g) Exit interview: Exit interviews are conducted when an employee leaves the organization. This will help to know what the outgoing employee feels about the job or the organization. The purpose is to know the deficiencies in the plans, programmes, and policies of the organization so that corrective steps can be taken.

Preliminary interviews

Preliminary interviews are conducted to personally verify whether the data provided in the application blanks are correct. This is a selection instrument where face-to-face interaction with the applicants takes place with the interview panel. Normally an interview panel consists of 2-3 people and sometimes it may have 10-12 people to judge the suitability of the applicants from various angles. The size of the interview panel depends on the level of the position to be filled. When a large number of vacancies are to be filled, parallel interviews panels may be established to take care of the time and technical constraints of the panel members. In the preliminary interview the panel members may judge the following during the interview process:

- Understand the data gaps in the application blanks/resume submitted by the candidates.

- A candidate may have high verbal but low quantitative scores and may want to go through a programme that has many quantitative courses.

- An MBA may be intelligent and have a good educational background but may have held relatively low jobs. Could this be because of his/ her inability to get along i.e. a personality problem, family problem, or job-related problem?

- A candidate with an arts background may prefer a less structured/ defined job as compared to an engineer who needs precise instruction and guidance.

Final Interviews A combination of the above approaches of recruitment and selection are used to filter the candidates for the final interview. In the final interview, a serious and in-depth analysis of the applicant is made to decide on the suitability of the candidates in terms of expertise, adaptability to the culture, and individual behavior.

6. Reference Checks

Applicant's past performance, health, character, personal activities, and education are verified by persons other than the applicant. The principal source of such information is a reference that is provided by the applicant at the time of submission of application for the job.

7. Physical Examination

If required physical verification of the personal and professional information supplied by the done applicant is done before the final selection of the candidates.

8. Final Selection

The final selection of the candidate is done after matching the organizational requirement and knowledge and skill candidates possess to best serve the organization. The selection order to the applicant is issued after due verification of the information and documents supplied by the candidates. The terms and conditions of the job should be specified to the candidates during the final selection.

Importance of Systematic and Scientific Selection Procedures

Defining Systematic and Scientific Selection Procedures

- **Systematic Selection** refers to a step-by-step, organized method that includes job analysis, sourcing, screening, assessment, interviews, and final selection.

- **Scientific Selection** employs data-driven techniques, including standardized testing (e.g., aptitude, personality, intelligence), structured interviews, and statistical validation to ensure objectivity and reliability in selection outcomes.

According to Dessler (2017), the goal of these procedures is to "maximize the chances of hiring the right person for the right job while minimizing errors, bias, and subjectivity."

Importance of Systematic and Scientific Selection Procedures

1. Enhances Objectivity and Reduces Bias

A major advantage of scientific selection is the minimization of personal biases. Unstructured interviews or informal referrals can introduce **unconscious bias**, leading to poor hiring decisions and even legal implications. Systematic methods like structured interviews, situational judgment tests, and cognitive ability assessments help standardize the selection process.

2. Increases Predictive Accuracy

Systematic selection tools are validated for their predictiveaccuracy—how well they can forecast future job success. Methods like psychometric testing, job knowledge tests, and work samples are designed to measure specific job-related competencies.

This enhances the likelihood of selecting candidates who will perform effectively and contribute to organizational goals.

3. Promotes Legal Compliance and Ethical Standards

HR practices are bound by laws related to equal opportunity and non-discrimination. Scientific selection methods are more defensible in legal contexts because they are based on objective, job-relevant criteria.

Using validated instruments ensures that selection practices adhere to Equal Employment Opportunity (EEO) laws and ethical standards, reducing the risk of legal action.

4. Improves Job Fit and Reduces Turnover

Systematic selection processes often begin with a thorough job analysis, which helps define the skills, knowledge, and abilities (KSAs) required. This clarity allows for better alignment between the job role and the candidate's profile.

A good person-job fit leads to higher job satisfaction, performance, and lower turnover.

5. Enhances Organizational Performance

The right selection techniques result in high-quality hires who are more likely to adapt, innovate, and contribute effectively to organizational objectives. According to Huselid (1995), firms that use high-performance HR practices, including structured selection, achieve better productivity and financial performance.

6. Builds a Strong Employer Brand

Candidates appreciate fair and transparent selection processes. Systematic procedures portray the company as professional and ethical, enhancing the employer brand. A good experience during the hiring process—even for unsuccessful candidates—can positively influence public perception of the organization.

7. Enables Data-Driven HR Decisions

Scientific selection involves collecting data at every stage—test scores, interview ratings, assessments—which can be stored and analyzed. This allows HR managers to evaluate hiring strategies, refine criteria, and make evidence-based decisions.

PERFORM ANCE APPRAISAL:

Performance Appraisal is the systematic evaluation of the performance of employees and to understand the abilities of a person for further growth and development. Performance appraisal is generally done in systematic ways which are as follows:

        a. The supervisors measure the pay of employees and compare it with targets and plans.

        b. The supervisor analyses the factors behind work performances of employees.

        c. The employers are in position to guide the employees, for a better performance.

MEANING OF PERFORMANCE APPRIASAL

Performance appraisals is the assessment of individuals performance in a systematic way. It is a development tool used for all round development of the employee and the organization. The performance is measured against such factors as job knowledge, quality and quantity of output, initiative, leadership abilities, supervision, dependability, co-operation, judgment, versatility and health. Assessment should be confined to past as well as potential performance also. The second definitions more focused on behaviors as a part of assessment because behaviors do affect job results.

