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Human Resource Development

SEMESTER - IV

BACHELOR IN BUSINESS ADMINISTRATION

BLOCK - 2

KRISHNA KANTA HANDIQUI STATE OPEN UNIVERSITY

Subject Experts

1. **Professor Nripendra Narayan Sarma**, Maniram Dewan School of Mangement, KKHSOU
2. **Professor Munindra Kakati**, VC, ARGUCOM
3. **Professor Rinalini Pathak Kakati**,Dept.of Busniess Administration, GU

Course Coordinator : **Dr. Smritishikha Choudhury**, Asst. Prof., KKHSOU

Dr. Chayanika Senapati, Asst. Prof., KKHSOU

SLM Preparation Team

UNITS	CONTRIBUTORS
9 & 10	**Arunima Das**, Jnnurm, GMC
	Co-author – **Dr. Chayanika Senapati**, KKHSOU
11	**Dr. Chayanika Senapati**, KKHSOU
12	**Dr. Bhababhuti Sarma**, K. C Das Commerce College
13, 14 & 15	**Dr. Ashim Sarma**, K. C Das Commerce College

Editorial Team

Content

9, 10 & 11	:	**Prof. Nayan Baruah**,GU
12, 13, 14 & 15	:	**Dr. Rati Kanta Pathak**, Gauhati Commerce College
Structure, Format and Graphics	:	**Dr. Smritishikha Choudhury**,KKHSOU **Dr. Chayanika Senapati**, KKHSOU

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City Office: Housefed Complex, Dispur, Guwahati-781006

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SEMESTER 4
BACHELOR IN BUSINESS ADMINISTRATION
HUMAN RESOURCE DEVELOPMENT
BLOCK 2

CONTENTS

Pages

UNIT 9 : Training and Development **Page : 117-133**

Introduction to Training and Development,Meaning of training , Training objectives,Importance of training and development and methods of training

UNIT 10: Performance Appraisal **Page : 134-156**

Meaning of Performance Appraisal,Benefits of appraisal,Conflict and confrontation, Process of performance appraisal,Methods of performance appraisal,Traditional Methods of Performance Appraisal and Modern Methods of Performance Appraisals

UNIT 11: Quality of Work Life **Page : 157-166**

Meaning of quality of work life, Objectives of QWL, Interventions of QWL, Techniques of improving QWL

UNIT 12: Benefits and Services **Page : 167-181**

Concept of Benefits and Services, Meaning of Vacations and Holidays , about Sick Leav, Pension Plans , Social Security , Labour Welfare, VRS and Golden Handshake and Merits & Demerits of VRS and Golden Handshake

UNIT 13: Human Resource Research **Page : 182-189**

Meaning of HR Research, Characteristics of HR Research, Objectives of HR Research and Importance and Methods of HR Research

UNIT 14: Employees working time Management **Page : 190-206**

Weekly working hours, Daily working hours, Holidays,Provision relating to working time for children, women, Provision relating to leave,Inspector, powers of inspector

UNIT 15: Manageing Global Human Resource **Page : 191-216**

HR and Internationalization of Business, Differences and similarities of HR practices in the Global scenario, Implementation of the Global HR System, Improve productivity, through Human Resource Information System (HRIS)

BLOCK 2: INTRODUCTION

This is the second block of the course 'Human Resource Development'. The Block is divided into 7 units and is primarily a learner oriented Self learning material, as it satisfies the requirements of the learners in the filed of 'Human Resource Development'.

This block comprises of the following seven units:

The ninth unit introduces us to Introduction to Training and Development,Meaning of training ,Training objectives,Importance of training and development and methods of training

The tenth unit gives us a concept of Meaning of Performance Appraisal,Benefits of appraisal,Conflict and confrontation, Process of performance appraisal,Methods of performance appraisal,Traditional Methods of Performance Appraisal and Modern Methods of Performance Appraisals

The eleventh unit gives us an idea on the Meaning of quality of work life, Objectives of QWL, Interventions of QWL, Techniques of improving QWL

The twelfth unit will help us in concept and definition of Concept of Benefits and Services, Meaning of Vacations and Holidays , about Sick Leave ,Pension Plans , Social Security , Labour Welfare, VRS and Golden Handshake and Merits & Demerits of VRS and Golden Handshake

The thirteenth unit gives us a broad idea on Meaning of HR Research, Characteristics of HR Research, Objectives of HR Research and Importance and Methods of HR Research

The fourteenth unit will help us in understanding the Weekly working hours, Daily working hours, Holidays,Provision relating to working time for children, women, Provision relating to leave,Inspector, powers of inspector

The fifteenth unit gives us an idea on concept of HR and Internationalization of Business, Differences and similarities of HR practices in the Global scenario, Implementation of the Global HR System, Improve productivity, through Human Resource Information System

The Block is devided into eight units:

UNIT 9: Training and Development

UNIT 10: Performance Appraisal

UNIT 11: Quality of Work Life

UNIT 12: Benefits and Services

UNIT 13: Human Resource Research

UNIT 14: Employees working time Management

UNIT 15: Manageing Global Human Resource

UNIT 9: TRAINING AND DEVELOPMENT

UNIT STRUCTURE

9.1 Learning Objectives

9.2 Introduction

9.3 Introduction to Training and Development

- 9.3.1 Meaning of Training
- 9.3.2 Training Objectives
- 9.3.3 Importance of training and development
- 9.3.4 Career Development

9.4 Methods of training

9.5 Let Us Sum Up

9.6 Further Reading

9.7 Answer to Check Your Progress

9.8 Model Questions

9.1 LEARNING OBJECTIVES

After going through this unit, you will be able to

- explain meaning and objectives of training
- discuss the importance of training and development in an organization.
- explain methods of training
- discuss the need of aligning employees growth with organizational growth.
- describe Career development.

9.2 INTRODUCTION

In this unit we have discussed the importance of training and development in an organization. Here we will also discuss various aspects related for training and development. Only proper training and development can generate competent people who are essential/valuable to keep an organization ahead of the others that means they can better ensure the survival of an organization. Thus, training and development are started to

be considered as an important function of human resource management.

It has become necessary to get the commitment of employees along with the growth in quality movement (concepts of human resource management) in order to achieve the organizational goals successfully. Therefore it has become the duty of the management team of an organization to try hard to make the training programme effective. Training encompasses a multitude of courses through which the skills of employees are tried to be developed. Moreover it is also an important tool to control the attrition rate as it helps in motivating employees, achieving their professional and personal goals, increasing the level of job satisfaction etc.

9.3 INTRODUCTION TO TRAINING AND DEVELOPMENT

The prime focus of all the aspects of human resource development is to create the most superior workforce for the organization who can confer the utmost service to the customers along with accomplishing their own goals side by side. Thus the purpose of human resource development is to help the employees to develop their skills, knowledge and abilities through proper training.

Every organization should try to retain people with the right skills and talent. This is possible only when the organization is ready to invest in employee's future growth and able to show them the path to fulfill their dreams.

Different people may have different views about the career development programme - like for typical employee it is a path of upward mobility, for manager it is a retention and motivational tool while the top management views it as a tool for succession planning. Ultimately it can be concluded with the fact that these efforts bring the high potential candidates into focus who can be groomed for greater responsibility in future.

In nutshell, this unit has included the various aspects of training and development programmes meant for the employees of an organization. These developmental programmes bring up an improvement in the knowledge, skills and attitudes of employees who then become more valuable

for the organization to thrive in this competitive world. To make the employee competent, the organization conduct training programmes for them by using different methods of training that are described in the subsequent part. Now a day, organizations are also giving interest on the career development aspect of the employees.

9.3.1 Meaning of Training

Training is a learning process that encompasses the development of skilled behaviour in the individual. Through this process of training a person is able to acquire knowledge, sharpen his skill, concepts and rules etc along with brining changes in his attitudes and behaviours in order to enhance his performance.

Training is a device to reflect an employee's present position besides comparing this with his future after some point of time. It builds up the confidence of employees about their ability to handle the responsibilities competently.

In general, training helps the employees in following ways:-

- It makes them aware about the ways to reach their destiny.
- It accustoms them the procedures of achieving their desired goals.
- It gives them the knowledge essential to execute their job responsibilities.
- It enables them to develop their skills.
- It helps them to develop the right type of attitudes.

However, to be utmost effective, the training program should be always motivational and engaging in nature.

9.3.2 Training Objectives

The first and foremost step needed for making a training programme successful is to set the training objectives effectively. It is possible to develop the clear guidelines for an effective training programme only when training objectives are based on needs. Training objectives specify the expected result of the training

programme and have the great significance to a number of stakeholders, these are:

(i) Trainer

(ii) Trainee

(iii) Designer

(iv) Evaluator

(i) Trainer:- Training objectives are valuable for the trainer as because these are the basis to measure the progress of trainees and make the required adjustments accordingly. Besides it, the trainer is also able to correlate these objectives with the particular segments of training.

(ii) Trainee:- Training objectives sketch an image of the training programme in the mind of trainees that helps in reducing their anxiety to some extent along with increasing their attention for it. It can be commented that training objectives increase the chance/probability of successful completion of the training programme.

(iii) Designer:- Training objectives specify why and how the training programme has to be designed and what is to be achieved in the end of it. The training designer then look for the training methods, training equipment and training content to achieve those objectives and accordingly execute the training.

(iv) Evaluator:- It is known to us that training objectives clear out the expected performances of trainees which in turn help an evaluator to measure the progress and judge the performance of trainees in due course of time.

9.3.3 Importance of Training and Development

The importance of training can be understood with the help of following points:

- **Development of human resources:-** It provides the opportunity for developing both the technical and behavioural skills in the employees of an organization.

- **Development of skills of employee:-** Besides enhancing the job knowledge and skills of employees at each level, training and development again helps the development of overall personality of employees.
- **Productivity:-** Productivity of employee can be increased by improving the effectiveness of employees with efficient usage of resources.
- **Team spirit:-** Training and development builds up the sense of team work, team spirit and inter-team collaborations among the employees.
- **Organization culture:-** Training and development tries to create a learning environment that facilitates the development and improvement of the organizational health and culture.
- **Organization climate:-** It brings up such a climate in the organization that develops the positive perception and feeling about the organization among the employees. These feelings may be passed to the employees from their leaders, subordinates or peers etc.
- **Quality:-** It is the continuous effort of training and development programme to improve upon the quality of work and work-life.
- **Healthy work-environment:-** Training and development always tries to build up a healthy working environment in the organization where there is a good employee-work relationship. In such an environment it becomes easy to align both the individual and organizational goals effectively.
- **Health and safety:-** Training and development tries to prevent the accident and other situations that may affect the health of employees through their awareness about the health and safety measures adopted by the organization.
- **Morale:-** Morale of the work force can be improved through the process of training and development.
- **Image:-** A better corporate image can be portrayed through the process of training and development.

- **Profitability:-** Training and development tries to build up the positive attitudes of employees towards the profit objective of the organization.

9.3.4 Career development

The ultimate goal of an employee's growth is his career development. Career of an employee of an organization refers to the specific job that he performs along with the associated responsibilities and activities with the job.

Career planning specifies the guide-line for career development. Thus it is important to have the proper career planning in an organization in order to design an effective career development process for it. Generally career planning is a process whereby an individual sets career goals and identifies the means to achieve them and when the organization intervenes in this planning, it is known as organizational career planning. It means the designing of planned succession of jobs by a firm in order to develop its employees in the right way.

9.4 METHODS OF TRAINING

Basically there are two methods of training:-

(A) Cognitive method, and

(B) Behavioral method.

The aim of both the methods is same, that is, to bring the changes in the attitudes of trainees. It is important for the trainers to understand the pros and cons of each method along with its impact on trainees so that they can design the proper training method for them by considering their background and skills in mind. Besides the two methods there is also another method known as "Management development". The method is more future oriented and more concerned with the education of employees.

(A) COGNITIVE METHOD:- The basic concept of the method is to give theoretical training to the trainees. Through the various methods of cognitive approach, it is tried to present the rules of doing something, written or verbal

information and demonstration correlating the different concepts, etc in front of trainees. The methods under cognitive approach intend to bring the changes in knowledge and attitude of trainees by stimulating learning. The various methods that come under Cognitive approach are as follows:

1. LECTURES
2. DEMONSTRATIONS
3. DISCUSSIONS
4. COMPUTER BASED TRAINING (CBT)

1. LECTURES:- Lecture is one of the oldest methods of training and it means telling someone about something. In fact training is incomplete without a lecture session. This method is used with the intention to create understanding about a topic or to influence the behavior and attitudes of trainees.

Main Features of Lecture Method

Some of the main features of lecture method are:

- The lecture method is unable to identify and correct the misunderstandings of trainees
- Less expensive
- A large number of people can be addressed at the same time by using this lecture method
- Knowledge building exercise
- Less effective because lectures keep/make the trainee inactive for long periods of time.

2. DEMONSTRATIONS:- It is a method of visual display that explains/shows how something works or how to do something. Here the trainer shows the trainees the methods of performing or doing the tasks of a job. To make it more effective, the demonstration method should always be accompanied with a session of discussion or lecture.

3. DISCUSSIONS:- The method basically focuses the interactions both among the trainees and between the trainer and trainees though it includes a session of lecturer to provide the learners a rough idea about training programme. In one sense, we can say that this method is an improved version of lecture method as it facilitates the interaction and communication among the participants.

4. COMPUTER BASED TRAINING (CBT):- The demand of knowledgeable and skilled employees is increasing day by day due to world-wide expansion of companies and changing technologies that in turn has put the pressure on HR department to provide training at lower costs. In view of that many organizations have implemented CBT as an alternative to classroom based training.

Some of the benefits of Computer-Based Training are shown in the diagram:



Though internet is not a method of training, yet a recent survey has revealed that most of the organizations are delivering training to the employees through either internet or intranet. CBT is a gift of advanced electronic technology that does not entail the face-to-face interaction between the trainer and trainees.

(B) BEHAVIORAL METHODS:- The Behavioral approach emphasizes more on giving practical training to the trainees and accordingly the methods under it are designed to give the trainee a chance to behave as they do in the job itself. These methods are best to develop the skills of employees.

The methods that come under Behavioral approach are as follows:

(a) GAMES AND SIMULATIONS

1. BEHAVIOR-MODELING
2. BUSINESS GAMES
3. CASE STUDIES
4. EQUIPMENT STIMULATORS
5. IN-BASKET TECHNIQUE

6. ROLE PLAYS

[A] GAMES AND SIMULATIONS:

Games and simulations are the training methods designed with an intention to reproduce or simulate events, circumstances, processes that may actually take place in the job situation of trainee.

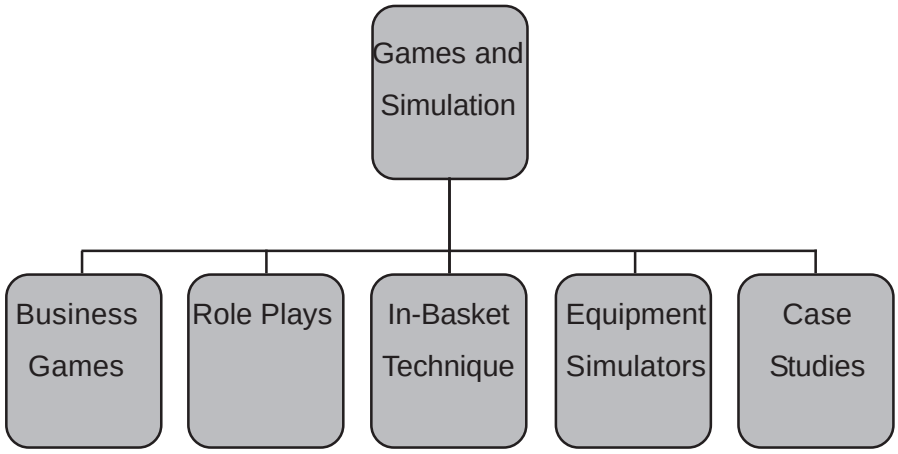
A training Game is a spirited activity or exercise that involves the active participation of trainees through which they compete with each other according to the defined set of rules.

Simulation means the imitation or idea or the opinion about an event that might occur in a real situation. It can entail intricate numerical modeling, role playing without the support of technology or combinations.

