UNIT 8 : JOB EVALUATION

UNIT STRUCTURE

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8.1 LEARNING OBJECTIVES

After going through this unit you will be able to:

- learn the concept of job evaluation
- outline various techniques that are used for job evaluation
- discuss the advantages and limitations involved in job evaluation
- describe competency

8.2 INTRODUCTION

In the earlier unit, we learned about the concept of salary and wage administration, its significance and the objective as well. We also learned the factors influencing wage and salary administration and the various methods of payment of wages along with the respective merits and demerits.

In this unit we are going to learn about the concept of job evaluation along with the objectives. We will also learn the techniques, its advantages and disadvantages. We shall learn about competency.

8.3 CONCEPT OF JOB EVALUATION

Job evaluation is a systematic method of appraising the value or worth of one job in relation to other jobs in organisations. It specifies the relative value of each job in an organisation. It basically serves the purpose of compensation procedures. It is a useful tool for making decisions about the compensations to be attached with a particular position. There are several methods involved in the job evaluation process.

Job evaluation is a comparative process based on a whole series of tasks, responsibilities and obligations including the skills, knowledge and mental ability required. Through the process of job evaluation, management will be able to compare jobs by using a common criteria to find out the relationship of one job to another. It helps in grading the jobs and preparing a pay structure. At the same time one must remember that job evaluation is to establish relativeness and not absolutes. Thus job evaluation cannot be the only determining factor to decide the pay structures.

To realize the concept of job evaluation, some definitions given by different institutes and experts are stated below.

International Labour Organisation defines job evaluation as, " an attempt to determine and compare the demands which the normal performance of particular jobs makes on normal workers without, taking into account of, the individual abilities or performance of workers concerned."

Kimball and Kimball defined it as, "Job evaluation represents an effort to determine the relative value of every job in a plant to determine what the fair basic wage for such a job should be."

Wendell French defined job evaluation, "It is a process of determining the relative worth of the various jobs within the organisation so that differential wages may be paid to jobs of different worth."

8.4 OBJECTIVES OF JOB EVALUATION

The basic objectives of job evaluation are to ascertain the relative worth of each job through an objective evaluation so that the relative remuneration can be fixed for different jobs.

The main object of job evaluation is to set wages. In this context, a report of ILO states that, " the aim of the majority of system of job evaluation is to establish on the agreed basis, the relative values of different jobs in a given plant or machinery." In the absence of jobs evaluation workers may feel dissatisfies on the account of certain evils prevailing in the wages and salary payments, viz. higher wages for less important jobs or higher wages for beginners etc.

The objectives/purposes of Job Evaluation may be stated in the following ways

1. **Establishment of consistency in Wage Structure:** The main objective of job evaluation is to have external and internal consistency in wages structure. Thus, inequalities in wages can be removed. If a foreman gets less wages than the supervisor, it is a case of internal inconsistency.
2. **Settlement of Disputes:** The systematic evaluation of jobs and fixation of wages on that basis helps in solving wage anomaly. It provides a basis for settlement of disputes and grievances of the workers.
3. **Introduction of Objectivity in Wage Structure:** It removes subjectiveness from the fixation of wages, and introduces objectiveness and simplifies union management negotiations on wages.
4. **Survey of Wages:** It aims at conducting wage survey and comparing our wage systems with the similar concerns.
5. **Fixation of rate of wages:** It aims is to fix minimum and maximum wages throughout the organisation for each position. Considering the skill, competence and experience of the employees.
6. **Conducive to decision making:** It aims at helping the selection of candidate for the vacant jobs. The factors determined for job evaluation are taken into account while selecting a candidate. It, therefore, reduces selection and recruitment costs.

7. **Proper Payment of Wages:** It ensures that similar wages are paid to all qualified employees for similar work. It introduces standardization in wages differentials.
8. **Determination of monetary value of jobs:** The monetary value of the jobs can be determined in terms of job analysis, job description and job comparison.
9. **Improvement in working Conditions:** It provides necessary guidance for standardization and improvement of working conditions.



CHECK YOUR PROGRESS

Q1: Define Job Evaluation.

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Q2: State any four objectives of Job Evaluation

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b.....

c.....

d.....