DEFINITION OF PERFORMANCE APPRAISAL

"It is formal, structured system of measuring, evaluating job related behaviors and outcomes to discover reasons of performance and how to perform effectively in figure so that employee, organization and society all benefits." "It is a systematic evaluation of an individual with respect to performance on the job and individual's potential for development"

OBJECTIVES OF PERFORMANCE APPRAISAL

Performance Appraisal can be done with following objectives in mind:

- ➢ To maintain records in order to determine compensation packages, wage structure salaries raises, etc.
- ➢ To identify the strengths and weaknesses of employees to place right men on right job.
- ➢ To maintain and assess the potential present in a person for further growth and development.
- ➢ To provide a feedback to employees regarding their performance and related status.
- ➢ To provide a feedback to employees regarding their performance and related status.
- ➢ It serves as a basis for influencing working habits of the employees.
- ➢ To review and retain the promotional and other training programmes.

METHODS OF PERFORMANCE APPRAISAL

There are two methods of performance appraisal. They are classified broadly, as traditional and modern methods.

Traditional Methods

This classification contains a number of techniques:

1. Graphic Scale
2. Ranking
3. Forced Distribution Method
4. Critical Incident Method
5. Forced Choice Rating Method
6. Group Appraisal
7. Nomination
8. Work Sample Tests
9. Result-Oriented Performance Appraisal System
10. Confidential Reports.

Graphic Scale

It is the most widely used technique of performance appraisal. In this method, articulated traits such as quality of work, quantity of work, dependability, attitudes and so forth are laid down. The rater places a check-mark on a form next to the word or phrase describing the degree of merit for each factor. Many scales designed by different technicians are available which can be modified to suit different situations. For example, J.B. Probst, former chief examiner of the St. Paul Civil Service Bureau adopted a comprehensive list which has been used in a modified form by different organisations. A major problem with graphic rating scales is that words like "excellent", "poor" and the like are general and do not convey the

degree of merit relating to each specific factor with respect to an employee. The following should be kept in mind for selecting traits for merit rating regardless of the method that is adopted:

    a. Traits should be observable, that is, can the rater actually observe this trait in action?

    b. Universality of the trait under consideration is important, meaning, is it a relevant characteristic in relation to the job under study?

    c. The trait under question should clearly be distinguishable as something different from another trait with a different name.

Advantages

- It is less subjective as it considers a number of different traits rather than a subjective whole.
- Traits are defined and uncertainty is minimised.
- It also shows the degree to which each desired trait is present; is therefore precise.

Disadvantages

It is difficult to:

- Decide on relative weights of different traits;
- Validate the opinions arrived at; and
- Ensure uniformity in trait articulation and consistency in rating, as they are likely to differ with raters.

Ranking

Persons of similar cadre are ranked in the order of merit, for example, if there are eight lecturers in a college, they could be ranked, 1, 2, 3… It entails simple ordering which gets difficult when twenty or more cases are involved. One of the techniques of ranking used is paired comparison. In this method, the rater compares each employee with every other in the group. Final ranking is based on the number of times the employee is judged better than the others. The rater must make n (n-1)/2 judgments where n is the number of men to be ranked. The method is not suitable where the group is large because number of judgments required, become unmanageable.

Forced Distribution Method

In this system, a five-point scale of job performance is used. On one end of the scale are the best job performance and the other, poor job performance. Fixed percentage of employees is

allocated to the best, middle bracket and worst ends of the scale. The supervisor is asked to allocate approximately ten percent of his men to the best end of the scale, twenty percent to the next category, forty percent to the middle category, twenty per cent to the bracket next to the low end and ten per cent to the low bracket.

The supervisor's opinion is taken as the final word. Despite subjectivity the method is relied upon for assessment of employee performance. This could be illustrated with the help of a table.

Job Performance Scale

10 percent	20 percent	40 percent	20 percent	10 percent
Poorest	Poorer	average	Better	Best

Critical Incident Method

This method involves keeping a record of exceptionally good or bad incidents in the employee's work life with respect to the period under review. Such good or bad incidents can be examined to rate the fortitude and practical skills of employees. Bad incidents do not mean low ranking. It is how the particular employee rises up to the challenge and works his way through difficulty that is considered.

Forced Choice Rating Method

The rater is asked to select one statement out of two or four which in his opinion is most characteristic of the employee and another which is least, or both. In effect, the forced choice system is an attempt to devise an objective method of arriving at the same answers that the top management would reach after a protracted and complicated process. To serve a practical example; the subordinate

A. Commands respect by his ——————————— most characteristic actions

B. Is cool headed

C. Is indifferent ——————————→ least characteristic (optional rating?)

D. Is overbearing

Two of these are favourable and the other two, unfavourable. One of the two favourable terms checked as most characteristic gives plus credit whereas the other gives no or negative credit. However, articulation of these characteristics and the determination of the scoring key (most, least) are crucial in a just rating by this method.

Group Appraisal

The appraiser group consists of three to four persons including the immediate supervisor who give their opinions collectively. Assistance from others also could be taken to cover aspects of employee performance and personality which may not have been noted by the immediate supervisors. For just assessment, members approached for appraisal must be people who have some contact with the subject. These members can be managers at high levels or colleagues or subordinates. It is apprehended that colleagues, if associated can work as either rivals or personal friends, which would create 'biases' in judgment. There can also be cliques of informal groups based on mutual benefit ties! As far as subordinates are concerned, they might not perceive the issue correctly and judge the person from their own narrow standpoints. They might also avoid airing views against the supervisor for fear of reprisals. Group appraisals therefore are advised to be used with caution. As practical concern it is better to involve superiors rather than colleagues or subordinates in group appraisals.

Nomination

By this method, appraisers are asked to identify exceptionally good and exceptionally poor performers in the organisation. The latter group is singled out for correctives. Both groups are studied for academic knowledge about 'organisational climate' and specific 'drivers' of efficiency. Academic inquiry into poor performance is also necessary.