Training games and simulations are emerging as an effective tool for training because of its following key components that are quite essential for learning:

- Challenge
- Rules
- Interactivity

Some of the examples of this technique are:



Therefore it is possible to develop knowledge, skills, and attitudes of employees or to find out the concepts that may be useful in improving their performance through the methods of Games and Simulations because these methods give the trainees an experience of the events, processes or games in a controlled setting.

Procedure of Behavior Modeling Technique

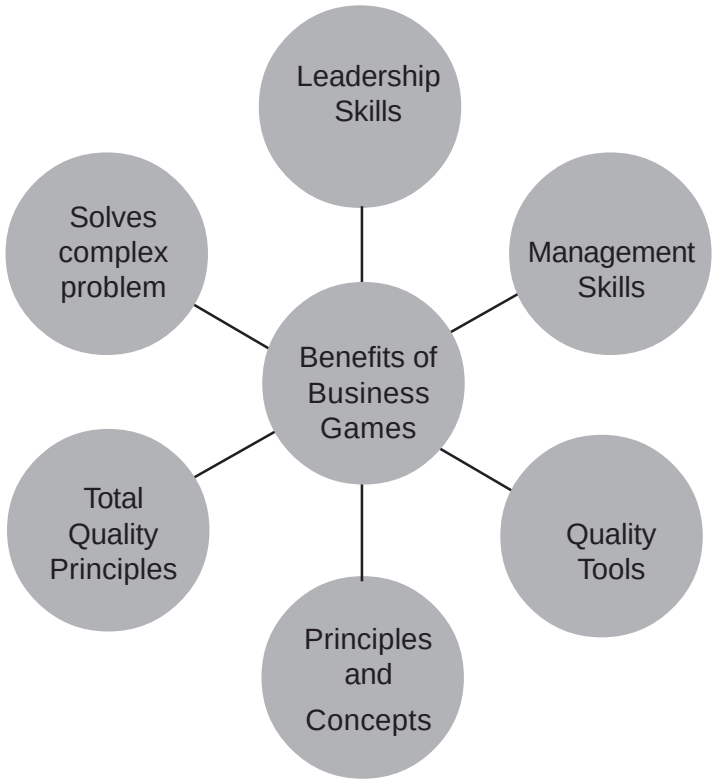
In this method, trainees are shown the videotape of some processes or behaviors that are incorporated along with the games and simulation section because once the trainees see the videotape, they practice the behavior through role plays or other kind of simulation techniques. Behavior modeling that focuses mainly the development of behavioral and interpersonal skills can be used successfully in

- Sales training
- Interviewee training
- Interviewer training
- Safety training
- Interpersonal skills training

2. Business games: The business game method also tries to present the way of functioning of an industry, company, organization, consultancy, or subunit of a company in front of the trainees. Here in this method, trainees are first provided with some information about a particular situation and then they are asked to make decisions that they feel best in the favour of the company. A feedback is then provided to the trainees explaining the impact of their decisions. The same process is repeated again and again until some meaningful results came out.

Some of the benefits of the business games are:

- Development of leadership skills
- Improved application of total quality principles
- It develops skills in using quality tools
- Strengthening of management skills
- Proper demonstration of principles and concepts
- Effective exploration and solution of complex problem



3. Case studies: It is a method that tries to simulate and reflect the decision-making situation in the classroom that the trainees may find in reality being the managers, staff, HR or CEO at their work place. The aim of case study method is to acquaint the trainees with a particular problem rather than finding out the solution for it. Understanding of advantages and disadvantages of such problems is more important than finding out their solutions. Thus it has become the objective of case study method to make the trainees capable of applying known concepts and ideologies and ascertain new ones at the time of handling the work related problems.

Case Study method focuses on:

- Building up of decision making skills
- Assessing and developing Knowledge, Skills and Attitudes (KSAs)
- Development of communication, interpersonal and management skills
- Development of procedural and strategic knowledge

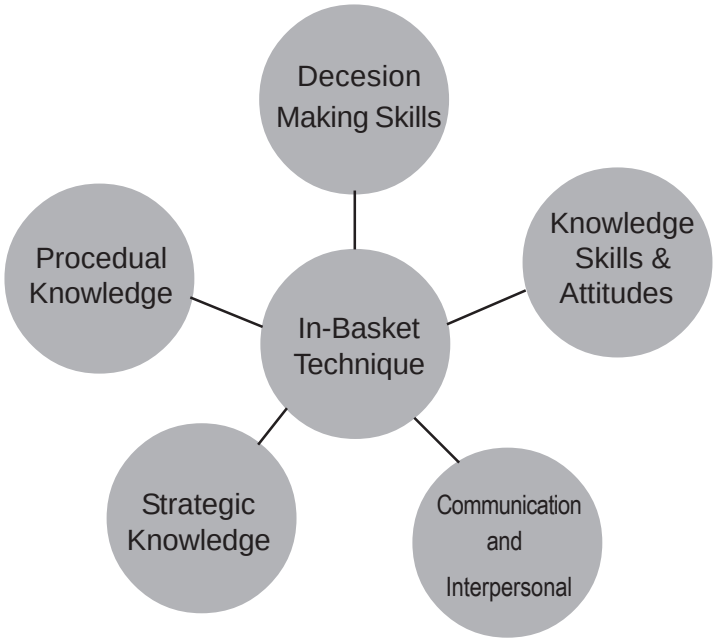
4. Equipment simulation:- Here in this method, some mechanical devices are used that are known as equipment simulators.

Equipment simulators can be used in giving training to:

- Air Traffic Controllers
- Taxi Drivers
- Telephone Operators
- Ship Navigators
- Maintenance Workers
- Product Development Engineers
- Airline Pilots
- Military Officers

5. In-basket technique: In this method, trainees are provided with a log of written text or information and requests, such as memos, messages, and reports etc to handle so that it helps them in the following ways: -

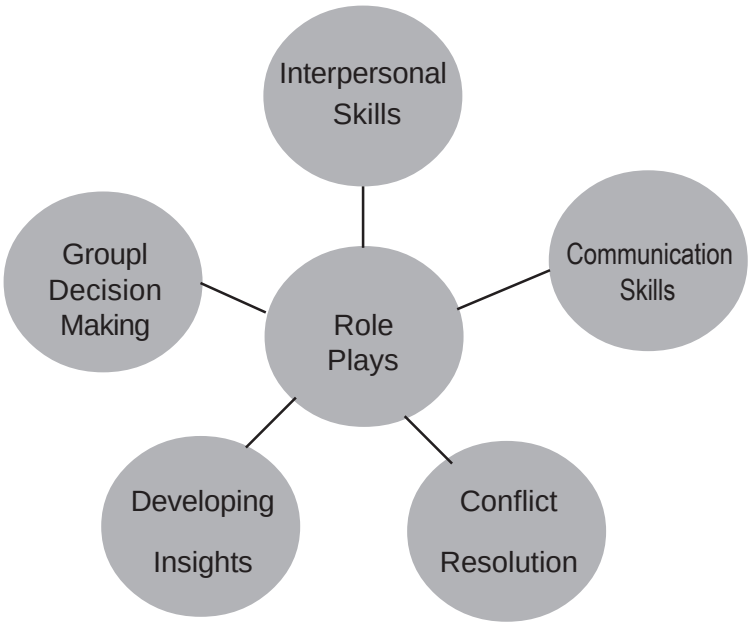
- Builds up decision making skills
- Assess and develops Knowledge, Skills and Attitudes (KSAs)
- Develops communication and interpersonal skills
- Develops procedural and strategic knowledge



6. Role play training method: In this method of Role play training, each participant is given a role to play that acts as a simulation for him or her. Before playing the role the trainees are provided with some information about it for example description of the role and the concerns, objectives,

responsibilities, emotions etc associated with the role. Being familiar with their role, next the participants act out their roles respectively by interacting with each other. Role Playing method is important for

- Improving interpersonal and communication skills
- Resolution of conflict
- Taking decision in group
- Developing insight into one's own behavior and its impact on others



There are various types of role plays, such as:

[i] Multiple Role Play

[ii] Single Role.

[iii] Role Rotation

[iv] Spontaneous Role Play



CHECK YOUR PROGRESS

Q 1: What is training ?

. .....

.....

Q 2: What are the two methods of training?

.....

.....

Q 3: State any two points indicating importance of training and developments.

.....

.....

MANAGEMENT DEVELOPMENT METHOD- Besides the cognitive and behavioural method, there is another method which is known as management development method. The method emphasizes more on making the employees a better performer by educating them through the process of training.

Management development method is further divided into two parts:

(a) On the job training: The method is based on the fact that it is possible to develop the abilities of an employee in its job place itself. The four techniques for on-the job development are:

1. COACHING
2. MENTORING
3. JOB ROTATION
4. JOB INSTRUCTION TECHNIQUE (JIT)

1. **Coaching:** In this method gives the employee an opportunity to receive feedback from an expert that helps in identifying their weaknesses and accordingly the way to rectify these.
2. **Mentoring:** In contrast of Coaching, Mentoring means an ongoing informal relationship that usually develops between a senior and junior employee. That means here the senior performs the role of a guide to his junior employees.
3. **Job rotation:** Job rotation means the intentional changing of job position of employees within a department, division or organization etc.
4. **Job instruction technique (jit):** Job Instruction Technique (JIT) uses a strategy with a focus on the development of knowledge (factual and procedural), skills and attitudes of trainees.

(b) OFF THE JOB TRAINING : There are many management development techniques that an employee can take in off the job. The few popular methods are:

1. SENSITIVITY TRAINING
2. TRANSACTIONAL ANALYSIS
3. LECTURES
4. SIMULATION EXERCISES

1. **Sensitivity training:** In this method it is tried to develop the social sensitivity and behavioral flexibility in the people so that in return they are able to understand themselves and others reasonably.
2. **Transactional analysis:** Transactional Analysis provides trainees with a realistic and useful method for analyzing and understanding the behavior of others. Learning from psychology are used in this method by trained experts in order to help the trainees to understand themselves better.
3. **Lectures:** In this method, the trainer speaks to a group of people about a topic without involving any kind of interaction between him and the trainees.



CHECK YOUR PROGRESS

Q 4: Match the following contents of left side with the right options given in the opposite side.

1. Sensitivity training
2. Lectures
3. Job instruction technique (jit)
4. Mentoring
5. Simulation exercises
6. Coaching
7. Job rotation
8. Transactional analysis

(a) off the job training

(b) on the job training



9.5 LET US SUM UP

In this unit we have discussed training and development of human resources. Training objectives provides the clear guidelines for developing/ designing an effective training programme in the organization as because these objectives are based on needs.

Training and development perform the various functions in an organization like optimum utilization of human resources, increase productivity, build up team spirit and organizational culture etc. There are a number of training methods available. Each one of them has their own advantage and disadvantage.

Alignment of employee's personal goals with the organizational goals and strategies is a must to create a win-win situation. The absence of alignment and congruence of both the two factors results a haphazard situation that leads to the loss of productivity. Career development is the ultimate goal of growth of an employee which is associated with career and career planning.



9.6 FURTHER READING

1. C.B. Mamoria and S.V. Gankar*; Personnel Management.*
2. Deb (2012); *Human Resource Development: Theory Practices*, 1st Edition; Ane Books India.
3. K. Aswathappa (2010); *Human Resource Management : Text and Cases* ,6th Edition; Tata McGraw-Hill Education.

9.7 ANSWER TO CHECK YOUR PROGRESS

Ans to Q 1: Training is a process that helps in improving behaviour.

Ans to Q 2: Cognitive method and hehavioural method.

Ans to Q 3: Improvement in quality and productivity.

Ans to Q 4: (a) off the job training -

1. sensitivity training
8. transactional analysis
2. straight lectures/ lectures
5. simulation exercises

(b) on the job training -

6. coaching
4. mentoring
7. job rotation
3. job instruction technique (jit)



9.8 MODEL QUESTIONS

Q 1: Define the term training and development. Bring out the importance of training and development in an organization.

Q 2: Explain the various methods of training.

Q 3: Define the term career, career planning and career development.

Q 4: Write short notes on

(a) Job rotation, (b) Lecture method of training, (c) On the job training.

*** ***** ***

UNIT 10: PERFORMANCE APPRAISAL

UNIT STRUCTURE

10.1 Learning Objectives

10.2 Introduction

10.3 Meaning of Performance Appraisal

10.4 Benefits of Appraisal

10.5 Conflict and Confrontation

10.6 Process of Performance Appraisal

10.7 Methods of Performance Appraisal

10.7.1 Traditional Methods of Performance Appraisal

10.7.2 Modern Methods of Performance Appraisals

10.8 Let Us Sum Up

10.9 Further Reading

10.10 Answers To Check Your Progress

10.11 Model Questions

10.1 LEARNING OBJECTIVES

After going through this unit, you will be able to

- explain the meaning of performance appraisal
- discuss the benefits of performance appraisal
- outline the conflict and confrontation related with performance appraisal
- describe the process of Performance Appraisal
- discuss methods of performance appraisal

10.2 INTRODUCTION

In this unit, we will discuss about the benefits of appraisal, conflict and confrontation related with performance appraisal as well as the common mistakes made in it. You will also come to know about the bias effect of performance appraisal. In the later part, we will go in

details through the five steps of performance appraisal process and the traditional as well as the modern method of performance appraisal.

10.3 MEANING OF PERFORMANCE APPRAISAL

Performance appraisal is a part of career development. Performance appraisal is a process of examining and evaluating an employee's job performance (generally in terms of quality, quantity, cost and time) by comparing it with the preset standards. It then provides feedback to the employee from the results of comparison and points out where improvements are needed and why. Performance appraisal Identifies employee's training and developmental needs and forms a basis for personnel decisions like salary increases, promotions, training, disciplinary actions, etc.

The practice of appraisal is a very ancient art. In the scale of history, performance appraisal may be claimed to be the world's second oldest profession. The history of performance appraisal has its roots in the early 20th century and can be traced back to Taylor's pioneering Time and Motion studies. It is used as a distinct and formal management procedure for evaluating the work performance of an employee. The practice of appraisal really dates from the time of the Second World War - not more than 60 years ago.

10.4 BENEFITS OF APPRAISAL

In the rush and bustle of daily working life, probably the most significant benefit of appraisal is that it urges a supervisor and his subordinate to have a discussion on the important work issues that might not otherwise be addressed. When performance appraisal is conducted properly, it ensures both beneficial and positive experiences to the supervisors and subordinates

Appraisal system is very much valuable to an organization. It offers an opportunity to focus on work activities and goals as well as to identify and correct existing problems. Thus it enhances the performance

of the whole organization and encourages better future performance. The important benefits are explained below:

(a) Motivation and Satisfaction: The profound effect of performance appraisal on employee motivation and satisfaction may be either good or bad. Performance appraisal offers a chance to employees to be recognized for their work efforts.

The genuineness of an organization's interest in its employee's performance and development is reflected through the existence of an appraisal program in there. An individual's sense of worth, commitment and belongingness can be positively influenced only by applying proper performance appraisal system.Performance appraisal considers the strength and prevalence of the natural human desire for individual recognition.



Adversarial —

Involving opposition.

(b) Training and Development: Probably through performance appraisal, both the supervisor and the subordinate gets an excellent opportunity to recognize and agree upon individual training and development needs. It shows the presence or absence of work skills in an employee's work performance

As training and development has a relevant linkage with performance outcomes and future career aspirations, their importance becomes very obvious.

From the organizational point of view as a whole, the consolidated appraisal data depicts a clear picture of the overall demand for training. This data may be analyzed based on different variables such as sex, department, etc.

(c) Recruitment and Induction; The fruitfulness of an organization's recruitment and induction practices can be analyzed form the appraisal data. For example, how well are the employees performing who were hired in the past two years?

Appraisal data can be used to evaluate the effectiveness of changes in recruitment strategies. It is also possible to assess the progress in terms of general quality of the workforce, (whether it is improving, staying steady, or declining) by comparing the yearly appraisal data.