8.5 TECHNIQUES OF JOB EVALUATION

There are different methods for job evaluation. Different organisations use different methods for evaluation of any particular job. The method to be followed for job evaluation depends to a large extent on the job analysis and job description. The methods provide essential information on which the job is related or evaluated. Any method of job evaluation involves comparison of one job against the one of others or by comparing them against a scale that has been developed for this purpose. The following are the methods of job evaluation:

8.5.1. Ranking Method

' Rank' means to arrange according to classes. Under this method, all jobs in an organisation are arranged according to their worth or importance.The following steps are involved:

a. **Preparation of Job description**: Although ranking can take place without job description, it is better if a job description is prepared beforehand otherwise different persons may give different ranking if job evaluation is entrusted to more than one person.
b. **Selection of rates and key jobs**: First of all, certain key jobs of major departments are rated.
c. **Rating of other jobs**: For establishing the position of a job in the ranks, it is compared with the key jobs and rating of the key jobs.
d. **Job Classification**: A job classification is prepared on the basis of ranking. Generally, 8 to 12 classifications are considered sufficient, the wages paid for all jobs falling in one class will be same.
e. **Suitability** : This method is suitable in case of small concerns as the job rater can measure each job in comparison with other jobs without experiencing any difficulties.

Rank	***Salary per month***
Accountant	.....
Upper Division Clerk	.....
Lower Division Clerk	.....
Computer Operator	.....
Messenger	.....

Fig 5.1 : Ranking Method

The table is an assumption regarding ranking of job

Advantages of Ranking Method

- It is very simple to understand both by the workers and supervisors.

- It is economical because it requires less finance than the others.
- It can be installed without any delay as it requires lesser time.
- The theoretical and mechanical aspect is comparatively less.

Disadvantages of Ranking Method

- There is no pre determined yardstick.
- It fails to tell the objective difference between different jobs as various factors effecting jobs are not separately, considered.
- Wages already being paid on the jobs will affect the job evaluation.
- The arbitrary ranking of jobs will be presented by employees.
- It cannot measure the worth of a job.

8.5.2 Job Grading or Job Classification Method

- Under this method yardstick is provided in the form of job classes or grades. The committee, goes through the job description of each job assigns it a particular grade. There are different rates of wages for different classes. The jobs may be graded as skilled, unskilled , routine administrative, etc.
- This method is an improvement over ranking method in the sense that predetermined yardstick is available. Each grade should be sufficiently large to include a number of jobs.
- The following steps are involved in this method:
- Preparation of job description
- Preparation of grade description or job classes.
- Selection of key jobs. Few jobs art selected from different departments for this purpose.
- Assigning a grade to key jobs. Grading of the jobs is made considering the mental and manual skill of the workers, physical property of the job, physical and mental efforts of the employees and the working conditions of the job.
- All jobs are classified by the pre determined grades. All jobs within one grade are treated alike in the matter of salary.

Advantages of Job Garding or Job Classification method

- It is very simple to operate.

- It is less expensive
- It requires less time
- It is suitable to small scale concerns.
- It employs formal, written, individual and class or group specifications.

Disadvantages of Job Grading or Job Classification method

- It is difficult to write precisely grade descriptions.
- This method requires multiple systems for different types of jobs
- As judgement is used for all jobs so it may be proved to be incorrect.
- It is unsuitable for big enterprises.

8.5.3 Point Method

- This is the most widely used method of job evaluation. Under the point method, a detailed analysis of job, worth is made for determining the fair wages. The following is the procedure for job evaluation under this method:
- All factors influencing various jobs should be considered before-hand.
- The job description is prepared for the job if it is not available.
- All factors are evaluated in terms of points.
- Each job is rated factor by factor and then the value of points are added up.

Advantages of Point Method

- It is an objective method and wage differentials are numerically explained.
- It ensures accuracy of evaluations as definitions are written and there is no difficulty in understanding the terms used in such evaluation process.
- Scales once developed can be used for a long time
- There is no bias or prejudice in job evaluation.
- It provides similar standards for all assessments.

Disadvantages of Point Method

- It is very expensive and can be installed only by big concerns.

- Selection of factors is a difficult task.
- It involves considerable clerical work and is time consuming.
- Points given to factors are arbitrary.