Work Sample Tests

In this method, workers are administered work sample tests which form the basis of their assessment which they are evaluated. It provides important practical inputs for training and employee development programmes

Result-Oriented Performance Appraisal System

This technique evaluates the extent of attainment of targets in the context of overall objectives to ascertain the merit of personnel. Value addition on the part of an individual employee is considered which is attempted to be quantified.

Annual Confidential Reports (ACR)

In most government departments and public enterprises in India, performance appraisal is done through Annual Confidential Reports (ACRs). Format of these reports differs from organisation to organisation and also with levels as per specific requirement(s) articulated. Casual attitude is alleged on the part of superiors writing remarks for subordinates. There is strong opinion in favour of confidential reports incorporating modern techniques of rating.

Confidential report is written for a year and relates to performance, ability and character of the person, for that specific period. The essential features of confidential reports of officers under the administrative control of the government are as follows:

- o Annual confidential remarks are recorded to judge the performance and efficiency of officers in public services.
- o The objective of maintenance of character reports is to put an officer on the desired path by pointing out defects.

- o Adverse entries should be communicated in time to enable him to rectify the defect.

- o From December 4, 1946 until April 20, 1966, the practice of communicating both remediable and irremediable defects was followed. Since 1966, irremediable defects concerning integrity and morality are not being communicated as per express governmental directive to that effect.

- o Confidential character roll recorded by reporting officers is to be countersigned by the superior authority.

- o Countersigning authority may take a view different from that of the reporting officer in which case the view of the former shall prevail.

- o Until the countersigning authority gives his remarks, the character roll is not considered complete and is not to be acted on.

- o Time schedules have been prescribed for recording remarks at different levels and their submission to the government for maintenance of confidential character roll.

- o Representations against adverse remarks are not ordinarily entertained as the very purpose of such communication is to apprise the officer of his failings in order that he rectifies them for his own benefit. Such communication should not be regarded as a matter of argument or controversy.

- o In rare cases, however, where the remark is concerning specific acts or is the result of an error on the part of the reporting officer, representation lies (Ventat Rao vs. State of Orissa; 1974 Lab. IC 1192:1975 SLS 267(1974) 2 SLR 899 (Ori)).

Evaluation of Traditional Methods:

Perceived faults of traditional methods are as follows:

Performance is not evaluated in terms of its impact on organisational objectives, goals and targets. It focuses attention on the personality of the subject rather than organisational results or the purpose of his joining the organisation. Appraisal goals are found to lack in reliability, verifiability, validity, and are most often, subjective. Besides, raters also (allegedly) display biases. Both the appraiser and the subject consider it an unpleasant exercise as no performance appraisal system can be claimed to be perfectly free of biases or prejudices. Annual performance review "leaves people bitter, dejected, depressed and in despair for months" (Deming)

Most administrators do not possess knowledge of the art and science of performance appraisal which results in adoption of different criteria of assessment for one employee by different administrators.

Appraisals are not always utilised to educate employees with regard to expected behaviour. Counseling the employee to influence his behaviour in the desired way should be the prime objective of performance appraisal.

Traditional performance appraisal techniques do not stress effective communication between the appraiser and subject as a necessary and desirable condition or even as a prerequisite. Information flow, top to bottom, is crucial as personnel are desired to know the criteria by which their performance is being assessed.

V.R. Buzzotta (1989) raises the following other criticisms of performance appraisal:

a) Appraisal process often gets confrontational as employees and supervisors work as two opposing poles of organisational effort; reconciliation may not always be possible. The appraisal process gets emotional in case participants sense adverse entries or anticipate confrontation. There may be outbursts of temper or even sarcasm which leaves parties hurt and resentful.

b) Appraisal process is often judgmental. This causes conflict because the manager is required to act in a dual capacity, as 'judge' and 'counselor' which he may not be trained or experienced to be just to.

c) The appraisal process gets ambiguous as managers do not fully appreciate their responsibility and also lack the psychological insight and interactive skills needed to appraise successfully.

Modern Methods of Performance Appraisal

These are an improvement over the traditional methods. Modern methods are an attempt to remove defects from the old methods. The modern methods of judging the performance of employees are discussed below:

Assessment Centres

➢ An assessment centre is a central location where the managers may come together to participate in job-related exercises, who are then evaluated by the trained observers.

➢ Centre determines the training and development needs of the employees and measures the potential of the employees for the different positions in the organisation.

➢ It evaluates and judged the competencies such as communication and interpersonal skills, mental alertness intellectual capability, planning and organizing capabilities, motivation, career orientation and self confidence of the participants.

> ➢ An assessment center typically involves the use of methods like social/informal events, tests and exercises, assignments being given to a group of employees to assess their competencies to take higher responsibilities in the future.

> ➢ Generally, employees are given an assignment similar to the job they would be expected to perform if promoted.

> ➢ The trained evaluators observe and evaluate employees as they perform the assigned jobs and are evaluated on job related characteristics.

> ➢ This method reduces biasness and provides better approach towards identifying candidates for promotion and transfer.

> ➢ It is time taking and costly method.

Behaviorally Anchored Rating Scales

> ➢ This is a relatively new method which is designed to identify the critical areas of the jobs. It combines graphic rating scale and critical incidents method.

> ➢ BARS were introduced by Smith and Kendall in 1963.

> ➢ BARS may consist of a set of five to ten vertical scales. Each scale represents a major performance dimension of the job and is usually anchored by five or more critical incidents that reflect highly effective to highly ineffective observable job behaviors relevant to the job dimension under consideration.

> ➢ Scale values are assigned to the critical incidents, which correspond to the approximate degree of effectiveness with the highly effective behavior being assigned the highest value on the scale. The major performance dimensions for a job and the critical incidents for each dimension are identified through job analysis by future scale users (e.g., employees actually performing the job and their managers), who are expected to be thoroughly knowledgeable about the job.