(d) Employee Evaluation: Evaluation is a legitimate and major objective of performance appraisal even though it is understated or denied very often. Performance appraisal is the process of examining and evaluating the performance of an individual at its most basic level. However, there is a frequent clash for the evaluative and developmental priorities, so, there prevails an ongoing source of tension for this. It is said that appraisal cannot serve the needs of evaluation and development at the same time. But there may be an acceptable and balanced middle ground, where it is possible to serve the needs of evaluation and development at the same time.

10.5 CONFLICT AND CONFRONTATION

Being an appraiser, it is your responsibility to give accurate feedback to the appraisee rather than flattering feedback. The feedback delivering session is always critical. It needs skill and sensitivity to handle the matter.

Everything is good and well if the appraisee accepts the negative feedback without any objection and resolves to improve himself. But the situation may be a reverse one when the negative feedback results in an angry or hurt employee. Then the process of correction fails and the performance of an employee is unlikely to improve and may even deteriorate further.

(a) Self-Auditing: Self-Auditing means self accessing. The term is related with the poor performers of an organization. The aim of this technique is to prove or emerge the evidence of poor performance "naturally" during the course of appraisal interview. This has to be done by asking open-ended question because it provides no limit to the employee in expressing their views. Thus, it encourages the employee to identify their own performance problems.

For example, consider the case of an employee who was absent for too many days. The appraiser may ask the employee the reason of his absence.

An appraiser can feel that he has won half the battle when an employee voluntarily admits his fault. The self-auditing technique was described by Krein[1990] according to whom appraiser should not confront employees directly with criticism. Rather the employee should be encouraged to confront themselves with their own work and performance issues.

Confrontation techniques rely on "charge and counter-charge" process and promote adversarialism and thus subsequently lead to denial and resentment. On the contrary, self-auditing technique is more likely to promote discussion and agreement on the need for change.

(b) Ownership of Problem: The most powerful aspect of the self-auditing process has been noted as the employee's voluntary admission of their own poor performance. It also facilitates the employee's willingness to accept personal "ownership" of problems that have been self-identified. This sense of ownership stimulates the pace of change and development in them.

But there are some individuals who refuse to admit a thing that reflects poorly on them. They do not co-operate with the process of self-auditing due to ego. Instead , they resist it very strongly. In such cases, appraisers are left with no other option but to confront the poor performer directly and firmly with the evidence they have.

Sometimes the direct confrontation makes the employees to be shocked and they feel ashamed of their doings. So, they admit the need to make improvements. On the contrary, the problem worsens when the employees disagree to their faults.

In providing any feedback - especially negative feedback - appraisers must be careful about the sentiment of the employee. They must try to support their opinions with specific and clear examples. Use of vague generalized example should be avoided.

The focus should be on job-related behaviours and attitudes. It is better to exclude personal matter or any specific observation that cannot be supported by clear evidence. Appraisers must carefully scrutinize their own perceptions, motives and prejudices because all these have an impact in the appraisal process.

10.6 PROCESS OF PERFORMANCE APPRAISAL

1. **ESTABLISHING PERFORMANCE STANDARDS**: In this step, first the standards are set up which must be clear, easily understandable and in measurable terms. Then considering the standards as the base, the actual performance of the employees is compared. Here the criteria are set to judge the performance of the employees as successful or unsuccessful and their degrees of contribution to the organizational goals and objectives.
2. **COMMUNICATING THE STANDARDS:** Once the standards are set, it is the responsibility of the management to inform and explain the standards clearly to all the employees of the organization. Then only employees can understand their roles and know what exactly is expected from them. The standards should also be communicated to the appraisers or the evaluators. And at this stage itself, the standards can be modified on demand, according to the relevant feedback from the employees or the evaluators.
3. **MEASURING THE ACTUAL PERFORMANCE**: Probably this is the most difficult part of the Performance appraisal process. Measuring the actual performance of the employees means the work done by the employees during the specified period of time. It is a continuous process which involves monitoring of employee performance throughout the year. The appropriate techniques of measurement should be selected very carefully so that personal bias does not affect the outcome of the process. It should provide assistance rather than interfering in an employee's work.
4. **COMPARING THE ACTUAL WITH THE DESIRED PERFORMANCE**: In this stage, the actual performance is compared with the desired or the standard performance. The comparison tells the deviations in the performance of the employees from the standards set. The result will show whether the actual performance is more than the desired performance or just opposite of it which depicts a negative deviation in the organizational performance. It includes recalling,

evaluating and analysis of data related to the employee's performance.

5. **DISCUSSING RESULTS**: Then the result of the appraisal is communicated and discussed with the employees on one-to-one basis with the aim of problem solving and reaching consensus. The focus of this discussion is on the problems and its possible solutions. The feedback should be given with a positive attitude because this usually has an influence on the employee's future performance. One of the purpose of the meeting is to motivate the employees to perform better.
6. **DECISION MAKING**: In this last step, decisions are taken which may be either to improve the performance of the employees or to adopt the required corrective actions. Decision is also taken on the HR related issues like rewards,training, promotions, demotions, transfers etc.



CHECK YOUR PROGRESS

Q1: Write the steps of Performance Appraisal in sequential order

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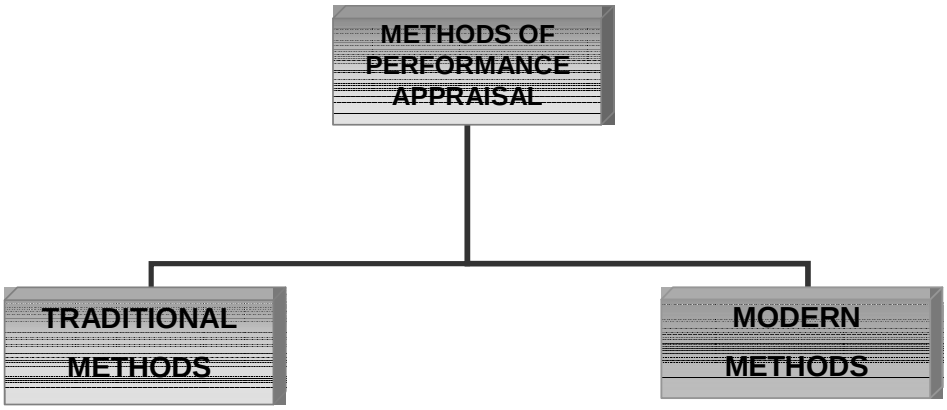
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10.7 METHODS OF PERFORMANCE APPRAISAL

The methods and techniques used for evaluating employee performance can be classified into two broad categories as shown in the following:



10.7.1 Traditional Methods of Performance Appraisal

a. Confidential report: it is a practice followed in most of the government departments and public enterprises where performance appraisal is done through annual confidential reports .The confidential report is based on the performance, ability and character of the employee for a unit of one year. The report is subjective. The credibility of this appraisal method is very low as no feedback is provided to the employee being appraised. The method focuses on evaluation rather than development of the employee. The employee who is appraised never knows his weaknesses and the opportunities available for overcoming these.

b. Graphic rating scale: in this method, an employee's quality and quantity of work is assessed in a graphical scale. There are different degrees of a particular trait. Here both the personal characteristics and the characteristics related to the on-the-job performance of the employees are taken into consideration. For example a trait like Job Knowledge may be judged on the range of average, above average, outstanding or unsatisfactory. Rating scales are of two types viz. continuous and discontinuous. In continuous scale the degree of a trait are measured in numbers ranging from 0 to 5 whereas in a discrete or discontinuous scale, appropriate boxes or squares are used.

c. **Straight ranking method**: it is one of the oldest and simplest techniques of performance appraisal . Here the appraiser ranks the employees from the best to the poorest on the basis of their overall performance. A list is then prepared for ranking the workers in order of their performance on the job, keeping the excellent employee at the top while the poor one at the bottom. It is quite useful for a comparative evaluation. It compares all the employees in any single rating group regardless of the types of work they do. Though the method is suitable in a small organization with less number of employees, yet it is difficult to compare the persons having different qualities, attitudes etc as a whole. This method only tells us the standing of various persons like 1,2,3,4..... and so on, but not the actual difference among them ,that means, how much the person at number 1 is better than that at number 2.

d. **Paired comparison**: in this method, each employee is compared trait-wise with all others in the group, one at a time. Here, the number of times one person is compared with others is tallied on a piece of paper .These numbers help in yielding rank orders of employees .For example, if there are five persons to be compared, A's performance is first compared with that of B to find out who has better performance, then A is compared with C,D and E respectively and performance is recorded .Then B is compared to C,D and E, since he has already been compared with A. In turn C is compared with D and E and so on. Then, the results of these comparisons are tabulated and a rank is assigned to each employee. This method is suitable in a small organization where number of employee is less.

e. **Grading system:** On the basis of certain features like analytical ability, cooperativeness, dependability, job-knowledge etc. are selected for evaluation in this system. The employees

are given grades according to the judgment of the rater. For example, the grades may be such as:

A= Outstanding

B= Very Good

C= Satisfactory

D= Average

E= Below average

The actual performance of every employee is rated with various grades in mind.

f. Forced distribution: forced distribution method is used to eliminate the element of bias from the rater's ratings. Here, the evaluator uses to distribute the employees in some fixed categories of ratings like on a normal distribution curve. The rater places these categories on the appropriate fits based on his own discretion. Though the employees are placed in a certain category yet they are not ranked within a category. The assumption of this method that all groups of employees have the same distribution of good and poor performance is not exempted from the question. There is no explanation for placing an employee in a particular category .Moreover no specific job related criteria is used for ratings. Forced distribution of rankings is feasible for a large group of employees.

g. Checklist method: the rater is given a checklist which contains a list of statements, based on which the rater describes the job performance of the employees. The statements in the checklist describe the behaviour of the employees on job. Then each statement is checked by the rater to indicate whether the behaviour of an employee is positive or negative. Ultimately, the performance of the employee is rated based on the numbers of positive checks. There are three types of check lists that can be used:

(1) Simple checklist

(2) Weighted checklist

(3) Forced choice checklist

(1) Simple checklist:- Under this method, only double barrel questions are put in the checklist and so the supervisor has to answer it either as yes or no. After filling these questions the checklists are sent to personnel department where final rating is done. The questions in the form may be weighed equally or certain questions may be given more weightage than others.In this method, there may also be the supervisory bias because he can distinguish between positive and negative questions. Moreover it is impossible to put all the necessary questions in the check list considering its length.

(2) Weighted checklist:- This method is also used to avoid personal prejudices. In this method, depending on the relative importance, weights are assigned to different statements in the checklist which is as follows:-

Traits	Weights	Performance Scale Ratings(1-5)
1. Regularity	0.5	
2. Dependability	1.0	
3. Loyalty	2.0	
4. Leadership potential	1.5	

This method is a very lengthy, time consuming and relatively costly affair.

(3) Forced choice checklist:- In this checklist, five statements are given for each trait. Out of these statements, two are the most descriptive type while the other two are the least descriptive statements with one neutral statement. The aim is to minimize the rater's personal bias. A specimen of forced checklist is as follows:

For example, Statement no.(5) Regularity of the employee.

Options are (i) Always regular.

(ii) Informs in advance for absence or delay.

(iii) Never regular.

(iv) Remains absent without prior notice.

(v) Neither regular nor irregular.

The method is expensive, lengthy and time consuming. But it has greater objectivity than the other methods. The supervisor get no chance to discuss the rating with subordinates because these items are scored by the personnel department.

h. Critical incidents methods: In this method of performance appraisal, the evaluator rates the employee on the basis of their behaviour at the time of critical events that occur during the course of work. The assumption made in this method is that the performance of the employee on the happening of critical incidents determines his failure or success. Examples of critical events are:-

(a) Refused to accept instructions even when these were clear.

(b) Increased his efficiency despite resentment from other workers.

Critical incident method has both negative and positive point. It provides an objective basis to discuss an employee's performance. Here the evaluation is based on employee's actual job behaviour. Finally, this method is considered to improve the employee performance because they learn precisely what is expected of them.

i. Free essay appraisal method [also known as "free Form method"]: This is a traditional, non-quantitative form of appraisal and involves a description of the performance of an employee by his superior. The description is an evaluation of the performance of an individual and often based on the facts, examples and evidences that support the information. The supervisor should have a continuous watch on the subordinates and write his assessment in the report .While preparing an essay on the employee, the rater generally considers the following factors:

(I) Job knowledge of the employee

(ii) Employee's relation with co-workers and supervisors

(iii) Employee's traits and attitudes

(iv) Employee's understanding of the company's programmes, policies, objectives etc.

(v) Development needs for future etc.

The essay method not only suffer from personal bias but also from human bias because here comes the liking or disliking of a subordinate by the supervisor. The another drawback is that an appraiser may be unable to express his judgment in appropriate words limiting the utility of appraisal report. Moreover, a busy appraiser may be too hurry to write the essay .So, the actual performance of employee may not be reflected properly. The appraiser may take lots of time in preparing the essay. So, the method becomes uneconomical from the time factor point of view.

j. Group appraisal: under the group appraisal method, employees are rated by a group of people known as appraisal group. The appraisal group consists of a supervisor and three or four other persons who have some knowledge on the employee performance .The supervisor explain the nature of his subordinate's duties to the group members. Then the group discusses the standard performance for that job and compares it with the actual performance of the employee and offers suggestions for future improvements, if required.

This method is devoid of personal bias because appraisal result is given taking the consents of multiple judges. Moreover, it is a very thorough and simple method. The only drawback is that this method is very time consuming.

k. field review: in this method, there is a session of discussions and interviews between a senior member of the HR department or a training officer and the line supervisors to evaluate and rate their respective subordinates. The

interviewer questions the supervisor about the requirement of each job in his unit and enquires whether the performance of each man in his job is satisfactory or not. Thus, the expert gathers all the important information on each employee from the supervisor and takes notes in his note book .There is no rating form with factors or degree, but overall ratings are obtained. Here the performance of employees is usually categorised as outstanding, satisfactory and unsatisfactory.

The success of this method depends upon the competence of the interviewer. When this method is used, the supervisors get rid of the tedious writing work of filling in appraisals forms as here questions are asked and answered verbally. Personal bias of supervisor is likely to minimise in this method because the process is largely controlled by the personnel department.

This method requires lots of time and keeps two managerial personnel busy with the appraisal system

l. **Nominations:** In this method, appraisers are asked to identify the exceptionally good and exceptionally poor performers and they are then singled out for special treatment.

k. **Work sample test:** In this method, from time to time, employees are given some work related tests to work out which are then evaluated to judge them.

10.7.2 Modern Methods of Performance Appraisals

i. **Assessment centres:** In this method, the competency of an employee is assessed to take higher responsibilities in the future. Generally, employees are given an assignment akin to the job they are expected to perform, if promoted. Then their performance on the assigned jobs are observed and evaluated by a team of trained evaluators limiting the rater's personal bias.



***Akin* —**

Similar or relatedin quality or character

Interpersonal skills, intellectual capability, planning and organizing capabilities, motivation, career orientation etc are the

major competencies of an employee that are judged in assessment centre method. This method also determines the training and development needs of the targeted employees as well as provides the necessary data for human resource planning.

Drawback of this method is that the candidates may feel demoralized on receiving a negative report from the evaluators. There creates an environment of strong and unhealthy competition among the employees due to the assessment centre method. It is impossible to conduct the tests frequently and there is a possibility of over emphasizing the test performance.

Effectiveness of this method can be increased by –

[a] stating the goals clearly,

[b] obtaining the top management support,

[c] conducting job analysis,

[d] imparting proper training to the evaluators; and

[e] periodically evaluating and revising the assessment programme.

ii. Management By objectives: The concept of 'Management by Objectives' (MBO) was first given by Peter Drucker in 1954. It is a process where the subordinates and their superiors come together to identify and set the common goals to be achieved and the standards to be taken as the criteria for measurement of their performance and contribution as well as to decide the course of action to be followed.

Participative goal setting, choosing course of actions and decision making are the essence of MBO. In MBO process, employee's actual performance is measured and compared with the set standards. There is found more eagerness to fulfill their responsibilities when the employees themselves have been involved with the goal setting and choosing of the course of action process to be followed by them.