8.5.4 Factor Comparison Method

- The factor comparison system was developed in 1926 by E.J. Benge. This method is different from point method only in respect of yardstick provided for evaluating jobs. Under this method only few jobs called key jobs are evaluated at the first instances. While selecting key jobs, the analysis must see that job descriptions of key job are available. The jobs are ranked by considering one factor at a time. This method is a combination of point method and rank method.
- The following as given by E.B. Flippo are involved in the process of job evaluation:
- Selection of job factors
- Selection of key jobs
- Determination of correct rates of key jobs
- Ranking of the job factors under each key job
- Allocation of correct rate of each key job among the job factors
- Evaluation of all other jobs in terms of these factor yardsticks.
- Designing, adjusting and operating the wage structure.

Advantages of Factor comparision method

- It facilitates comparison of one job to another to determine the relative position and value in the scale of jobs.
- It is more objective.
- Is assures accurate evaluation of jobs.

Disadvantages of Factor comparision method

- It is a complicated method which is not easily understandable by the workers.
- It is much expensive method of evaluation
- It requires the appointment of committee of experts.

7.6 ADVANTAGES OF JOB EVALUATION

The following are the advantages of Job Evaluation:

(a) Establishment : A satisfactory wage structure is established through job evaluation. the rate of wages is determined in such a way which is acceptable to the workers because of its rationality and fairness.

(b) Standardisation of Wage Rates: It helps for the standardisation of rate of wages for different jobs. It tries to bring uniformity in determining the rate of wages for all types of jobs in the organisation.

(c) Settlement of disputes: Job evaluation helps to settle the disputes among the workers. It also helps to establish industrial peace and discipline in the organisation.

(d) Review of Wage Structure: It helps to review the wage structure of the organisation relating to any specific job.

(e) Simplification of wage administration: It helps to simplify the wage administration facilitating easy comparison of wage rates applicable to different jobs.

(f) Discharge of different functions: it ensures easy functioning of the organisation and in determining efficiency , selection, training, development of working conditions, job simplification, determination of incentive wage plan, determination of labour costs etc.

7.7 LIMITATIONS OF JOB EVALUATION

(a) Inflexibility : It suffers from inflexibility and does not seem to be scientific and reasonable.

(b) Much complication: Some of the measures of job evaluation is not understandable by workers. So better performance is not achieved by the workers.

(c) Lack of accuracy: It suffers from lack of scientific accuracy in evaluating the jobs. Besides, it cannot solve the wage problem in the organisation.

(d) Inaccurate assumptions: The assumptions made in the process of evaluation that the job content is equal and the workers have equal ability to perform the job are faulty and inaccurate.

(e) Non-applicability : It is not applicable for all types of jobs and for all types of organisation.

(f) Suspicion of Trade Union : As the collective bargaining become secondary in the determination of wage rate, so the trade union looks upon it with suspicion.

8.8 COMPETENCY

A competency is an intrinsic characteristic of a person which enables him/ her to deliver superior performance in a given job, role or a situation. It is identified by the set of skills, related knowledge and attributes of an individual, to perform a specific activity or task.

It is difficult to find the competent person for the right job, it has always been a major concern for many organisations to find the most competent person for a specific job.

The factors of organisational competencies are as under:

i) Analytical ability

ii) Willingness to experiment with new things.

iii) Ability to know what needs to be done.

iv) Managerial competencies



CHECK YOUR PROGRESS

Q3. Fill in the blanks

i. _____ is a systematic method of appraising the value or worth of one job in relation to other job in an organisation.

ii. Job evaluation represents an effort to determine the_____ value of every job in a plant to determine what the fair basic wage for such a job should be.

iii. The main object of job evaluation is to set _____.

iv. _____ is an intrinsic characteristic of a person which enables him/ her to deliver superior performance in a given job, role or a situation.



8.9 LET US SUM UP

In this unit we have discussed the following :

- Job evaluation is a systematic method of appraising the value/ worth of one job in relation to other job in an organisation. It specifies the relative value of each job in an organisation. It specifies the relative value of each job in an organisation.
- The main object of job evaluation is to set wages. In this context, a report of ILO states that, " the aim of the majority of system of job evaluation is to establish on the agreed basis, the relative values of different jobs in a given plant or machinery." In the absence of jobs evaluation workers may feel dissatisfies on the account of certain evils prevailing in the wages and salary payments, viz. higher wages for less important jobs or higher wages for beginners etc.
- The methods of job evaluation are discussed as :
  - Ranking Method
  - Job Grading or Job Classification Method
  - Point Method
  - Factor Comparison Method
- A competency is an intrinsic characteristic of a person which enables him/ her to deliver superior performance in a given job, role or a situation. It is identified by the set of skills, related knowledge and attributes of an individual, to perform a specific activity or task.