> ➢ In developing critical incidents, the emphasis is on incorporating job related behaviors that are observable and reflect various levels of desirable performance. The number of vertical scales (BARS) may vary from one job to another since it depends on the major performance dimensions of a job under consideration. The scale values (e.g., 1 to 5, 1 to 7, or 1 to 10) as well as the number of critical incidents anchored on a scale can also vary depending on the development procedure and appropriateness of the situation.

➢ A final version of BARS should be a jargon-free instrument that is closely related to the requirements of a given job.

➢ In this method, an employee's actual job behaviour is judged against the desired behaviour by recording and comparing the behaviour with BARS.

➢ Objectivity may be achieved while assessing the performance of employee. • It is time consuming and complicated method of performance appraisal. Development of BARS and implementation of BARS needs expertise.

➢ Example(Lloyd,K.) - In a hypothetical position of human resources coordinator, one of the job holder's responsibilities is to complete status change notices, which update the personnel system regarding changes in employee pay, position, title, supervisor, and personal data. The BARS method for this specific task in this specific job could read as follows:

➢ 5 — Exceptional performance: Accurately completes and submits all status change notices within an hour of request.

➢ 4 — Excellent performance: Verifies all status change notice information with requesting manager before submitting.

➢ 3 — Fully competent performance: Completes status change notice forms by the end of the workday.

➢ 2 — Marginal performance: Argues when asked to complete a status change notice.

➢ 1 — Unsatisfactory performance: Says status change notice forms have been submitted when they haven't.

Human Resource Accounting Method

➢ Humans Resource Accounting The concept of human resource accounting was first developed by Sir William Petty in 1691.But research into true human resource accounting began in the 1960 by Rensis Likert.

➢ The main theory underlying the HRA is: Human resources are a valuable asset of any organization. This asset can be valued in terms of money. When competent and well-trained employees leave an organization, the human asset is decreased and vice versa.

➢ In this method the Performance appraisal of the employees is judged in terms of cost and contribution of the employees.

- ➢ The cost of employees include all the expenses incurred on them like their compensation, recruitment and selection costs, induction and training costs etc whereas their contribution includes the total value added (in monetary terms).

- ➢ The difference between the cost and the contribution will be the performance of the employees. Ideally, the contribution of the employees should be greater than the cost incurred on them.

- ➢ This method does not leave any room for misunderstanding between the manager and employee. • One disadvantage of this method is that workers are always in pressure to deliver the result.

Management by Objectives

- ➢ The concept of Management by Objectives (MBO) was first given by Peter Drucker in 1954.

- ➢ It can be defined as a process whereby the employees and the superiors come together to identify common goals, the employees set their goals to be achieved, the standards to be taken as the criteria for measurement of their performance and contribution and deciding the course of action to be followed.

- ➢ The principle behind Management by Objectives (MBO) is to create empowered employees who have clarity of the roles and responsibilities expected from them, understand their objectives to be achieved and thus help in the achievement of organizational as well as personal goals.

- ➢ MBO may be viewed as a system of management rather than an appraisal method.

- ➢ The advantages of MBO are: easy to implement and measure, motivated employee as aware with expected roles and accountability, Performance oriented diagnostic system and facilitates employee counseling and guidance.

- ➢ The disadvantages of MBO are: difficult to employees agree on goals, misses intangibles like honesty, integrity, quality, etc, interpretation of goals may vary from manager to manager and employee to employee.

- ➢ It is also time consuming, complicated, lengthy and expensive method

Customer feedback method

- ➢ This method is truly one of the modern methods of performance appraisal system. Customer feedback method is used, especially for sales staff who deals with sales activity in the organisation.

- Under this method of appraisal system, customer feedback is directly linked with employee performance.

- This method of assessment could be unbiased and reliable since customers who are outsiders may give correct judgement about employee performance than the insiders who are superiors.

- Companies like Cognizant and Wipro software solutions are using customer feedback method to assess the performance of their sales staff in order to hike salaries.

- Some industry experts say placing a higher weightage on customer feedback may fail to motivate employees because customer feedback may vary from customer to customer.

360 degrees Performance Appraisal

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

- Usually, this tool is used for employees at middle and senior level. The complexity of their roles enables the organisation to generate sufficient data from all stakeholders for a meaningful assessment.

- Analogous to the multiple points on a compass, the 360 method provides each employee the opportunity to receive performance feedback from his or her supervisor, peers, staff members, co-workers and customers.

- It is first used by German military in 1940s in order to evaluate performance during World War II. They gathered feedback from multiple sources.

- 360 degree appraisal has four integral components: Self appraisal, Superior's, appraisal, Determine or revise the organizational objectives Translating the organizational objectives to employees Stimulate the participation of employees in the determining of the objectives Monitoring of progress Evaluate and reward achievements Subordinate's appraisal and Peer appraisal.

- According to Rajeswari (2017) the advantage of this system over the traditional boss appraisal system is that, there will be better clarity of the employee performance in a broader sense and there is will be less error due to hallo effect or bias. And the employees also will get a change to know the feedback and a voice for clarification in case of a gap in the actual and target performances.

> ➢ It gives a comprehensive view of the performance of employees and improves credibility of performance appraisal.

> ➢ 360 degree feedback method is very time consuming and complicated in administration

720 Degree

> ➢ According to Sundaravadivel &, Silambarasi (2018) 360 degree appraisal method is practiced twice.

> ➢ When 360 degree appraisal is done, then the performance of the employee is evaluated and having a good feedback mechanism, the boss sits down with the employee again a second time and gives him feedback and tips on achieving the set targets. It helps in better analysis and improved feedback from different dimensions.

> ➢ 720 degree helps to develop a better and co-operative team.

> ➢ The advantages of 360 degree appraisal system are applicable to this system also.