UNIQUE FEATURES AND ADVANTAGES OF MBO: The principle behind Management by Objectives (MBO) is to create empowered employees who have a clear knowledge of their roles and responsibilities and understand the objectives to be achieved. Thus this method helps in achieving the organizational as well as personal goals. Some of the important features and advantages of MBO are:

Clarity of goals – With MBO, came the concept of **SMART** goals i.e. goals that are:

- **Specific**
- **Measurable**
- **Achievable**
- **Realistic, and**
- **Time bound**

The goals thus set are clear, motivating and have a linkage with the performance targets of the employees. Here the future is focused rather than the past. Goals and standards are set to measure the performance in future with periodic reviews and feedback. Employees are tried to be motivated so that they give their full co-operation in the whole process of goal setting. Increasing employee empowerment dedicates to the employee job satisfaction and commitment. There is a better communication and coordination with frequent reviews and interactions between superiors and subordinates in MBO which maintains a harmonious relationship within the enterprise and solve many problems faced during the period.

However the term, MBO almost always refers to a comprehensive, organization wise goal setting and appraisal programme that consists of the following steps:

(a) Set the organization's goal: Here an organization wise plan is established for next year and thus goals are set to make the plan successful.

(b) Set departmental goals: In this step, departmental heads and their superiors jointly set their departmental goals.

(c) Discuss departmental goals: Departmental heads discuss the departmental goals with all the subordinates in the department and ask them to develop their own individual goals. In other words, every employee is involved in deciding his contribution to the department's in attaining its goals.

(d) Define expected results (set individual goals): In this step, department heads and their subordinates set short term performance targets.

(e) Performance reviews: In this step, results are measured. Department heads compare the performance of each employee with the expected result.

(f) Provide feed back: Department heads hold periodic performance review meetings with subordinates to discuss and evaluate the progress of them in achieving the expected results.

This approach is considerably superior to the traditional approach of performance appraisal. It is a self appraising as well as problem solving approach and emphasizes the training and development needs of individuals.

Some of the limitations of MBO method is as follows:

(a) This method is unsuitable where the subordinates can not set their own goals. This problem is usually happens with the blue collar workers because they often unable to do so.

(b) The method is appropriate for the appraisal of executives and supervisory personnel who have a good command over goal setting and so, they can understand it in a better way.

(c) MBO programme requires a considerable time, energy and expenditure for its success.

(d) There may arise some conflicts while setting the objectives because when management pushes for higher quotes, then subordinates push for lower ones.

(e) Rating of every employee is based on the specific target sets for each of them. So, it makes the ratings difficult to compare with.

iii. Human resource accounting method: It is known to everyone that human resources are the most valuable assets for every organization. So, in this method, it is tried to find the relative worth of these assets in the terms of money. Here, the performance of employees is judged by comparing the cost (like their compensation, recruitment and selection costs, induction and training costs etc) incurred on them and the contribution that the employees made in terms of the total value added (in monetary terms). In simple language, this method tries to reflect the value of a firm's internal human resources and its external customer goodwill in terms of money value. The difference between the cost and the contribution tells us about the performance of employees. It is an ideal situation when the contribution of the employees is greater than the cost incurred on them.

This method is still in infancy stage and is therefore, not very popular at present.

iv. Behaviorally Anchored Rating Scales: Behaviorally Anchored Rating Scales (BARS) is a relatively new technique. It combines both the graphic rating scale and critical incidents method. It consists of predetermined critical areas of job performance or sets of behavioral statements which are developed from critical incidents and describe important job performance qualities as good or bad (for eg. the qualities like inter-personal relationships, adaptability and reliability, job knowledge etc). In this method, an employee's actual job behaviour is measured with the desired behaviour by comparing the behaviour with BARS.

BARS typically requires five steps:-

(a) Generate critical incidents:- Persons who know the job being appraised (i.e job holder and/or supervisors) are asked to describe specific illustrations (critical incidents) of effective and ineffective performance.

(b) Develop performance dimension:- These people then cluster the incidents into a smaller set of performance dimensions (say 5 or 10).Each cluster (dimension) such as 'conscientiousness' is thus defined.

(c) Reallocate incidents:- Another group of people who also know the job then reallocate the original critical incidents. They are given the cluster's definitions and the critical incidents and are asked to reassign each incident to the cluster they think it fits best.

(d) Scale the incidents:- The second group is generally asked to rate the behaviour described in the incident as to how effectively or ineffectively it represents performance on the appropriate dimension (seven or nine point scales are typical)

(e) Develop final instrument:- A subset of the incidents (usually six or seven per cluster) is used as behavioural anchors for each dimension.

v. 360 degree performance appraisals: 360 degree feedback, also known as 'multi-rater feedback', is the most comprehensive appraisal method where the feedback about the employee's performance comes from all the sources ,that means, his/her peers, managers (i.e. superior), subordinates, team members, customers, suppliers/ vendors - anyone who come in contact with him on his job and can provide valuable insights and information or feedback regarding the "on-the-job" performance of the employee. But these respondents should assess the performance of the employee without bias.

360 degree appraisal has four integral components:

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

Self assessment is an indispensable part of 360 degree appraisals. This method has a high degree of employee involvement and also has the strongest impact on their behavior and performance. This appraisal method is effective in identifying and measuring certain skills of an employee like interpersonal skills, customer satisfaction and team building skills etc. This credible method provides a "360-degree review" of the employee's performance. Moreover, an employee gets a chance to look at his/her strengths and weaknesses, his achievements, and can judge his own performance through self appraisal.

There is a traditional part in 360 degree appraisal method in the form of superior's appraisal where the employee's responsibilities and actual performance is rated by the superior.

Certain parameters of the employee like communication and motivating abilities, ability to delegate the work, leadership qualities etc. can be judged from the subordinates' appraisal. If the correct feedbacks are provided by peers [also known as internal customers], then it can help in measuring the employee's abilities to work in a team, co-operation and sensitivity towards others.

360 degree appraisal is also a powerful developmental tool. When conducted at regular intervals (say yearly), it helps to keep a record of the changing perceptions of other's about the employee's performance. The method is more suitable for the managers as it helps them to assess their leadership quality and managing style by knowing other's perceptions about them. This technique is being effectively used in some of the organizations

like Wipro, Infosys, and Reliance Industries etc for performance appraisals.

This method also has some limitation. Receiving feed back on performance from multiple sources may be an intimidating situation. Further, the organization has to devote a long time in selecting the rater, designing questionnaires and analyzing the data which is not justifiable in this busy working environment. In addition, multiple raters are less likely to provide a balanced and objective feed back than the supervisors who are sought to be replaced. Personal differences and biases may also be the limiting factors in this method.



CHECK YOUR PROGRESS

Q.2: Match the followings:-

A. SMART goals i.e. goals that are:	
Specific, Measurable, Achievable, Realistic and Time bound	A. 360 degree appraisal
B. Four integral components: 1. Self appraisal 2. Superior's appraisal 3. Subordinate's appraisal 4. Peer appraisal	B. Checklist method
C. Three types of check lists that can be used: (a) Simple checklist (b) Weighted checklist (c) Forced choice checklist	C. Management by Objectives



10.8 LET US SUM UP

After going through this unit, you have learnt the meaning of performance appraisal. Then you have learnt the benefits, conflict and confrontations associated with performance appraisal. The methods of performance appraisal includes –

(a) Traditional Methods
- (I) Confidential Report
- (II) Graphic Scales
- (III) Straight Ranking
- (IV) Paired Comparisons
- (V) Grading System
- (VI) Forced Distribution
- (VII) Check List Method
- (VIII) Critical Incident Method
- (IX) Free Essay Method
- (X) Group Appraisal
- (XI) Field Review
- (XII)Nominations
- (XIII) Work Sample Tests

(b) Modern Methods
- (I) Assessment Centre
- (II) Management By Objectives
- (III) Human Resource Accounting
- (IV) Behaviourally Anchored Rating Scales
- (V) 360 Degree Performance Appraisal



10.9 FURTHER READING

1. C.B. Mamoria and S.V. Gankar*; Personnel Management*.
2. Deb (2012); *Human Resource Development: Theory Practices*, 1st Edition; Ane Books India.

3. K. Aswathappa (2010); *Human Resource Management : Text and Cases* ,6th Edition; Tata McGraw-Hill Education

10.10 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q1:

a. Establishing Performance Standards

b. Communicating the Standards

c. Measuring the Actual Performance

d. Comparing the Actual with the Desired Performance

e. Discussing Results

f. Decision Making

Ans to Q2:

A — C B — A C — B



10.11 MODEL QUESTIONS

1. Explain the importance of Performance Appraisal in human resource management.
2. Briefly discuss the various methods of Performance Appraisal.
3. Discuss the problems in Performance Appraisal. How can performance appraisals be made more effective?
4. Write short note on :
   (i) Graphic rating scale
   (ii) Check list method
   (iii) Management by Objectives
   (iv) 360 degree performance appraisal
   (v) Self Auditing
   (vi) Human Resource Accounting

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UNIT11: QUALITY OF WORK LIFE (QWL)

UNIT STRUCTURE

11.1 Learning Objectives

11.2 Introduction

11.3 Meaning of Quality of Work Life

11.4 Objectives of Quality of Work Life

11.5 Interventions of Quality of Work Life

11.6 Techniques of improving Quality of Work Life

11.7 Let us sum up

11.8 Further reading

11.9 Answers to check your progress

11.10 Model Questions

11.1 LEARNING OBJECTIVES

After going through this unit, you will be able to:

- learn the meaning of quality of work life
- discuss the objectives of quality of work life
- learn about work life balance
- describe the techniques for improving quality of work life
- discuss the Indian scenario of quality of work life

11.2 INTRODUCTION

In this unit we are going to discuss the concept of quality of work life. In an organization it is very important that the employees who work there should have stable state of mind at work place. If in any case the organization gives more importance to the technological innovation and not to the human resource, it creates a negative impact on the working environment among the employees.

In this unit we are going to discus the meaning of quality of work life, its objectives and the balance between work and life.

At the end of this unit you will be able to get an idea on the techniques of improving QWL and the Indian scenario.

11.3 MEANING OF QUALITY OF WORK LIFE

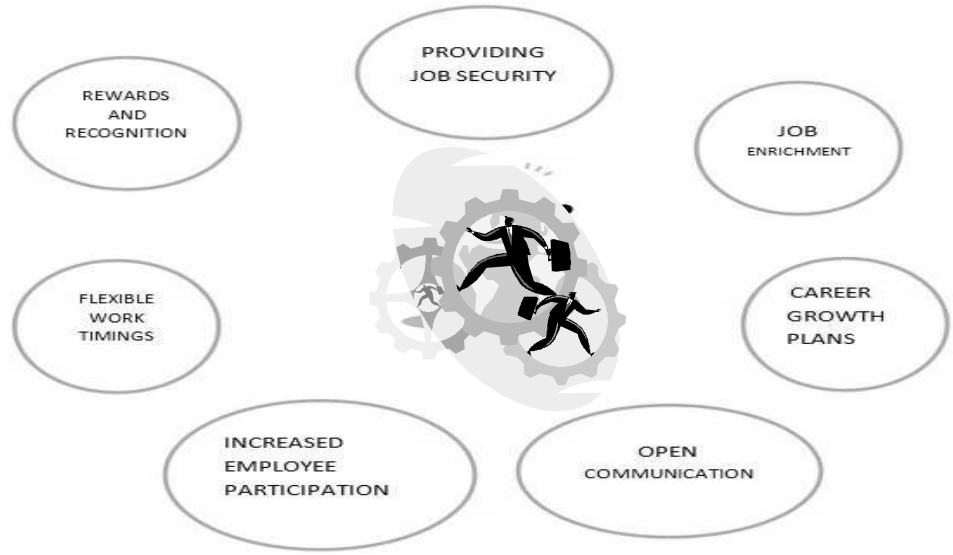
Quality of Working Life is a process of work organisations which enables its members at all levels to actively participate in shaping the organisation environment, methods and outcomes. Conceptual categories which together make up the quality of working life are adequate and fair compensation, safe and healthy working conditions, immediate opportunity to use and develop human capcaities, opportunity for continued growth and security, social integration in the work organisation, constitutionalization in the work organisation, work and the total life space and the social relevance of work life.

Some of the definitions are as follows:

QWL is "The degree to which members of a work organization are able to satisfy important personnel needs through their experience in the organization" by J Richard and J Loy.

"Quality of work life is a process by which an organization responds to employee needs by developing mechanism to allow them to share fully in making the decisions that design their at work" By Robbins (1989).

The following diagram shows the various dimensions of Quality of Work life:



11.4 OBJECTIVES OF QUALITY OF WORK LIFE

The following are some of the objectives of quality of work life:

- Improve employee satisfaction
- Enhance productivity of employees
- Reinforce workplace learning
- Improved management of the on-going change and transaction
- Improve physical and psychological health of employees with creates positive feelings.



CHECK YOUR PROGRESS

Q1. Define QWL.

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.....

Q2. State two objectives of QWL.

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11.5 INTERVENTIONS OF QUALITY OF WORK LIFE

In general there is no acceptable definition about the term Quality of Work life. However, some attempts were made to describe the term quality of work life (QWL). It refers to the favourableness or unfavourableness of a job environment for people. QWL means different things to different people.

Quality of work life is any activity which takes place at every level of an organization, which seeks greater organizational effectiveness through the enhancement of human dignity and growth. It is a process through which the top level mangers in the organization, unions and employees learn how to work together better to determine for themselves what actions, changes and improvements are desirable and workable in order to achieve the twin and simultaneous goals of an improved quality of life at work for all members of the organization and greater effectiveness for both the company and the unions.

So, to achieve the harmony and improved quality in the organization the following interventions can be followed. They are:

1. Quality Circles
2. Suggestion Schemes
3. Workers Participation in Management
4. Empowerment
5. Autonomous Work team

Let us discuss these concepts in the following ways:

1. Quality Circles(QC): The concept of Quality circles has Japanese origin which was formalized by K. Ishikawa. The first circles were established at the Nippon Wireless and Telegraph Company but then spread to more than 35 other companies in the first year.

A/c to Wikipedia, "A quality circle is a volunteer group composed of workers (or even students), usually under the leadership of their supervisor (or an elected team leader), who are trained to identify, analyze and solve work-related problems and present their solutions to management in order to improve the performance of the organization, and motivate and enrich the work of employees".

Quality circle is a small group between 3 to 12 people to do the same or similar task or work, voluntarily meeting together regularly for about an hour per week in paid time, usually under the leadership of their supervisor to identify, analyze and solve some of the problems in their work, presenting solutions to the top level management and implementing solution themselves. There are lot benefits of Quality Circles namely-

a. Improved Quality
b. Cost saving
c. Improves morale
d. Increased employee participation

In India BHEL, SAIL, Indian Airlines, HMT, Bharat Electronics and many more has introduces QC in their organization.

2. Suggestion Schemes: Suggestion Scheme is a system whereby employees can make suggestions on how the organization should be

run more efficiently or profitably. It is basically an incentive scheme designed to encourage and reward the submission of valuable and practical ideas fro improving operational efficiency in various areas in the organization.

The concept of suggestion Schemes was also originated in Japan in the 1960's. Suggestion schemes involve obtaining suggestions from employees at all levels in the organization.

Suggestions for improvement are received by heads of the various departments, from all employees and are evaluated for their feasibility and practicability. Those suggestions, which are deemed fit for further review is put up to a committee consisting of representatives of both the employees and the management for necessary approvals.

3. **Workers Participation in management:** The next intervention may be the workers participation in management. A/c to ILO: Workers' participation may broadly be taken to cover all terms of association of workers and their representatives with the decision-making process, ranging from exchange of information, consultations, decisions and negotiations, to more institutionalized forms such as the presence of workers' member on management or supervisory boards or even management by workers themselves as practiced in Yugoslavia.

According to Gosep, workers' participation may be viewed as:

- An instrument for increasing the efficiency of enterprises and establishing harmonious relations.
- A device for developing social education for promoting solidarity among workers and for tapping human talents;
- A means for achieving industrial peace and harmony which leads to higher productivity and increased production;
- A humanitarian act, elevating the status of a worker in the society;
- An ideological way of developing self-management and promoting industrial democracy.