8.10 FURTHER READING

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2. Chabbra T.N (2015), '*Human Resource Management*, Dhanpat Rai & co (p) Ltd
3. Gupta S.K. and Joshi R(2008), *'Human Resource Management*, Kalyani publishers 2008

4. Borah Ashima. Sharma. And Baruah Hem (2009), *'Human Resource Management'*, Kalyani Publishers.
5. Dessler Gary (2010), *'Human Resource Management'*, Pearson Education,Asia.



8.11 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q1: Job evaluation is a systematic method of appraising the value or worth of one job in relation to other jobs in organisations.

Ans to Q2: The objectives/purposes of Job Evaluation may be stated in the following ways:

a. Establishment of consistency in Wage Structure
b. Settlement of Disputes
c. Introduction of Objectivity in Wage Structure
d. Survey of Wages

Ans to Q3:

i. Job Evaluation
ii. Relative
iii Wages
iv Competency



8.12 MODEL QUESTIONS

1. What is Job evaluation?
2. Write the advantages of job evaluation.
3. Write a short note on objectives of job evaluation.
4. Write in detail the limitations of job evaluation.
5. Define competency.

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UNIT 9: JOB ANALYSIS AND DESIGN

UNIT STRUCTURE

9.1 Learning Objectives
9.2 Introduction
9.3 Meaning of Job Analysis
9.4 Purpose and uses of Job Analysis
9.5 Process of Job Analysis
9.6 Methods of Job Analysis
9.7 Concept of Job Design
9.8 Let Us Sum Up
9.9 Further Reading
9.10 Answers to Check Your Progress
9.11 Model Questions

9.1 LEARNING OBJECTIVES

After going through this unit,you will be able to

- discuss the concept of job analysis
- highlight the uses of job analysis
- explain the process of job analysis
- discuss the various methods of job analysis
- define the concept of job design

9.2 INTRODUCTION

In the earlier unit, we have discussed the concept of 'Job Evaluation' and its various aspects. In the present unit, we shall be discussing the meaning and the concept of Job Analysis and Job Design. Each job has a definite title based on standard trade specializations within a job. Each job is different from other jobs like peon, clerk, supervisor, and accoun-tant, manager, etc. A job may include many positions. A position is a particular set of duties and responsibilities regularly assigned to an individual.

Let us discuss the meaning, uses and process of Job Analysis in this unit. By the end of the unit we shall be able to describe the methods of Job Analysis and the concept of Job Design.

9.3 MEANING OF JOB ANALYSIS

Job analysis refers to the process of collecting information about a job. In other words, it refers to the anatomy of the job. Job analysis is performed upon ongoing jobs only. It contains job contents. Job analysis is the process of gathering and analyzing information about the content and the human requirements of jobs, as well as, the context in which jobs are performed.

According to Jones and Decothis “Job analysis is the process of getting information about jobs specially, what the worker does; how he gets it done; why he does it; skill, education and training required; relationship to other jobs, physical demands; environmental conditions”.

Edwin B. Flippo has defined job analysis as the “process of studying and collecting information relating to the operations and responsibilities of a specific job. The immediate products of this analysis are job descriptions and job specifications”.

In the opinion of Herbert G. Hereman III, et. al., “A job is a collection of tasks that can be performed by a single employee to contribute to the production of some product or service provided by the organisation. Each job has certain ability requirements (as well as certain rewards) associated with it. Job analysis is the process used to identify these requirements”. Now, job analysis can be defined as an assessment that describes jobs and the behaviours necessary to perform them.

Job analysis is a process of gathering or collecting information relating to job description and job satisfaction. It is the systematic process of gathering and organizing the information relating to various aspects of job, which describes the job contents and minimum job requirements in terms of skills, efforts, responsibilities and working conditions.

Job Analysis is a primary tool to collect job-related data. The process results in collecting and recording two data sets including job description and job specification. Both job description and job specification are essential parts of job analysis information.