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Unit-V

Trade union and Labour Legislation

TRADE UNION

Introduction

Trade unions have long been central to the development of labor rights and industrial relations. Emerging from the collective need to protect workers in the face of industrial capitalism, trade unions have evolved into significant institutions influencing labor laws, economic policy, and workplace conditions globally.

What is Trade Union?

A **trade union** is an organized association of workers formed to protect and promote their collective interests, particularly in terms of wages, working conditions, job security, and benefits. The primary objectives of trade unions include:

- ❖ Negotiating with employers through collective bargaining
- ❖ Representing workers in disputes
- ❖ Promoting fair labor practices
- ❖ Influencing labor-related legislation

Trade unions may be organized by industry, occupation, or region, and can function at the local, national, or international level.

Constitutional Rights

- ❖ **Article 19(1)(c)** of the Indian Constitution, which guarantees the right to form associations or unions.

Functions of Trade Unions

1. **Protective Function** – Safeguarding workers against unfair labor practices, exploitation, or unsafe working environments.
2. **Economic Function** – Negotiating for better wages, benefits, and job security.

3. **Political Function** – Advocating for labor-friendly policies and participating in political processes.

4. **Social Function** – Promoting unity, mutual support, and educational opportunities for members.

OBJECTIVES OF TRADE UNION

1. Collective Bargaining:

A trade union's fundamental objective is collective bargaining, which involves **negotiating with the employer or management to reach an agreement** on employment-related issues that are mutually acceptable to both parties. There are many aspects of employment, including wages, working hours, overtime pay, benefits, job security, and so on.

Workers have a stronger voice in the workplace when trade unions negotiate collectively for their interests. In order to resolve labor disputes and set labor standards, collective bargaining establishes a formal and structured mechanism. In addition, it ensures employers take into account workers' concerns and preferences in decisions that directly affect their   working lives.

Objectives of Collective Bargaining
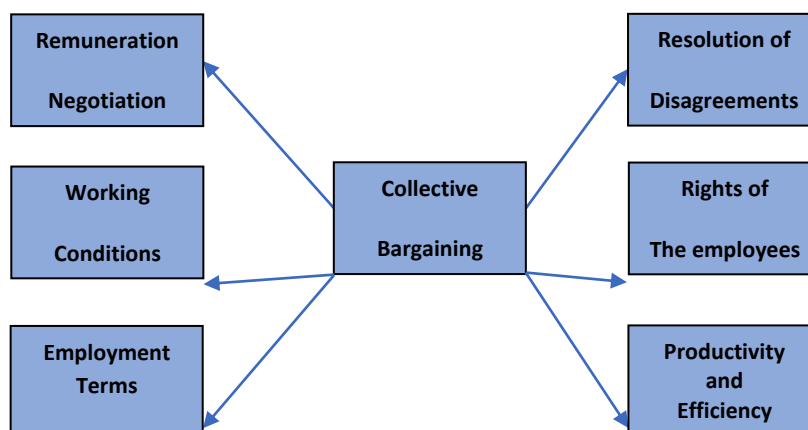
2. Protection of Workers' Rights:

It is the responsibility of trade unions to protect the rights of workers in various ways. They ensure that

> ➢ Employers comply with labor laws and regulations
> ➢ To ensure that workers are not exploited or abused.

In the event workers face workplace issues, such as discrimination, unfair treatment, or wrongful termination, unions provide legal support and representation. In addition, trade unions ensure that workers are aware of their legal protections and can assert them whenever necessary.

3. Improved Wages and Benefits:

Trade unions aim to secure higher wages and benefits for their members through collective bargaining. Collective bargaining aims to secure higher wages that match the skills, experience, and productivity of workers. A variety of benefits can be improved, including health insurance, retirement plans, paid leave, and other incentives that benefit workers and their families.

Wages and benefits should be increased to not only improve the standard of living for workers, but also to boost their morale and job satisfaction, which will result in greater productivity and loyalty.

4. Job Security:

A trade union advocates policies and practices that prioritize job stability and discourage arbitrary layoffs, as well as protecting workers from job insecurity and unfair dismissal.

As part of employment contracts, unions may negotiate provisions that outline the conditions under which layoffs can occur as well as criteria for selecting employees if a company decides to downsize. Providing job security to employees and employers contributes to a more confident and stable workforce.

5. Skill Development and Training:

A trade union recognizes the importance of continuous skill development and training for workers, and may work with employers to develop training programs or encourage workers to enroll in skill enhancement courses.

Trade unions enhance workers' employability and career prospects by investing in their skills and knowledge. It is important to develop skills not only for individual workers, but also for the competitiveness of industries and the economy as a whole.

6. Reducing Economic Inequality:

It is unions that play a significant role in addressing income inequality. They work to reduce the wage gap between the top executives and workers by advocating for higher wages and better working conditions. Their goal is to create a more equitable distribution of wealth through progressive taxation, social welfare programs, and other measures.

For unions, reducing economic inequality is an important part of building a more just society and improving the overall quality of life for workers.

7. Political Advocacy:

Workers' rights and labor conditions are impacted by government policies and legislation that trade unions actively advocate for. They participate in lobbying efforts, public campaigns, and demonstrations in support of labor-friendly legislation

The aim of trade unions is to protect the rights of workers by working for higher wages, workplace safety standards, and collective bargaining rights. They also oppose anti-labor measures to make sure that workers' rights are not eroded.

8. Social and Cultural Activities:

Trade unions promote a sense of community and solidarity among their members by conducting social and cultural activities in addition to their economic and political

objectives. A union may organize recreational events, provide healthcare facilities, support educational initiatives for workers and their families, or promote cultural events.

Through these initiatives, union members are able to create strong bonds, improve well-being beyond the workplace, and maintain a healthy work-life balance.