4. **Empowerment:** Empowerment occurs when authority and responsibility are passed on to the employees who then experience a sense of ownership and control over their jobs. Employees may feel

more responsible, may take initiative in their work, may get more work done, and may enjoy the work more. a/c to business dictionary.com, "Empowerment is a management practice of sharing information, rewards, and power with employees so that they can take initiative and make decisions to solve problems and improve services and performance. Empowerment is based on the idea that giving employees skills, resources, authority, opportunity, motivation, as well holding them responsible and accountable for outcomes of their actions, will contribute to their competence and satisfaction. The following are the features of empowered or self-directed teams:

- Empowered to share various management and leadership functions.
- Plan, control and improve their work.
- Often create their schedules and review their performance as a group.
- May prepare their own budgets and co-ordinate their work with other departments
- Usually order materials, keep inventories and deal with suppliers.
- Frequently responsible for acquiring any new training they might need.
- May hire their own replacement to assume responsibility for the quality of their products or services.

Titan, Reliance, ABB, GE Plastics (India), Wipro Corporation and Wipro InfoTech are empowering employees - both frontline as well as production staff, and are enjoying positive results in India.

5. **Autonomous Work Teams:** Autonomous work teams include all aspects of self-directed work teams, with the addition of significant human resource management responsibilities. These teams are given complete control over the hiring and termination of team members. Autonomous work teams are the restructuring of work groups. These teams follow the a self regulated principle under which only the critical interventions ,desired outcomes and organizational maintenance requirements are specified by those managing, leaving the remainders

to those things. There are two main implications of autonomous work team, they are:

a. Empowering people

b. Multiple skills

Autonomous work teams increases satisfaction and reduces turnover and absenteeism.

11.6 TECHNIQUES OF IMPROVING QUALITY OF WORK LIFE

The concept quality of work life is operationalized through various systems such as job enrichment, workers participation in management which we have discussed in the earlier section, organizational development, quality circles and etc. Individual and also organized efforts are important to improve the quality of work life of the workers in a country. The following are some of the techniques used to improve QWL:

1. **Job Redesign:** Restructuring the elements including tasks, duties and responsibilities of a specific job in order to make it more encouraging and inspiring for the employees or workers is known as job redesigning.
2. **Career development:** Opportunity for career advancement and growth personality improves commitment. Career planning, counseling second career etc., help to meet expectations of achievement-oriented employees.
3. **Autonomous work groups:** We have already discussed about autonomous team in the earlier section .In an autonomous work group; employees are given the freedom of decision making.
4. **Flexible work schedule:** Flexible work hours, staggered hours, reduced work team, job sharing, part time employment and other types of alternative work schedules provides the freedom to employee in scheduling their work.
5. **Job Security:** Job security is the probability that an individual will keep his or her job; a job with a high level of job security is such that a person with the job would have a small chance of becoming unemployed.

So, adequate security of a job is a high priority of employees and it should be provided.

6. **Administrative justice:** The principles of justice, fair and quality should be applied in the various procedures like disciplinary procedures, grievance procedures work assignments, leave etc.
7. **Open communication:** Open communication among the various levels of management improves the quality of working life.
8. **Rewards and Recognition:** Last but not the least monetary or non-monetary motivation is an important factor in any employee's life. If the employees are rewarded and recognized for a job well done then definitely he gets motivated and gives his best effort to do a job. So, it is very important to have reward and recognition system in any organization.



CHECK YOUR PROGRESS

Q3: Define Workers Participation in Management

.....

.....

Q4: Write the interventions of Qulaity of Work Life.

.....

.....



11.7 LET US SUM UP

In this unit we have discussed the following:

- Quality of Working Life is a process of work organisations which enables its members at all levels to actively participate in shaping the organisation environment, methods and outcomes.
- To achieve the harmony and improved quality in the organization there are some interventions that can be followed. They are: Quality Circles, Suggestion Schemes, Workers Participation in Management, Empowerment and Autonomous Work team.

- The techniques used to improve QWL are: Job Redesign, Career development, Autonomous work groups, Flexible work schedule, Job Security, Administrative justice, Open communication and Rewards and Recognition



11.8 FURTHER READING

1. Gupta Santosh (2008); Human Resource Development: Concept and Practices ;Gupta,Santosh;, Second Edition, 2008.
2. Future of HRD, Rao,T.V.; Macmillan India, 2005.
3. Jerry Gilley, Steven Eggland, Ann Maycunich Gilley; Principles of Human Resource Development; Basic Books, 2002
4. John P. Wilson; Human Resource Development: Learning & Training for Individuals & Organizations; Kogan Page Publishers, 2005
5. John Renesch, Sarita Chawla; Learning Organizations: Developing Cultures for Tomorrow's Workplace; CRC Press, 2006



11.9 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q 1: Quality of work life is a process by which an organization responds to employee needs by developing mechanism to allow them to share fully in making the decisions that design their at work

Ans to Q2: The following are the two objectives of quality of work life:

1. Improve employee satisfaction
2. Enhance productivity of employees

Ans to Q3: Workers' participation may broadly be taken to cover all terms of association of workers and their representatives with the decision making process, ranging from exchange of information, consultations, decisions and negotiations, to more institutionalized forms such as the presence of workers' member on management or supervisory boards or even management by workers themselves.

Ans to Q4: To improved quality in the organization the following interventions can be followed. They are:

1. Quality Circles
2. Suggestion Schemes
3. Workers Participation in Management
4. Empowerment
5. Autonomous Work team



11.10 MODEL QUESTIONS

Q1: Define Quality of Work Life.

Q2: Write the objectives of Quality of Work Life.

Q3: Explain the interventions of Quality of Work Life.

Q4: Write the different techniques used to improve Quality of Work Life.

*** ***** ***

UNIT 12: BENEFITS AND SERVICES

UNIT STRUCTURE

12.1 Learning Objectives

12.2 Introduction

12.3 Concept of Benefits and Services

12.4 Meaning of Vacations and Holidays

12.5 Sick Leave

12.5.1 Procedures for Granting Sick Leave

12.6 Pension Plans

12.6.1 Employees Pension Fund

12.6.2 Benefits to the family

12.7 Social Security

12.7.1 Objectives and scope of social security

12.7.2 Social security measures in India

12.8 Labour Welfare

12.8.1 Labour Welfare activities

12.9 VRS and Golden Handshake

12.9.1 Merits & Demerits of VRS and Golden Handshake

12.10 Let Us Sum Up

12.11 Further Reading

12.12 Answers To Check Your Progress

12.13 Model Questions

12.1 LEARNING OBJECTIVES

After going through this unit, you will be able to:

- discuss the meaning of benefits & services
- differentiate between holidays & vacation
- discuss about the sick leave
- explain the different Pension Plans
- discuss in details about the social security
- discuss the meaning and procedures of VRS and Golden handshake

12.2 INTRODUCTION

Human resource management is concerned with recruiting the required number of people in the organisation as well as their training and development, compensation etc. All these involved heavy cost both in terms of money and time. Moreover, it faces a number of problems in managing the human resource of the organization, like, absenteeism, turnover, strikes etc. which affects the productivity of the organization. Therefore, with a view to retain its people and to ensure undisrupted functioning of the organization, it provides certain basic facilities to the employees. These facilities are known as benefits and services. The benefits and services are provided to all the employees of the organization as against the financial incentives which are provided to those employees who show higher level of performance.

This unit will cover this important aspect of human resource management. At first you will come across the meaning of benefits and services and then the benefits and services offered by organization to its employees.

12.3 CONCEPT OF BENEFITS AND SERVICES

One of the important aspects of human resource management is to provide satisfactory benefits and services to the employees working in the organization. This is required to promote favourable attitude in the minds of the employees towards the work and work environment. In other words, to maintain good industrial relations, motivate the employees towards work and promote employee's morale, providing some benefits and services is essential.

Such benefits and services, being a part of wage and salary administration, include all expenditure incurred to benefit employees over and above wages and direct monetary incentives related to output. The real wages of the workers are increased by the benefits provided by the employer and thus they are regarded as supplement to wages or fringe benefits.

It is important to note that 'financial' incentives are paid to specific employees whose work is above standard. 'Benefits and services' are on the other hand available to all employees of the organization.

Benefits and services programme are undertaken by an organization to achieve the following objectives-

1. To recruit and retain the best personnel
2. To increase and improve employees morale
3. To keep in line with other similar organization offering benefits and services
4. To protect employees against certain hazards of life e.g Life Insurance, Old age Pension etc.
5. To improve the public image of the organization.
6. To meet statutory requirements
7. To satisfy the demand of Trade Unions. etc.

12.4 MEANING OF VACATIONS AND HOLIDAYS

Vacations and Holidays are offered to employees as benefit and services. The idea behind is to allow the worker some physical and mental diversion from his job.

The words **holiday** or **vacation** have related meanings in different countries and continents, but usually refer to one of the following activities or events:

- Official or unofficial **observances** of religious, national, or cultural significance, often accompanied by **celebrations or festivities**
- A general **leave of absence** from a regular occupation for rest or recreation
- A specific **trip** or journey for the purposes of recreation or tourism

  People often take a vacation during specific holiday observances, or for specific festivals or celebrations. Vacation or holidays are often used spent with friends or family.

  a. Holidays: Holiday originally referred only to special religious days. In modern use, it means certain days in the year are stipulated as paid holidays. In western countries like USA, UK, Christmas, New Year, Labour Day etc. are particularly included in the list of holidays. In India, Independence Day, Republic day, Gandhi Jayanti Deepavali, Dashera Id, Christmas, Gurunanak Jayanti

etc. are Gazetted holiday. During holidays workers are paid and they do not have to work.

b. Vacation: In the United Kingdom, vacation once specifically referred to the long summer break taken by the law courts and, later, universities-a custom introduced by William the Conqueror from Normandy where it facilitated the grape harvest. The French term is similar to American English: "Les Vacances". In the past, many upper-class families moved to a summer home for part of the year, leaving their usual family home vacant.

In case of employees paid vacations very from 15 days to one month in a year in our country. These are given to the employee after he/ she has put in a specific period of time.

The rational behind the paid vacation is to provide a break in which an employee can refresh himself.



CHECK YOUR PROGRESS

Q1: State three benefits and services programme of organisation

a.....

b.....

c.....

12.5 SICK LEAVE

Sick leave is provided to an employee when he is out of work due to illness. During sick leave full pay for specified number of 'permissible' sick days are granted to him.

Sick leave here does not include sick leave arising from work-related injuries which is governed by the Employees' Compensation Ordinance

12.5.1 Procedures for Granting Sick Leave

In accordance with the Employment Ordinance (EO), an employer shall grant sickness allowance to an employee, who is employed under a continuous contract, if:

1. the sick leave taken is not less than four consecutive days (unless for any day off taken by a female employee for her pregnancy check-ups, post confinement medical treatment or miscarriage, any day on which she is absent shall be counted as sickness day and be paid sickness allowance);
2. the sick leave is supported by an appropriate medical certificate depending on the category of paid sickness days taken (the medical certificate should specify the number of days on which, and the nature of the sickness or injury on account of which, the employee is unfit for work); and
3. The employee has accumulated the number of paid sickness days taken.
4. The daily rate of sickness allowance is a sum equivalent to four-fifths of the average daily wages earned by an employee in the 12-months period proceeding the sickness day.
5. In calculating the average daily wages, an employer has to exclude (i) the periods for which an employee is not paid his wages or full wages, including rest day, statutory holiday, annual leave, sickness day, maternity leave, sick leave due to work injuries or leave taken with the agreement of the employer, and any normal working day on which the employee is not provided by the employer with work; together with (ii) the sum paid to the employee for such periods.

Sickness allowance is, however, not payable under the EO under the following circumstances:

1. The employee, unless he/she is a patient in a hospital, refuses without reasonable excuse treatment by a company doctor of a medical scheme recognized by the Director of Health or disregards the advice of the doctor without reasonable excuse.
2. the sickness day falls on a statutory holiday on which the employee is entitled to holiday pay;
3. the sick leave arises from a work injury and the unfitness for work of the employee is caused by his/her serious and willful misconduct; or

4. Compensation is payable under the Employees' Compensation Ordinance.

An employer who fails to pay sickness allowance to an employee is liable to prosecution.

Employers should maintain proper record of sick leave taken by employees to comply with the statutory requirements under the EO. Employers can also make use of these systematic records to conduct periodical analysis on the sick leave pattern of employees. Such analysis can assist management to plan work schedules, and also to assess the impact of sick leave taking on the organization's overall cost, output and productivity.

12.6 PENSION PLANS

A pension represents a fixed payment, made regularly to a retired employee or his surviving dependants, provided an employee has fulfilled specific conditions of employment for a specific length of time. In general, a pension is an arrangement to provide people with an income when they are no longer earning a regular income from employment.

According to 'Employees Provident Fund (And Miscellaneous Provisions) Act, 1952', -"Pension" means the pension payable under the employees' Pension Scheme and also includes the family pension admissible and payable under the Employees' Family Pension Scheme, 1971.

It is a plan established and maintained by an employer, group of employers, or union to provide for the payment of determinable benefits to its employees.

Under the Section 6-A of 'Employees Provident Fund (And Miscellaneous Provisions) Act, 1952', the Central Government has made the Employees Pension Scheme in 1995. This scheme has come in to force on the 10th day of November 1995. However, the employees have been given an option to become the members of the scheme with effect from the first April, 1993.

The scheme applied to the employees of all factories and other establishments in which the Act applied.

12.6.1 Employees' Pension Fund

As per the Act a part of the employer's contribution (33% of the employees pay) shall be remitted by the employer to the employees pension fund within 15 days of the close of every month by a separate bank draft or cheque. The cost of remittance, if any, shall be borne by the employer.

It is the responsibility of the employer to pay the contribution payable to the employees' Pension Fund in respect of each member of the employees' Pension Fund employed by him directly or by or through a contractor.

12.6.2 Benefits to the Family

On the death of the member, the family shall be admissible from the date of death of the member if the member dies

i) While in service, provided that at least one month's contribution has been paid in to the Employees Pension Fund ,or

ii) After the date of exit but before attaining the age of 58 years from the employment having rendered service entitling him/ her to monthly member's pension but before commencement of pension payment, or

iii) After commencement of payment of the monthly members pension.

There are also some provisions to pay monthly children pension to any surviving children of the deceased member, falling within the definition of family under the Act. They shall be entitled to monthly children pension in addition to the monthly widow/widower pension subject to certain conditions laid down in the Act.

12.7 SOCIAL SECURITY

No man in any society is so capable and versatile as to able to satisfy all his needs. Every one is dependent on others for the fulfillment of some needs. For example, the aged, the helpless, the unemployed, pregnant women, person suffering from chronic diseases are badly in need of help from others. If they are not helped by others chaotic condition will result in the society and the social order will be upset. Thus, in general sense, social security refers to protection provided by the society to its members against providential mishaps over which a person has no control.

The underlying philosophy of social security is that the state shall make itself responsible for ensuring a minimum standard of material welfare to all its citizens. In other sense, social security is primarily an instrument of social and economic justice.

According to a definition given in the **International Labour Organization (ILO)** publication, "Social security is the security that society furnishes through appropriate organization against certain risks to which its members are exposed. These risks are essentially contingencies of life which the individual of small means cannot effectively provide by his own ability, or foresight alone or even in private combination with the fellows".

Thus social security is the planned commitment of a society to ensure bright future for the new generation, active development of present generation and lastly but no less impotently, to relieve the discomforts of the retired generation and help them to live in peace and harmony.

12.7.1 Objectives and Scope of Social Security

Objectives of social security can be summed up in three categories:-

a) **Compensation:** It ensures security of income. It is based on the consideration that during the period of contingency of risks, the individual and his/her family should not be subjected to a double calamity.

b) **Restoration of:** It means cure of one's sickness, reemployment so as to restore the person to earlier condition.

c) **Prevention:** These measures imply to avoid the loss of productive capacity due to sickness, unemployment or invalidity to earn income.