9. Unity and Solidarity:

It is the core principle of trade unions to build solidarity and unity among workers. By uniting workers under a common banner, trade unions are able to strengthen their bargaining power and collective strength.

Workers who work together to address workplace challenges or negotiate with employers benefit from solidarity, which fosters cooperation among them. The union can help workers resolve issues such as unfair labor practices and unjust treatment through its support and resources.

10. Conflict Resolution:

The trade unions act as mediators between employers and workers, and they may engage in mediation or arbitration to reach a mutually acceptable resolution in workplace disputes. A union may strike or take other forms of industrial action to exert pressure on employers when negotiations reach an impasse.

Trade unions' work focuses on conflict resolution, as it promotes industrial harmony and fosters a cooperative relationship between management and labor.

The trade union represents the collective interests of workers and employees and is a vital institution. In order to improve the working conditions and well-being of workers, they have a variety of economic, social, and political objectives. During collective bargaining, they negotiate better wages, benefits, job security, and working conditions.

Additionally, unions engage in social and cultural activities to foster solidarity among members as well as advocate for workers' rights and reduce economic inequality.

A trade union promotes the interests of workers and contributes to a more just and equitable society by recognizing and respecting the labor force's contribution. Their influence on labor markets, public policies, and the creation of a harmonious, productive work environment remain crucial.

CHILD LABOUR (PROHIBITION AND REGULATION) ACT, 1986

Introduction

The term "child labour" is often defined as work that deprives children of their childhood, their potential and their dignity. It is harmful to the physical and mental development of children. It also refers to work that is mentally, physically, socially or morally dangerous and harmful to children and interferes with their schooling by

> ➢ Depriving them of the opportunity to attend school
> ➢ Obliging them to leave school prematurely; or
> ➢ Requiring them to attempt to combine school attendance with excessively long and heavy work.

Child labour has long been a serious social problem issue in India in both pre as well as post-independence, where children are often forced to work in exploitative and hazardous conditions as a result of poverty, lack of education, and inadequate enforcement of laws.

The **UN Convention on the Rights of the Child, 1989** contains the idea that children are not just objects who belong to their parents and for whom decisions are made or adults in training. Rather, they are human beings and individuals with their own rights.

The Convention considers that childhood is separate from adulthood, and lasts until 18. it is a special, protected time, in which children must be allowed to grow, learn, play, develop and flourish with dignity.

Constitutional Safeguards

Article 21 A:

The State shall provide free and compulsory education to all children of the age of six to fourteen years in such manner as the State may, by law, determine.

Article 24:

It states that No child below the age of fourteen years shall be employed to work in any factory or mine or engaged in any other hazardous employment.

Article 39 (e):

The State should direct its policies toward securing that the health and strength of workers, men and women, and the tender age of children are not abused and that citizens are not forced by economic necessity to enter avocations unsuited to their age or strength.

Child Labour (Prohibition and Regulation) Act, 1986.

To combat child labour problem, the Indian government introduced several legislative measures, the most significant being this act It represents a critical step towards protecting the rights of children and ensuring their access to education and a safe childhood.

Objectives of the Act

The primary objective of the Child Labour Act is to **prohibit the engagement of children in certain hazardous occupations and processes** and to **regulate the conditions of work where children are not prohibited**. It aims to ensure that children are not exploited and are given the opportunity to enjoy their childhood and access to education.

Key Provisions of the Act

The act was first enacted in 1986, and has undergone several amendments to strengthen its provisions. Some key features include:

1. **Definition of a Child**: Initially, the Act defined a child as a person who has not completed 14 years of age. However, after the 2016 amendment, it includes provisions for adolescents (14 to 18 years)
2. **Prohibition of employment under 14**: The Act strictly bans the employment of children below 14 years in any occupation, whether hazardous or not. and prohibits their employment in hazardous occupations.

3. **Regulation of work for adolescents (14-18):**Adolescents can be employed in non-hazardous jobs, but their working hours, conditions, and specific prohibited activities are regulated.

4. **Regulation of Conditions**: For adolescents, the Act regulates working conditions, working hours, and provides guidelines to ensure their safety.

5. **Penalties**: The 2016 amendment increased the penalties for employers who violate the provisions of the Act. First-time offenders can face imprisonment up to two years and a fine up to ₹50,000. Repeat offenders face stricter penalties.

6. **Child and Adolescent Labour Rehabilitation Fund**: A fund has been established to rehabilitate rescued children and support their education and well-being.

2016 Amendment – A Significant Step

▪ It was a major update to the original Act. It introduced stricter prohibitions and differentiated between children and adolescents.

▪ However, it also allowed children to work in family enterprises and as artists (such as in films and TV), provided it does not affect their education.

Salient Provisions of Child labour prohibition and regulation Act

1. **Definition of 'child'**: The 2016 Amended Act changed the definition of "child" to mean an individual who has not reached the age of 14 or the age provided in the Right of Children to Free and Compulsory Education Act 2009, whichever is higher.

2. **Definition of 'adolescent'**: The term "adolescent" refers to a person who has completed his 14th year but has not completed his 18th year. However, the concept of 'adolescent' under the Factories Act of 1948 differs somewhat from this definition.

3. **Adolescent employment prohibition**: New laws have restricted the employment of teenagers in hazardous occupations or processes.

4. **Punishment**: While the punishment for companies has been dramatically increased, the punishment for individuals and guardians has been lessened.

5. **Child labour is now a cognizable offence**: Any employer-committed offence punishable under the Child Labour Act in India is now a cognizable offence. As a result, authorities can file a FIR, begin investigations, and arrest without a warrant.

6. **District Magistrate's Authority**: The District Magistrate has the authority to ensure that the requirements of the modified legislation are appropriately implemented.