The scope of social security is wide and it covers the aspects relating to social and economic justice. All social security schemes furnished by the government are broadly classified under two types

i) **Social Assistance:** It refers to the assistance rendered by the government to the needy persons without asking them to make contributions to be entitled to get such assistance. Workmen's compensation, maternity benefits, old age pension are the example of social assistance.

ii) **Social Insurance:** It refers to a scheme of maintaining fund from the contributions made by the employees and employer, with or without subsidy from the Government. Provident fund, group insurance etc. are example of social insurance

According to Social security (Minimum Standards) Convention (No.102) adopted by the ILO in 1952, the following are the nine components of social security:-

1. Medical care
2. Sickness benefit
3. Unemployment benefit
4. Old age benefit
5. Employment injury benefit
6. Family benefit
7. Maternity benefit
8. Invalidity benefit
9. Survivor's benefit

12.7.2 Social Security Measures in India

There are several schemes providing social security to the workers is incorporated by Government of India in various enactments from time to time. The important enactments in this regards are:-

a) The Workmen's Compensation Act, 1923
b) The Employees State Insurance Act, 1948
c) The Employees Provident Fund and Miscellaneous Provisions Act, 1952
d) The Maternity Benefit Act, 1961
e) The Payment of Gratuity Act, 1972
f) Coal Mines Provident Fund and Miscellaneous Provisions Act,1948

The various schemes under the above Acts are:-

i) Employee State Insurance Scheme(ESI)
ii) Employees Provident fund
iii) Employees Deposit-linked Insurance Scheme
iv) Gratuity Scheme
v) Death relief
vi) Family pension
vii) Coal Mines Provident Fund Scheme
viii) Coal Mine Provident Fund Deposit Linked Insurance Scheme
ix) Maternity Benefits etc.

12.8 LABOUR WELFARE

Labour Welfare is one of the major determinants of Industrial relations. **Encyclopedia of Social Science** defines welfare work as, "Voluntary efforts of the employers to establish within the existing industrial system, working and sometime living custom of the industry and the condition of the market."

According to **Royal Commission of Labour**, "The term welfare as applied to the industrial worker, is one which must necessarily be elastic; bearing a some what different interpretation in one country from another, according to different interpretations in the degree of industrialization and educational development of workers."

International Labour Organization, defines "Workers welfare should be understood as meaning such service facilities and amenities which may be established in, or vicinity of, an undertaking to enable the persons

employed there to perform their work in healthy congenial surroundings and provided with amenities conducive to good health and high morale."

Thus, from the above definitions, it can be stated that:-

a) Labour welfare includes all voluntary acts by employers aimed at improvement and betterment of workers social, moral, economic and intellectual conditions.

b) Those acts which the employer is compelled, on pain of legal action, to undertake , however beneficial these may be for the workers are not included in the province of labour welfare

c) By welfare scheme the industrialists give evidence of their moral and social enlightenment and help all round development of workers.

12.8.1 Labour Welfare Activities

Labour Welfare activities are of three kinds:

1. **Constitutional:** Legal compulsion regarding the safety and working conditions of workers, etc.
2. **Voluntary:** The works performed by employer for the benefits of the workers
3. **Mutual:** It includes the welfare works done by labour Unions and management in cooperation with each other.

Dr. Broughton has divided the works of Labour welfare into two classes as follows:

1. Intra Mural: It includes

a) Scientific selection and appointment
b) Industrial Training
c) Arrangement for Light, Fresh Air and Water
d) Prevention of Accidents
e) Canteen, rest rooms, refreshment etc.

2. Extra Mural: It includes

a) Provision of Education
b) Arrangement of proper housing accommodations
c) Medical services
d) Provision of inexpensive and Nourishing food

e) Recreation facilities

Apart from the above labour welfare activities it also includes the services like Social insurance scheme, Provident fund benefits, pension, sickness and maternity benefits, arrangement of cultural programmes etc.

12.9 VRS AND GOLDEN HANDSHAKE

The term VRS means Voluntary Retirement Scheme where in the Employee takes the retirement from the service on his own, and he would also be eligible for the fringe benefits which are availed only after the Completion of the 33 years as per the rules of the Central Government.

There is another term similar to 'VRS', i.e. CRS. VRS can also be taken on Medical Grounds of the employee & also seeking more benefits from the employer.

CRS is the term related to Compulsory Retirement Scheme where in the employee is asked to taken retirement from the service based upon various reasons.

VRS is a popular method of reducing the manpower in the organization. Most of the company under this method offer very attractive package of benefits to the employees who would opt for VRS. Such Schemes are often referred to as GOLDEN HANDSHAKE Scheme.

The reasons for proposing VRS

1. Recession in business
2. Intense competition, which makes the establishment unviable unless downsizing is resorted to
3. Changes in technology, production process etc.
4. Realignment of business - due to market conditions
5. Joint-ventures with foreign collaborations
6. Take overs and mergers
7. Business re-engineering process
8. Product/Technology obsolescence

12.9.1 Merits and Demerits of VRS and Golden Handshake

A. Merits

1. There is no legal obstacle in implementing VRS - as is predominantly encountered in retrenchment under the labour laws.
2. It offers to the employee an attractive financial compensation than what is permitted under retrenchment under the law.
3. Voluntary nature of the schemes precludes the need for enforcement, which may give rise to conflicts and disputes.
4. It allows flexibility and can be applied only to certain divisions, departments where there is excess manpower.
5. It allows overall savings in the employee costs thus lowering the overall costs.

B. Demerits

1. To certain extent it creates fear, a sense of uncertainty among employees.
2. Sometimes the severance costs are heavy and outweigh the possible gains.
3. Trade unions generally protest the operation of such schemes and may cause disturbance in normal operations.
4. Some of the good, capable and competent employees may also apply for separation which may cause embarrassment to the managements.



CHECK YOUR PROGRESS

Q2: State any two merits of VRS

a.....

b.....

Q3: State any two demerits of VRS

a.....

b.....



12.10 LET US SUM UP

In this unit we have discussed the following-

- Benefits and services are the part of wage and salary administration.
- Benefits and services are available to all the employees as against the financial incentives which are given to those employees whose shows higher standard of performance.
- Holidays and vacations are the means to refresh the employees.
- Various acts are enacted to provide social security to workers in India like, the Employees state Insurance Act, 1948, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972 etc.
- Under VRS, an employee can take retirement from the service on his own.
- The merits and demerits of VRS.



12.11 FURTHER READING

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2. Deb (2012); *Human Resource Development: Theory Practices*, 1st Edition; Ane Books India.
3. K. Aswathappa (2010); *Human Resource Management : Text and Cases* ,6th Edition; Tata McGraw-Hill Education.

12.12 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q No 1:

A) i) To recruit and retain the best personnel.

ii) To increase and improve employees morale.

iii) To meet statutory requirements.

Ans to Q No 2:

A) i) There is no legal obstacle in implementing VRS.

ii) It offers to the employee an attractive financial compensation.

B) i) Some efficient employees may also apply for VRS

ii) It creates a sense of uncertainty among employees



12.13 MODEL QUESTIONS

Q 1: What do you mean by benefits and services offered to employees?

Q 2: Discuss the procedure of granting sick leave.

Q 3: Discuss different pension plans.

Q 4: Explain the social security measures available to workers.

Q 5: Discuss the merits and demerits of VRS.

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UNIT 13: HUMAN RESOURCE RESEARCH

UNIT STRUCTURE

13.1 Learning Objectives

13.2 Introduction

13.3 Meaning of HR Research

13.4 Characteristics of HR Research

13.5 Objectives of HR Research

13.6 Importance and Methods of HR Research

13.7 Let Us Sum Up

13.8 Further Reading

13.9 Answers To Check Your Progress

13.10 Model Questions

13.1 LEARNING OBJECTIVES

After going through this unit, you will be able to

- explain the meaning of human resource research.
- explain the features and objectives of HR research.
- elucidate the segnificance of human resource research, preferably in the present day context
- explain the methods or techniques of personnel or human resource research

13.2 INTRODUCTION

In this unit, we are going to discuss the meaning of human resource research along with the segnificance of HR Research. You will know the characteristeis as well as the objectives of HR Research. The unit also states the different methods or techniques of HR Research in an organisation.

13.3 MEANING OF HUMAN RESOURCE RESEARCH

Human resource research is the task of searching for and analysing facts to find cartain guidelines to solve the human serource problems. This

research is mainly concerned with the study of human behaviour and prepare guidelines for their future guidance. Personnel or HR research in the cinestigatron and analysis of personnel and human behaviour with a view to setting the guidelines for the future.

Dale yoder has defined personnel or HR research as 'Personnel research implies searching, investigation, re-examination, reassessment and revaluation.'

According to Michael J. Jucius : 'Personnel research is the task of searching for and analysing facts relating to the end that personnel problems may be solved or guidelines governing their solutions derived.'

13.4 CHARACTERISTICS OF HR RESEARCH

1. Human Resource Research is very systematic in the sense that it is preplanned and properly designed. It involves a systematic procedure consisting of the following steps :
   (a) Formulation of a problem
   (b) Selection of hypothesis
   (c) Design of experiment
   (d) Description of Sampling
   (e) Collection of data
   (f) Analysis and interpretation of data
   (g) Report writing
2. It is objective and scientific as it is based on facts and avoids bias or prejudice.
3. It is purposive in nature, which means it stresses not only in accumulation of data but stresses to find out solution to specifui queries.
4. It is repeatable, which can be used independently by several researches at the same time.
5. It is different from casual observation of personnel activities as it is a designed on investigation and analysis.
6. HR Research is carried out to verify, check or disapprove assumptions.

7. HR Research tries to supplement knowledge and extend understanding.
8. HR Research can be categorised under pure research or applied research.

13.5 OBJECTIVES OF HR RESEARCH

The following are the main objectives of HR/Personnel resarch:

(i) The primary objective of Human Resource Research in to solve the personnel problems and to extend the knowledge of personnel to all those concerned.

(ii) HR Research aims at ratifying the present philosophy and principles and human factors and amends or develops wherever necessary the principles and practies of personnel management.

(iii) HR Research discovers ways to maintain abilities and attitudes of personnel at good or high levels on a continuing basis.

(iv) It measures current conditions in human resource management.



CHECK YOUR PROGRESS

Q1: What do you mean by human resource Reaserch?

.....

.....

Q2: Write at least five important characteristicis of HR research.

.....

.....

13.6 IMPORTANCE AND METHODS OF HR RESEARCH

Importance of HR research :

Human resource research is necessary to answer questions about such factors as absence records, safety problems, grievances, wage and salary rates, training executives, recruitment methods, selection techniques etc. Personnel decisions can be improved only through personnel/HR

research because better information leads to better solutions. 'Good personnel management comes through analysing problems and applying experience and knowledge to particular situations'. HR/Personnel research can offer valuable insights for managers as they attempt to increase employee productivity and satisfaction while reducing absenteism and turnover.

Methods of HR Research :

There are many ways to research the states of personnel management in an organisation. Some of the important ones are given below

1. **Historical Studies** : Here past records are examined thoroughly. Exit interviews are conducted to elicit opinions of former employees. In an exit interview people who are leaving the organisation are asked to state problems that caused them to resign. This information is then used to correct problems so that others will not leave.
2. **Case studies :** In case studies, Certain individual situations are closely analysed to identify issues of importance. Based on the conclusions drawn from such an analysis, steps to be taken in future are indicated. This method permits an indepth investigation of key situations though it doesn't represent general conditions.
3. **Survey method :** In this method, assigned data are collected through a questionnaire or structured interview. The use of questionnaire gives employees an opportunity to voice their opinions about specific personnel management activities, eg, performance appraised process. Attitude surveys could be conducted to find employees opinions about their working environments (such as jobs, supervisors, co-workers, organisations policeis and practies). Focus of the researchas may be on data collection rather than on analysis of data and formulation of a theory.
4. **Statistical Studies :** These studies include the correlation analysis and enterpretation of statistical data. The focus is on qualifications, statistical interference, mean, median, mode, measures of dispersion, trends etc. to process the collected data.
5. **Mathematical Models :** These models are used to explain simple and complex relationship among variables that are put to examination. After

the development of computers the use of mathematical models has increased.

6. **Stimulation Models :** In this method a statement of the hypothesis is prepared and a model to stimulate the interactions of variables is used. This method is used to study problems of production and inventory contrd, training of personnel, collective bargaining etc.

7. **Action Research Method :** Personnel departments, consultants acadamic institutions, goverment agencies often collect information relating to various aspects of personnel management by employing action research method. Action research has been most effectively used for understanding group behaviour in working organisations.

Personnel decisions can be improved through personnel research because better information leads to better solutions.

In India personnel research is being carried out primarily by the following institutions :

(i) National labour Institute, New Delhi
(ii) Tata Institute of Social Science, Mumbai
(iii) Shri Ram Centre for Industrial Relations, New Delhi
(iv) Labour Bureau, Shimla
(v) Indian Council of Social Science Research, New Delhi
(vi) Delhi School of Social work
(vii) Other University departments of Social work. management.



CHECK YOUR PROGRESS

Q3: Write the significance of Human Resource Research.

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Q4: State at least five methods of Human Resource Research.

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Q5: Make a list of Institutions which carries out human resource research in India.

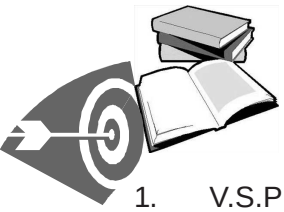
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13.7 LET US SUM UP

Human Resource research deal with the study of human behaviour and prepare proper guidelines. It analyse the different. Facts related with personnel problems and provide juideline which govern the solution. Its main object is to find the reason of facts of different problems which create bias situation to an organisation. There are many methods use by the personal managemnt as historical studies, case studies, survey method, statistical method etc.



13.8 FURTHER READING

1. V.S.P Rao (2010): Human Resource Management, Excel Books.
2. Shashi K. Gupta, Rosy.
3. Personnel Management; CB Mamoria

13.9 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q1: Human resourch Research is the task of Searching for and analysing facts to find certain guidlines to solve the human resource problems. This reserch is mainly concerned with the study of human behavior and prepare guidelines for their future guidance.

Ans to Q2: The following are the five important Characteristics of HR research :

(i) Human resource research is very systematic, it is pre-planned and properly designed.

(ii) HR research not only accumulates data but also tries to find out solutions to specific queries.

(iii) It is repeatable, which can be used independently by several researchers at the same time.

(iv) HR research tries to supplement knowledge and extend understanding.

(v) HR research may be pure research or applied research.

Ans to Q3: Human resource research is necessary to answer questions about issues like absence records, safety problems, grievances, wage, salary, training etc. Personnel decisions can be improved only through personnel/HR research because better information leads to better solutions. HR/personnel research can offer valuable insights for managers as they attempt to increase employee productivity and satisfaction which reducing absenteeism and turnover.

Ans to Q4: The following are the five methods of Human resource research:

(i) Historical Studies

(ii) Case studies

(iii) Survey Method

(iv) Mathematical Models

(v) Action Research Method

Ans to Q5: The following are the institution which carry HR research:

(i) Tata Institute of Social Science, Mumbai

(ii) Shri Ram Centre for Industrial Relations, New Delhi

(iii) Labour Bureau, Shimla

(iv) National labour Institute, New Delhi

(v) Indian Council of Social Science Research, New Delhi

(vi) Delhi School of Social work

(vii) Other University departments of Social work management.



13.10 MODEL QUESTIONS

Q1. What do you mean by HR research?

Q2. What are the salient features of Human Resource Research?

Q3. State the main objectives of HR Research.

Q4. What are the different methods undertaken for HR research?

Q5. Why HR research in significant in the present day context.

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UNIT 14: EMPLOYEES WORKING TIME MANAGEMENT

UNIT STRUCTURE

14.1 Learning Objectives

14.2 Introduction

14.3 Weekly working hours, Daily working hours, Holidays

14.3.1 Weekly working hours and daily working hours

14.3.2 Holidays

14.4 Provisions relating to working time for children and women

14.5 Provision relating to leave

14.6 Inspector, powers of inspector

14.7 Let us sum up

14.8 Further Reading

14.9 Answers to check your progress

14.10 Model questions

14.1 LEARNING OBJECTIVES

After going through this unit, you will be able to

- discuss about the weekly working hours, daily hours and the concept of holidays
- explain the provision relating to working time for child and women
- explain the provisions relating to leave
- define inspector and the powers of the inspector

14.2 INTRODUCTION

In this unit, we are going to discuss the conditions of services and the regulations of human resources working under the Factories Act, 1948. In this unit you will be able to know the working hours of adult of workers, viz. weekly working hours, daily working hours, holidays and also provisions relating to working time for children and women. Provision relating to leave is also discussed in this unit.

The manager is responsible for maintaining the registers of all the adult workers employed in the factory. The register so maintained should contain the full particulars, namely, the name, the nature of work, the group if any, in which he is included, whether his group works is in shift and other particulars which may be prescribed under the rules framed by the State Government. Such register should be made available to the inspector at all times during working hours of the factory so that he can see that the provisions of the Factories Act relating to working hours etc. are complied with. However, the significance of powers of an inspector is discussed in this unit. You will be able to understand the powers of an inspector enjoys or exercises within the local limits under his control, and the inspectors are not solely burdened with the duty to enforce due compliance with the provisions and rules of the Factory Act but also required to act as a beneficial friend and advisor to save the factory owners from the penal consequences.

14.3 WEEKLY WORKING HOURS, DAILY WORKING HOURS, HOLIDAYS

14.3.1 Weekly working hours and daily working hours

Section 51 and 54 of the Factories Act 1948 contain general provisions regarding weekly and daily working hours. According to Section 51, no adult shall be required or allowed to work in a factory for more than 48 hours in a week. As regarding daily working hours under section 54, no adult worker shall be required or allowed to work in a factory for more than 9 hours in a day. But with prior approval of the Chief Inspector, the daily maximum hours may be exceeded in order to facilitate and adjust the change in shifts. The above restriction is applicable to 'workers' only as defined in the Factories Act. (It is applicable only those persons or workers who are employed directly or through some agency in a premise and involved in manufacturing process). There is no prohibition requiring an employee working 42 hours to work in a week which later increase to 48 hours after a departmental transfer and he cannot claim overtime wages for those additional 6 hours put in by him. The above

provisions cannot be changed by mutual agreement between management and workers.

14.3.2 Holidays

Weekly and substituted holidays: Section 52 stares the weekly holiday to the workers of the factory. Accordingly an adult worker shall be allowed or required to work in a factory on the first day of the week, i.e., Sunday. But if it is becomes necessary to make Sunday a working day, a substituted holiday is made compulsory. In case a worker is required to work on Sunday, the manager of a factory with due notice to the inspector is required to provide a holiday for the whole day on one of the three days immediately before or after the compulsory holidays. A copy of the notice of change in compulsory holiday is also to be displayed in the factory. Therefore, under the above-mentioned rule of substituting the weekly holiday, no such substitution is permitted which will result in any worker working for more than 10 days consecutively without a holiday for a whole day. If the necessity arises for getting the notice given to the inspector cancelled, the same may be cancelled by giving another notice to the inspector and also notice displayed in the factory not later than a day before the Sunday or the holiday to be cancelled, whichever is earlier. Where any worker works on Sunday and has had holiday on one of the three days before it (substituted holiday), the Sunday will also be included for the purpose of calculating his weekly hours of work to determine the maximum limit of weekly working hours permitted under the Act.

Compensatory holidays: Compensatory holiday is a holiday, which is to be allowed to a worker in lieu of some due holiday on which the worker worked. When as a result of the passing of an order or making of rule under the Act, workers are exempted from the provision of Section 52 (weekly holiday). Such workers who have been deprived of weekly holiday should be allowed compensatory holidays of equal number of holidays so lost within the month in which the holidays were due to him or within months immediately following that month.

The state government has been empowered to prescribe the manner in which such compensatory holidays may be allowed.



CHECK YOUR PROGRESS

Q1. State the daily and weekly working hours of workers under Factories Act 1948.

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Q2. Write down the meaning of weekly and substituted holidays.

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14.4 PROVISIONS RELATING TO WORKING TIME FOR CHILDREN AND WOMEN

Provision relating to working time for children:

The Factories Act has laid down detailed provisions for the protection of child labour employed in the factories. It is a common practice to employ children in factories, as it is comparatively cheap to employ them. In order to discourage such practices prevailing on a wide scale in the factories in India, certain prohibitions are laid down in the Act for the employment of children. The following provisions are laid down in the Act with regard to the employment of children and adolescents.

i. **Prohibition of employment of children and adolescents:** No factory can employ any person unless he has completed fourteen years of age. There is total prohibition in employing children below fourteen years of age. With regard to adolescent i.e. above 15 years but below 18 years, he cannot be employed in a factory unless he as well as the manager of a factory has possessed the certificates of fitness granted by a certifying surgeon.

ii. **Issuing of certificate of fitness by a certifying surgeon:** The certifying surgeon has been assigned special tasks to certify the age and physical fitness of a young person. The children

below14 years of age employing in a factory is totally prohibited. Therefore, it is necessary for the employment of young persons that he should have a certificate of fitness from the certifying surgeon before he can be employed. The following are the conditions needed to be fulfilled before the certificate is granted:

a. That the young person has completed his fourteenth year that he has attained the prescribed physical standards and fit for such work.
b. In case of adolescent, the certifying surgeon has to satisfy that the person has completed the fifteenth year and he is fit for full day work as an adult.
c. The certifying surgeon shall not grant or renew such certificates unless he has the personal knowledge about the place and purpose of work.

iii. **Effect of certificate of fitness granted to adolescent:** An adolescent who has been granted certificate of fitness to work as an adult in a factory by a certifying surgeon is to be treated as an adult for the purpose of working hours and annual leave with wages.

iv. **Working hours for children:** The act has regulated the working hours for children above the age of fourteen years eligible for employment in a factory. They can be employed for maximum hours of work lasting for four and half hours in a day. The other prohibitions relating to their employment are:

a. The period of work is to be limited to two shifts only.
b. The shifts are not to overlap.
c. The spread over is not to exceed 5 hours.
d. The child is to be employed only in one relay.
e. The spread over is not to change except once in 30 days.
f. There should be no double employment.
g. No exemptions from the provisions of section 52 dealing with weekly holidays and

h. Employment during night, i.e. between 10PM and 6AM is prohibited.

Thus, a child can be employed to work for maximum period of 4 ½ hours during the day and there is absolute prohibition on his employment during night. Even during the day he can be required to work in maximum two shifts only. No child can be allowed or required to work in any factory on any day on which he has already been working in another factory. No female child shall be required or allowed to work in any factory except between 8AM to 7PM.

v. Notice of period of work for children: In order to have an effective control on the factory owners and managers who employ children, the provisions are made in the act for displaying notice in the factory premises showing the duration of hours of work of children employed in the factory. Such notices should comply with all the requirements of the Act. The employment must be in accordance with the notice of period of work fixed beforehand and entries made against his name in the register.



ACTIVITY

Visit any nearby factory and find out the number of children below 14 years working there and find out the amount of wages they get daily/ weekly / monthly.

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Provision relating to employment of women:

In addition to the general provisions applicable to adult workers (both to male and female) a few special provisions relating to women workers have been introduced in the Factories Act. These provisions are as follows:

i. No woman shall be allowed in any factory to clean, lubricate or adjust part of the machinery while it is in motion, or to work between moving parts or between fixed and moving parts of any machinery which is in motion.

ii. No women shall be employed in any part of a factory for pressing cotton in which a cotton opener is at work; provided that if the feed-end of a cotton opener is in a room separated from the delivery end by a partition extending to the roof or to such heights as the inspector in particular case specify in writing, women may be employed on the side of the partition where the feed end is situated. (Sec 27)

iii. In every factory wherein more than 30 women workers are ordinarily employed there shall be provided and maintained a suitable room or rooms crèches for the use of children under age of 6 years of such women. Facilities shall be given for the mothers of such children to feed them at the necessary intervals.

iv. No women worker shall be exempted from the provision of section 54. In other words, no women worker shall be required or allowed to work more than 48 hours in any week or 9 hours in any day (Sec 55) except after a weekly holiday or any other holiday.

v. No women shall be required or allowed to work in any factory except between the hours of 6 A.M. and 7 P.M.. However, the State Government, may by notification in the Official Gazette, in respect of any factory or group or class or description of factories vary the limits. But no such variation shall authorize the employment of any women between the hours of 10 P.M. and 5 A.M. The state government may however make rules providing for the employment of women workers during the night in fish curing and fish canning factories to prevent damage to or deterioration in any raw material. Such rules shall remain in force for a maximum period of three years at a time. (Sec 66)

vi. Where the State Government declare any manufacturing process of operation in any factory as dangerous or injuries to health, it may prohibit or restrict the employment of women in that manufacturing process or operation [sec 87()].



CHECK YOUR PROGRESS

Q3: Write down the provisions laid down in Factories Act 1948 regarding working time of a child.

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14.5 PROVISION RELATING TO LEAVE

Section 78 lays down that the following provisions relating to leave with wages will not in any way prejudice the rights to which a worker may be entitled under any other law or under the terms of any award, agreement including settlement or contract of service. But where such award, agreement or contract of services provides for longer annual leave with wages, the worker shall be entitled to longer annual leave. The provisions stated here do not apply to a factory of railway, administered by the government who are governed by leave rules approved by the Central Government.

1. **Annual leave with wages:** Section 79 of the act provides that-
   - i) Every worker who has worked for a period of 240 days or more in a factory during a calendar year shall be allowed during the subsequent calendar year leave with wages for a number of days calculated at the rate of:
     - a) One day for every 20 days of work performed by an adult during previous calendar year.
     - b) One day for every 15 days of work performed by a child during the previous calendar year.
   - ii) A worker whose service commences otherwise than on the first day of January shall be entitled to leave with wages at the rate laid down above if he has worked for two-thirds of the total number of days in the remainder of the calendar year.

iii) If a worker is discharged or dismissed from service or quits his employment or dies while in service, during the course of the calendar year, he or his heir or nominee, as the case may be, shall be entitled to wages in lieu of three quarters of leave to which he was entitled immediately before his discharge, dismissal, quitting of employment, super-annuation or death calculated at the rates specified in sub sections (1) or (2) making him eligible to avail such leave.

iv) In calculating leave under this section, fraction of leave of half a day or more shall be treated as full day's leave, and fraction of less than half a day shall be omitted.

v) The minimum number of days which entitles a worker to earn leave is 240 during a calendar year which also includes maternity leave, in case of female worker, for any number of days not exceeding 12 weeks.

vi) If a worker wishes to avail himself of the leave with wages due to him to cover a period of illness, he shall be granted such leave even if the application for leave is not made within the time and in such a case wages as admissible under section 81 shall be paid not later than 15 days or in the case of a public utility service not later than 30 days from the date of application of the leave.

2. **Unavailed Leave:** If a worker has not availed of a portion of his leave in one calendar year, such remaining portion of leave shall be carried over and added to the leave to be allowed to him in the succeeding calendar year subject to the conditions that the total number of days will be 30 and 40 for adult and child respectively.

3. **Wages during leave period:** Section 80 provides that during leave period the worker shall be entitled to wages at a rate equal to the daily average of a worker's full time earnings for the days on which he actually worked during the month immediately preceding his leave

exclusive of any overtime and bonus but inclusive of dearness allowance.

4. **Advance payment of leave wages:** An adult worker who has been allowed leave for not less than 4 days and a child who has been allowed leave for not less than 5 days can claim payment in advance of leave wages admissible to him.
5. **Mode of recovery of unpaid wages:** The worker under the provisions of Payment of Wages Act, 1936, can recover any sum required to be paid by an employer under the above provisions but not paid by him to the worker concerned. Therefore where wages are due to a worker for annual leave and the employer makes a default in making payment, they can be recovered under the provisions of the above Act.
6. **Powers of the State Government:** The State government is empowered to make rule directing the managers of factories to keep registers containing such particulars as may be prescribed by it and such registers to be made available to inspectors for examination.



CHECK YOUR PROGRESS

Q4: What is the provision under Factories Act regarding wages of workers during leave period?

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14.6 INSPECTOR, POWERS OF THE INSPECTOR

The main responsibility under the scheme of the Act lies on the inspecting staff to enforce the provisions of the Act and the rules framed hereunder in the factories and launch prosecution against factory owners or occupiers in case of any breach or default. For this purpose, the State Governments are empowered to appoint Inspectors, Joint Chief Inspectors and Deputy Chief Inspectors.

The power of appointing Inspectors lies with the State Government by issue of notifications in the Official Gazette. Only such persons possess the prescribed qualifications, can be appointed to the above posts. The Chief Inspector, every Additional Chief Inspector, Joint Chief Inspector, Deputy Chief Inspector and other officers appointed by the State Government is to exercise the powers of the Inspector throughout the state in addition to the power conferred on him under this Act. Every District Magistrate shall act as Inspector for his district. The State Government may also appoint public officers as Additional Inspectors for all or any of the purpose of this Act. Every Inspector, Chief Inspector, Additional Chief Inspector, Deputy Chief Inspector so appointed shall be a public servant within the meaning of Indian Penal Code.

According to Section 8(3), no person shall be appointed as Inspector, Chief Inspector, Additional Chief Inspector or Deputy Chief Inspector or having been appointed, shall continue to hold office, who is or becomes directly or indirectly interested in a factory or in any process or business carried on therein or in any patent or machinery connected therewith.

Powers of Inspector:

According to Section 9 of the Act, an Inspector is vested with the following powers, which he may exercise within the local limits under his control. The powers are to be exercised in accordance with the rules framed for this purpose.

i) he may enter any premises which is used or which he has reason to believe is used, as a factory. He may be accompanied by such assistants, who are in the service of the government or any local or public authority or with an expert as he thinks fit;

ii) make examination of the premises, plant, machinery, article or substance;

iii) inquire into any accident or dangerous occurrence, whether resulting in bodily injury, disability or not, and take on the spot or otherwise statements of any person which he may consider necessary for such inquiry;

iv) require the production of any prescribed register or any other document relating to the factory;

v) seize or take copies of any register, record or other documents or any portion thereof as he may consider necessary in respect of any offence under this act, which he has reason to believe that has been committed;

vi) direct the occupier that any premises or any part thereof or anything lying therein shall be left undisturbed (whether generally or in particular aspects) for so long as is necessary for the purpose of any examination under Clause (b);

vii) take measurements and photographs and make such recordings as he considers necessary for the purpose of any examinations under clause (b), taking with him any necessary instrument or equipments;

viii) incase of any article or substance found in any premises, being an article or substance which appears to him as having caused or is likely to cause danger to the health or safety of the workers, direct it to be dismantled;

ix) exercise such other powers as may be prescribed.



CHECK YOUR PROGRESS

Q5: Who is an Inspector and who can appoint him?

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14.7 LET US SUM UP

In this unit, we discussed the following –

- No adult worker under section 51 of the Factories Act shall be required or allowed to work in a factory for more than 48 hours in a week.

- Under Section 54, no adult worker shall be required or allowed to work in a factory for more than 9 hours in a day.
- Under section 52 of the Factories Act if a worker works on Sunday he/she shall be allowed substituted holiday.
- Where any worker works on Sunday and has had holiday on one of the three days immediately before it (substituted holiday) the Sunday shall also be included for the purpose of calculating his weekly hours of work to determine the maximum limit of weekly working hours permitted under Factories Act.
- Compensatory holiday is a holiday, which is to be allowed to a worker in lieu of some due holiday on which the worker worked.
- No factory can employ any person unless he has completed fourteen years of age. There is total prohibition in employing children below 14 years of age.
- For the employment of young persons it is necessary that he should have a certificate of fitness from the certifying surgeon before he can be employed.
- The certifying surgeon issues a certificate of fitness only if certain conditions are fulfilled.
- Maximum hours of work of a child should be 4-1/2 hours in a day and working in night hours is totally prohibited.
- No women shall be allowed in any factory to clean or adjust any part of the machinery while in motion.
- In every factory where there are 30 women workers must be provided with suitable room or rooms creches for their children under the age of 6 years.
- No women shall be required or allowed to work in any factory except between the hours of 6 A.M. and 7 P.M.
- Section 79 of the Act provides that
  - i) Every worker working for 240 days or more in a factory during a calendar year shall be allowed leave 1 day for every 20 days for an adult and 1 day for every 15 days for a child.

ii) If a worker dies or is discharged from service or quits his employment, then he or his heir or nominee shall be entitled to wages in lieu of three quantum of leave for which he was entitled.

iii) The minimum number of days, which entitles a worker to earn leave, is 240 during a calendar year, which also includes maternity leave, in case of female worker for any number of days not exceeding 12 weeks.

iv) If a worker wishes to avail leave with wages due to him to cover a period of illness, he shall be granted such leave.

v) Wages are granted during leave period under section 80, where overtime and bonus are excluded but dearness allowance is included.