7. **Compounding of offences**: Provision has been provided for the accused to apply to the District Magistrate for the compounding of offences.

8. **Child and Adolescent Labour Rehabilitation Fund**: The acceptable government has established a dedicated fund in each district or two or more districts for the rescue and rehabilitation of children and adolescents.

9. **Inspection and Monitoring**: The acceptable government has set provisions for periodic inspection and monitoring of sites where the employment of minors is forbidden, and harmful vocations or procedures are managed.

Child labour programs in India

Child labour in India is influenced by poverty, a lack of education, population growth, and industrialisation. The government and non-governmental organisations have launched many initiatives to address the issue of child labour in India.

National policy on child labour

➢ The action plan for addressing the problem of child labour is contained in the National Policy on Child Labour, which was proclaimed in August 1987.

➢ It aims to use a progressive and sequential approach to rehabilitating children and adolescents.

➢ It intends to:

  ▪ Implement a legislative strategy.
  ▪ Focusing and convergence of general development programmes.
  ▪ Project-based action plan of action for the Welfare of Working Children

Juvenile Justice 2015

> ➢ The Juvenile Justice (Care and Protection of Children) Act, 2015 was enacted by the Indian Parliament amid great controversy, discussion, and protest by the Child Rights fraternity over several of its provisions.
> ➢ The Act also aimed to develop adoption legislation generally accessible in India.

National Child Labour Project (NCLP) Scheme 2007

> ➢ The **National Child Labour Project (NCLP) Scheme** uses a sequential approach emphasising the rehabilitation of children working in hazardous occupations and procedures.
> ➢ A survey of child labour engaged in hazardous activities and procedures has been done under the Scheme.

PENCIL

> ➢ **PENCIL** is an acronym for **Platform for Effective Enforcement of No Child Labor**.
> ➢ It is an internet platform aimed at integrating the Centre, States, Districts, Governments, Civil Society, and the general public to attain a child labour-free society.
> ➢ It was established to ensure the proper execution of the Child Labour Act in India and the National Child Labour Project (NCLP) Scheme.

CONTRACT LABOUR (REGULATION AND ABOLITION) ACT, 1970

Who is a contract labour?

Workmen who are hired to perform work through a contractor or subcontractor and are not direct employees, where their relationship with the establishment and method of payment differ from that of direct laborers. They are found in both the informal and formal sectors.

Categories of Contract Labour

Those who are deployed in job contracts for specific job base for a particular period of time: Construction of building, maintenance, cleaning and other task-oriented jobs. Here the workers are tied to the completion of a particular job.

Those who are deployed on supply based on the labour contracts: Manpower supply for production, security – typically ongoing basis. Here the Workers are supplied as per the need

Issues with Contact Labours

The widespread use of contract labor often results in the denial of labor rights, leading to violations of fundamental and human rights as protected under Articles 23 and 24 of the Constitution. This practice fosters a deep sense of insecurity among workers and can push them into desperate conditions due to unstable and exploitative work environments. It also poses a potential threat to permanent jobs, undermining job security for the regular workforce. While there have been favorable decisions from labor departments and courts advocating for the protection of contract workers, challenges remain. Contract laborers often have poor qualifications and limited skills, which hinder productivity and growth. Additionally, their lack of job security contributes to poor loyalty and no long-term commitment to employers. Employers also incur extra costs due to service tax and service charges paid to manpower supply agencies. Although some legal protections exist at the workplace, the overall framework often fails to ensure comprehensive security and fair treatment for contract workers.

Impact of contract labours

The use of contractual labor often results in the denial of essential rights and protections for workers. These workers are typically excluded from benefits such as overtime pay, sick leave, and holiday pay, and they are unable to build employment continuity or gain long-term experience. Furthermore, they are denied access to redundancy payments, unemployment benefits, and work-related pensions. In many cases, they also lack avenues for compensation in the event of work-related illnesses and are excluded from industry training and apprenticeship opportunities. This arrangement enables both employers and workers to evade taxes and social security contributions. Additionally, the growing reliance on contractual

labor negatively affects the real wages of directly employed workers, as it expands the available labor pool and undermines standard employment conditions.

Advantages in contract labour

Contract labor is often preferred by employers due to its cost-effectiveness and flexibility. These workers typically receive only half the wages of regular employees, making them a cheaper alternative for completing tasks. Legally, the principal employer is not required to directly supervise contract workers, which reduces managerial burden. The ease of hiring and firing them upon job completion adds to their appeal, allowing employers to manage workforce size according to demand. Additionally, by outsourcing non-core activities, organizations can concentrate more effectively on their core operations. The use of contract labor also serves to suppress the bargaining power of regular, unionized workers, and facilitates the speedy completion of assigned tasks, enhancing overall operational efficiency.

Need for Contract labour Law

There is a need for a comprehensive Contract Labour Law to ensure the protection and fair treatment of contract workers. Such a law is essential to regulate their employment and improve their often-precarious working conditions. It should aim to guarantee fair wages, equitable treatment, and access to basic rights and benefits that are commonly denied to them. Moreover, the law should include provisions to abolish contract labour in sectors or situations where it is clearly exploitative or unnecessary, particularly when it is used to bypass regular employment norms. Ultimately, the objective should be to safeguard the welfare of contract workers and ensure that they are not treated as disposable labor, but as integral contributors to the workforce deserving of dignity, security, and respect.

Key provision of the act

The act applies to every establishment –where 20 or more workmen employed or were employed on any day of the preceding 12 months as a contract labour. every contractorwho employs or who employed on any day of the preceding 12 months – 20 or more workmen and This Act is applicable to any establishment where contract labor is employed, such as in construction, industrial, and agricultural sectors.