- The inspector is appointed by the State Government and section 9 of the Factories Act spell the following powers which he may exercise:

i) he may enter any premises which is used as a factory;

ii) can examine the plant, machinery, article or substance;

iii) inquire into any accident;

iv) inspect any document relating to the factory;

v) seize any record, register if he thinks any offence has been committed under the Act;

vi) can dismantle any article or substance found in the premises which appears to cause danger to the health of workers.



14.8 FURTHER READING

1. Industrial and Labour Laws by M.J.Mathew; University Book House (P) Ltd.; Jaipur.
2. An introduction to Labour and IndustrialLaws by Dr. S.K.Puri; Allahabad Law Agency; Haryana.

14.9 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q1: Section 51 and 54 of the Factories act 1948 contain general provisions regarding weekly and daily working hours.

- According to Section 51, no adult shall be required or allowed to work in a factory for more than 48 hours in a week.
- As regarding daily working hours under section 54, no adult worker shall be required or allowed to work in a factory for more than 9 hours in a day.
- With prior approval of the Chief Inspector, the daily maximum hours may be exceeded in order to facilitate and adjust the change in shifts.
- There is no prohibition requiring an employee working 42 hours a week to work 48 hours after a departmental transfer and he cannot claim overtime wages for those additional 6 hours put in by him.

Ans to Q2: Weekly holidays are granted to the workers of the factory. The first day of the week i.e. Sunday is treated as a weekly holiday. Accordingly an adult worker is not required to work in a factory on the first day of the week, i.e., Sunday.

But if it becomes necessary to make Sunday a working day, a substituted holiday is made compulsory. In case a worker is required to work on Sunday, the manager of a factory is required to provide a holiday for the whole day on one of the three days immediately before or after the compulsory holidays i.e., Sunday to worker. This is known as a substituted holiday.

However, where any worker works on Sunday and has had holiday on one of the three days before it (substituted holiday), the Sunday will also be included for the purpose of calculating his weekly hours of work to determine the maximum limit of weekly working hours permitted under the Act.

Ans to Q3: The Factories Act, 1948 has regulated the working hours for children above the age of fourteen years eligible for employment in a factory. They can be employed for maximum hours of work lasting for

four and half hours in a day. The other prohibitions relating to their employment are:

a. The period of work is to be limited to two shifts only.
b. The shifts are not to overlap.
c. The spread over is not to exceed 5 hours.
d. The child is to be employed only in one relay.
e. The spread over is not to change except once in 30 days.
f. There should be no double employment.
g. No exemptions from the provisions of section 52 dealing with weekly holidays and
h. Employment during night, i.e. between 10PM and 6AM is prohibited.

Ans to Q4: Section 80 provides that during leave period, the worker shall be entitled to wages at a rate equal to the daily average of a worker's full time earnings for the days on which he actually worked during the month immediately preceding his leave exclusive of any overtime and bonus but inclusive of dearness allowance.

Ans to Q5: The Inspector includes the inspecting staff appointed to enforce the provisions of the Factories Act and the rules framed hereunder in the factories and launch prosecution against factory owners or occupiers in case of any breach or default.

The power of appointing Inspectors lies with the State Government by issue of notifications in the Official Gazette.



14.10 MODEL QUESTIONS

Q1. State the daily and weekly working hours of workers under Factories Act 1948.

Q2. Write down the meaning of weekly and substituted holidays.

Q3. Write down the provisions laid down in Factories Act 1948 regarding working time of a child.

Q4. What are the provisions relating to employment of women in factories in Factories Act 1948?

Q5. What provisions have been introduced by the Factories Act for granting annual leave with wages to different categories of workers?

Q6. What is the provision under Factories Act regarding wages of workers during leave period?

Q7. Who is an Inspector and who can appoint him?

Q8. Explain the duties of certifying surgeons under the provisions of the Factories Act.

Q9. What provisions have been made in the Act towards working hours for adults? Explain.

Q10. Explain the provisions of the Factories Act relating to welfare of workers.

Q11. What are the restrictions on the employment in factories of women and young persons?

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UNIT 15: MANAGING GLOBAL HUMAN RESOURCES

UNIT STRUCTURE

15.1 Learning Objectives

15.2 Introduction

15.3 HR and Internationalization of Business

15.4 Differences and similarities of HR practices in the Global scenario

15.5 Implementation of the Global HR System

15.6 Improve productivity through Human Resource Information System (HRIS)

15.7 Let Us Sum Up

15.8 Further Reading

15.9 Answers to check your progress

15.10 Model Questions

15.1 LEARNING OBJECTIVES

After going through this unit, you will be able to

- explain HR and Internationalization of Business
- explain the differences and similarities in HR Practices in the Global scenario
- explain the implementation of Global HR System
- explain the improved productivity through Human Resource Information System (HRIS)

15.2 INTRODUCTION

In this unit, we are going to discuss how to manage the human resources in the context of internationalization of business. Here, you will be able to know the differences and similarities in human resource practices in the global sense. The unit also states the implementation of Global HR System. The unit discuss about Human Resource Information System (HRIS) and its use in improving the productivity.



Parochial: Reality to or supported by or located in a parish.

15.3 HR AND INTERNATIONALIZATION OF BUSINESS

Along with time, business has undergone change in both size and scope. It has grown from sole proprietorship to large-scale joint stock companies and expanded from ***parochial*** local to international market. In simple words, international business means doing business in other nations as well.

As a result of this internationalization, companies have to manage globally. But this confronts managers with several challenges in market, product and production plans.

Business expansion beyond national boundaries is much more than a step across a geographical line. However, when a company makes inroads to different markets, different cross cultural societies and business environment, it has to contend with the most crucial aspect of staffing these operations. Hence, virtually any type of international problem is either created by the people or solved by them. Hence, having the right people in the right place at the right time emerges the key to company's international growth.

As companies have gone global, the number of their employees abroad has increased. A survey shows that every firm has at least one employee in overseas assignments. Employers therefore have to scramble to develop HR policies and procedures for handling global assignments. An employer has to address issues such as candidate identification, assessment and selection, cost projections of sending an employee and his family abroad on assignments; compensation, benefits and tax programs; cultural orientation, language training education assistance and emergency provisions.



CHECK YOUR PROGRESS

Q1: What are the issues to be addressed by a manager to send an employee abroad on assignments?

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15.4 DIFFERENCES AND SIMILARITIES OF HR PRACTICES IN THE GLOBAL SCENARIO

While a multitude of cultural and ethnic backgrounds are represented in a typical workforce, various shared values help in minimizing the effects of cultural differences. While different countries have their own laws affecting HRM, a basic federal law framework also helps to produce a fairly predictable set of legal guidelines regarding matters like employment discrimination, labour relations and safety or health. A company operating multiple units abroad is generally not blessed with relative homogeneity. Following are some of the inter country differences in HR practices:

1. **Cultural Factors**: Wide ranging cultural differences from country to country requires corresponding differences in HR practices among a company's foreign subsidiaries. Studies have shown that cultural differences can influence HR policies. In fact the cultural differences are so varied that the difference from country to country is almost endless.
2. **Economic Factors**: Differences in the economic system among countries also translate into inter country differences in HR practices. In free enterprise systems, the need for efficiency tends to favour HR policies that value productivity, efficient workers, and staff cutting where market forces dictate. In a more socialist system, HR practices tend to shift towards preventing unemployment, even at the expense of sacrificing efficiency.
3. **Labour Cost Factors**: Inter country differences in labour cost factors are substantial. Studies show that hourly compensation may vary from $1.51 to $ 31.88 from country to country. Also wide gaps persist in number of hours worked. It can vary from 1980 hours of work annually to 1648 hours annually.
4. **Industrial Relations Factors:** The relationship between the workers, the Union and the employers vary dramatically between countries to countries. In some countries the employees have the legal right to a voice in setting policies whereas in some countries,

workers elect their own representatives to the supervisory board of the employer.

Some of the important similarities taking place on the field of HRM are as follows:

1. **Increase in the size of workforce**: With the increase in the size of organizations and the emergence of multinational corporations in the country, the number of people working in the organizations whether home or foreign has also increased.
2. **Changing composition of workforce**: The composition of the workforce is also changing and creating new problems for the human resource managers at home and abroad. Due to easy access to educational and employment opportunities, the scheduled castes, the scheduled tribes and other minority groups are fast. It is becoming an important source of manpower in organizations.
3. **Increase in education levels**: Technological progress and spread of educational institutions have increased the level of education and made the employees more mobile. Educated workers are more aware of their rights especially the higher level needs.
4. **Changes in legal environment**: Many changes are taking place in the legal framework within which the industrial relation system is functioning. It is the duty of every human resource manager to keep abreast of these changes and bring about necessary adjustments within the organization so that greater utilization of human resource can be achieved.
5. **Computerized information system**: More recently, there has been and in future there will be the impact of the computerized information system on the management. Computers are used for collection and processing of data and for direct application in the managerial decision making process.
6. **Mobility of professional and technical workforce**: As individuals develop greater technical and professional qualifications, their services will be in great demand in other organizations also. As a result various managerial and professional employees will become

more mobile, which will help to increase effective interface between organizations in the environment.

7. **New work ethics**: For setting up and enforcing good quality standards, the human resource managers have developed new work ethics. Changing work ethics require increased emphasis on individuals. As a result, jobs have been redesigned to provide challenge to employees.
8. **Development Planning**: The human resource management is all over actively involved in development panning and research so as to anticipate the impact of environmental changes on the organization and staff.
9. **Technological advancements**: With the technological advancements, organizations with old technology are not surviving. But with new techniques, the problems of unemployment have cropped up. This problem can be solved by –properly assessing manpower needs and training of redundant employees in alternate skills.

15.5 IMPLEMENTATION OF THE GLOBAL HR SYSTEM

Depending on the distinct international context, there cannot be a single approach as perfect and foolproof for managing human resources in the international level. The major considerations or dimensions involved in formulating HR practices in an international context can be highlighted as follows:

1. **Planning:** There are usually three approaches to planning-ethnocentric, polycentric and geocentric. In ethnocentric policy, the national's parent company fills all key management positions and foreign subsidiaries are being locally staffed. This is to make good the lack of managerial talent on the host country. In polycentric approach, foreign subsidiaries are managed by host country nationals and home office headquarters by parent country nationals. This reduces the local cultural misunderstandings. The geocentric approach has accent on ability rather than on nationality. It seeks

the best people for key jobs throughout the organization regardless of nationality. This approach enables a firm to develop international executive cadre and reduce the tendency of national identification of managers with units.

2. **Recruitment and selection:** Recruitment and selection functions of HRM are performed to ensure right man on the right job at the right time and right place. Selectors usually play safe by placing a heavy emphasis on technical qualifications and little on individual ability to adapt to a foreign environment drastically different.
3. **Training:** Training is essentially imparted to improve job skills of the employees. Employees in an organization needs induction, orientation and training to be imparted in the social, cultural, business and technical aspects to make them fit for business requirements of today and tomorrow. *Level I* training focuses on the impact of cultural differences. *Level II* focuses on attitude and aims at getting participants to understand how attitudes are formed. *Level III* provides factual knowledge about the target country. And *Level IV* provides skill building in areas like language, adjustment and adaptation skills.
4. **Compensation:** The issue of compensation in case of international employees is tricky. Firstly, paying all the employees of one rank the same compensation satisfies the norm of equitable remuneration. Secondly, the cost of living can be significantly varying among the countries. Hence, the most common approach for formulating multinational employees' compensation is to equalize purchasing power across countries.



CHECK YOUR PROGRESS

Q2: What are the major considerations involved in implementing global HR system?

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15.6 IMPROVE PRODUCTIVITY THROUGH HUMAN RESOURCE INFORMATION SYSTEM (HRIS)

In today's era of information technology, information is power. Success of an organization in a complex and changing business environment depends to a large extent on the effective management of its human resources. The effectiveness of human resource management largely depends on the quality information held by it. For this purpose, an information system is required to communicate effectively with the environment. This gives rise to HRIS.

The voluminous data on the employees is not feasible to track manually. Data needs to be updated from time to time and this makes the clerical job quite labour intensive and costly.

The manual transfer of data from one record to another increases the chances of error, which affects the reliability, and accuracy of data held. Entries may be passed twice; data may be transferred to wrong documents leading to confusion. Since information is maintained in a fragmented manner, complete information of an employee is not readily available at a central place. This hampers the decision making process of the organization. This underlines the need for HRIS.

The main purposes of maintaining HRIS system is to gather, classify, process, record and disseminate the information required for efficient and effective management of human resources in an organization. The productivity of an organization can be enhanced through the various uses of HRIS:

1. **Personnel Administration**: It encompasses the personal information of an employee like name, address, date of birth, marital status and date of joining the organization. This describes the employee.
2. **Salary Administration:** HRIS provides a report containing information like present salary, benefits, last pay increase and proposed increase in future.
3. **Leave/ Absence Increase:** HRIS is also used to control leave/ absence of employees.

4. **Medical History:** The HRIS is also used to maintain occupational health data required for industrial safety purposes, accident monitoring etc.
5. **Skill Inventory:** Recording employee skills and monitoring a skill database is another use of HRIS. Such a skill record helps identify employees with the necessary skill for certain positions in the organization.
6. **Manpower Planning:** HRIS connects employees to the required positions in the organization. It identifies vacancies and establishes employees thereon.

Besides these, the following potential benefits can be derived from HRIS. The computerization of personnel records offers an option to be considered when personnel functions are facing conflicting pressures to provide more information whilst at the same time, it cut back on administrative overhead costs. A reduction of one-third in time is taken to process new employees. 55 to 90% of the time is taken to provide routine information by manual methods. Besides these, clerical savings of over 600 hours per year in providing data to patrol, over 800 hours per year in preparing weekly reports and almost 500 hours per year in preparing monthly, quarterly and annual reports.



CHECK YOUR PROGRESS

Q3: Discuss the various benefits of HRIS?

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15.7 LET US SUM UP

- International business means doing business in other nations as well.
- Having the right people in the right place at the right time emerges as the key to company's international growth.

- Employers therefore have to scramble to develop HR policies and procedures for handling global assignments.
- The major considerations or dimensions involved in formulating HR practices in an international context are planning, recruitment, selection, training and compensation.
- The effectiveness of human resource management largely depends on the quality information held by an organization. For this purpose, an information system is required to communicate effectively with the environment.



15.8 FURTHER READING

1. S.S. Khanka; Human Resource Management (Text and Cases) by S Chand.
2. Gary Dessler; Human Resource Management by Pearson Education Asia.



15.9 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q1: Having the right people in the right place at the right time emerges the key to company's international growth. Employers have to scramble to develop HR policies and procedures for handling global assignments. To send an employee on assignments abroad an employer has to address issues such as candidate identification, assessment and selection; cost projections of sending an employee and his family abroad on assignments; the assignee's specific job requirements and associated pay; compensation, benefits and tax programs; cultural orientation, language training, education assistance and emergency provisions.

Ans to Q2: The major considerations or dimensions involved in formulating HR practices in an international context can be highlighted as follows:

1. Planning:
2. Recruitment and selection
3. Training
4. Compensation

Ans to Q3: The various benefits and uses of HRIS are as follows:

1. Personnel Administration
2. Salary Administration
3. Leave/ Absence Increase
4. Medical History
5. Skill Inventory
6. Manpower Planning



15.10 MODEL QUESTIONS

Q1. What are the issues to be addressed by a manager to send an employee abroad on assignments?

Q2. What are the major considerations involved in implementing global HR system?

Q3. Discuss the various benefits of HRIS.

Q4. Explain any four differences and similarities in HR Practices in the global scenario.

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