The key provision of the act are the regulation of contract labour and it involves several legal and procedural requirements aimed at protecting workers' rights and ensuring fair practices. Both contractors and principal employers are required to register with the licensing officer if they engage contract labour, with the principal employer specifically mandated to obtain a certificate of registration from the licensing authority. Contract labourers must be paid at least the minimum wages as prescribed by law, and their working conditions must comply with legal standards, ensuring no discrimination in terms of wages, benefits, or work environment. The law also emphasizes the provision of essential welfare and health measures under the Welfare and Health Act, which includes clean drinking water, restrooms, first-aid facilities, and canteens where applicable. Furthermore, the government holds the authority to abolish contract labour in situations where it is found to be exploitative, unnecessary, or detrimental to the workers' interests. Strict penalties are imposed for non-registration and failure to comply with wage payments, welfare provisions, and prescribed working conditions. Additionally, Advisory Boards at both the central and state levels are established to provide guidance on the regulation and abolition of contract labour, ensuring that worker welfare remains a priority in labour policy.

Minimum Wages Act, 1948

The **Minimum Wages Act, 1948** is a landmark labor legislation enacted by the Government of India. It was introduced to safeguard the interests of workers by ensuring that they receive fair and adequate remuneration for their labor. This Act provides a legal framework for fixing and revising the minimum wages that must be paid to workers in certain specified sectors of employment.

Objective:

To ensure that workers are not paid below a certain minimum wage, thereby securing a basic standard of living for them.

Key Features:

1. **Fixing Minimum Wages:**

The Act empowers both the Central and State Governments to:

- ➢ Fix the minimum rates of wages for different types of employment.
- ➢ Revise wages periodically (usually every 5 years).
- ➢ Prescribe different rates for:

  - o Different employments or occupations
  - o Different classes of work (skilled, unskilled, semi-skilled)
  - o Adults, adolescents, children, and apprentices
  - o Localities or regions

2. Types of Wages Covered:

The Act provides for:

- ➢ Minimum wage
- ➢ Overtime wage
- ➢ Basic wage + cost of living allowance (VDA - Variable Dearness Allowance)

3. Applicable Employments:

The Act applies only to those scheduled employments listed in the Schedule of the Act. These are usually sectors that are unorganized or where labor is prone to exploitation.

Examples:

- ➢ Agriculture
- ➢ Construction
- ➢ Textile
- ➢ Mines
- ➢ Domestic work

Governments can add more employments to this schedule as needed.

4. Enforcement:

- ➢ Inspectors are appointed to ensure compliance.
- ➢ Employers are required to maintain records of wages and work hours.

➢ Workers can approach labour courts if underpaid.

5. Penalties:

Employers who pay less than the minimum wage can face:

➢ Fines

➢ Imprisonment (up to 6 months)

➢ Repayment of the wage shortfall to the worker

The **recent labour code** that deals with minimum wages in India is the **Code on Wages, 2019**. This Code **replaces** the **Minimum Wages Act, 1948** and three other laws to simplify and modernize wage-related regulations. Here's what the **Code on Wages, 2019** says regarding **minimum wages**:

The Code on Wages, 2019 subsumes the Minimum Wages Act, 1948, along with four other laws:

1. **Minimum Wages Act, 1948**
2. Payment of Wages Act, 1936
3. Payment of Bonus Act, 1965
4. Equal Remuneration Act, 1976

Key changes in the Code:

o Universal coverage: Applicable to all employees (not just scheduled employments).

o Floor wage: Introduced at the national level by the Central Government.

o Simplified compliance and inspection mechanisms.

Significance of the Act:

❖ Ensures economic justice and decent livelihood for workers.

❖ Reduces exploitation in labor markets, especially in informal sectors.

❖ Helps in narrowing income inequality.

❖ Contributes to social stability and industrial peace.

Universal Coverage:

Unlike the old Minimum Wages Act (which applied only to "scheduled employments"), the Code on Wages applies to all employees across all sectors — organized and unorganized, and public and private sectors.

National Floor Wage:

The Central Government will fix a **national floor wage**, which acts as the minimum benchmark for wages across the country. **No state** is allowed to set its minimum wages **below this floor wage**, although they are free to fix wages **above it** based on local economic conditions. This provision ensures a basic level of **uniformity** and **minimum income protection** for workers throughout India.

Factors for Fixing Minimum Wages:

When fixing or revising minimum wages, governments must take into account several important factors. These include the **skill level of workers**, such as whether the work is performed by skilled, semi-skilled, or unskilled labor; the **nature of the work**, whether it is hazardous or non-hazardous; and the **geographical location**, recognizing the differences between urban and rural areas. Additionally, they must consider the **cost of living**, **inflation**, and other relevant **economic indicators** to ensure that the wages reflect current living conditions and economic realities.

Timely Revision:

Minimum wages must be reviewed at intervals not exceeding 5 years and variable Dearness Allowance (VDA) must be updated twice a year to reflect inflation.

Equal Remuneration:

The Code ensures equal pay for equal work for all genders — male, female, or transgender and no employer shall discriminate while paying wages for the same work or work of similar nature.

Simplified Compliance:

The Code on Wages introduces a **single, uniform definition of wages** to replace the varied definitions found in the four earlier laws, thereby reducing ambiguity and simplifying compliance. Employers are now required to **issue wage slips** and **maintain records** in accordance with standardized rules to ensure consistency and accountability. Additionally, the Code promotes **electronic wage payments**, enhancing **transparency** and reducing the chances of wage-related disputes.

Penalties for Non-Compliance:

The Code on Wages imposes **strict penalties for non-compliance** to ensure that employers adhere to its provisions. Violations such as **paying below the minimum wage, delayed or non-payment of wages**, and **discrimination in pay** are treated seriously under the law. Depending on the severity of the offense, penalties may include **fines**, **imprisonment**, or both, serving as a strong deterrent against unfair labor practices.

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