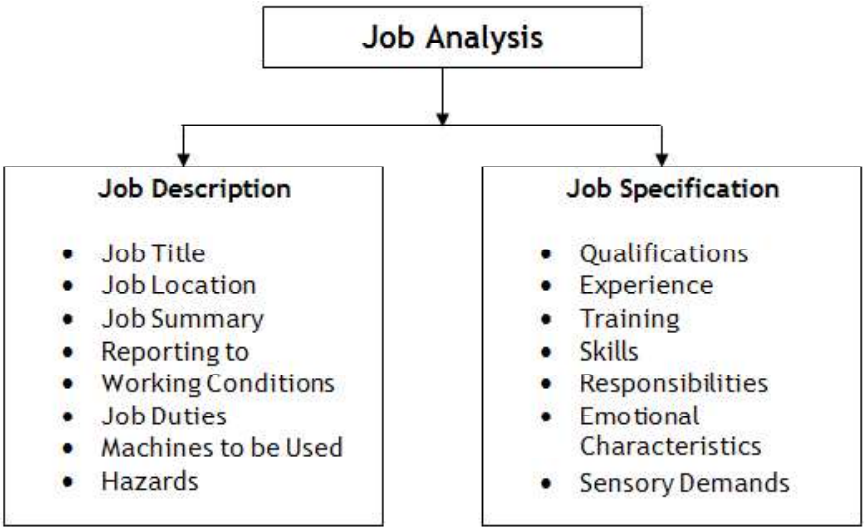


Fig : 8.1 Classification of Job Analysis.

Let us now discuss in brief the concept of Job Description and Job specification.

A. Job Description: Job description is about the basic job-related data that is useful to advertise a specific job and attract a pool of talent. It includes information such as job title, job location, reporting to and of employees, job summary, nature and objectives of a job, tasks and duties to be performed, working conditions, machines, tools and equipments to be used by a prospective worker and hazards involved in it.

The following are some of the purpose of Job Description:

i. The main purpose of job description is to collect job-related data in order to advertise for a particular job. It helps in attracting, targeting, recruiting and selecting the right candidate for the right job.

ii. It is done to determine what needs to be delivered in a particular job. It clarifies what employees are supposed to do if selected for that particular job opening.

iii. It gives recruiting staff a clear view what kind of candidate is required by a particular department or division to perform a specific task or job.

iv. It also clarifies who will report to whom.

B. Job Specification: Job specification is a written statement of educational qualifications, specific qualities, level of experience, physical, emotional, technical and communication skills required to perform a job, responsibilities involved in a job and other unusual sensory demands. It also includes general health, mental health, intelligence, aptitude, memory, judgment, leadership skills, emotional ability, adaptability, flexibility, values and ethics, manners and creativity, etc.

The following are some of the purpose of Job Specification:

i. Job specification helps candidates analyze whether are eligible to apply for a particular job vacancy or not.

ii. It helps recruiting team of an organization understand what level of qualifications, qualities and set of characteristics should be present in a candidate to make him or her eligible for the job opening.

iii. Job Specification gives detailed information about any job including job responsibilities, desired technical and physical skills, conversational ability and much more.

iv. It helps in selecting the most appropriate candidate for a particular job.



CHECK YOUR PROGRESS

Q1: Define Job Analysis

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Q2: What is meant by Job Specification?

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Q3: Define Job Description.

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9.4 PURPOSE AND USES OF JOB ANALYSIS

As discussed already, job analysis involves collecting and recording job-related data such as knowledge and skills required to perform a job, duties and responsibilities involved, education qualifications and experience required and physical and emotional characteristics required to perform a job in a desired manner.

The main purposes of conducting a job analysis process is to use information to create a right fit between job and employee, to assess the performance of an employee, to determine the worth of a particular task and to analyze training and development needs of an employee delivering that specific job.

The following are some of the purposes and uses of Job Analysis:



Fig : 8.2 Purposes and uses of Job Analysis.

1. **Human Resource Planning:** The information provided by job analysis helps in planning the quantity and quality of people required in future. How many and what type of people will be required depends on the jobs to be staffed. Job-related information available through job analysis is, therefore, necessary for human resource planning.
2. **Recruitment and Selection:** Recruitment succeeds job analysis. Basically, the goal of the human resource planning is to match the right people with the right job. This is possible only after having adequate information about the jobs that need to be staffed. It is job analysis that provides job information. Thus, job analysis serves as basis for recruitment and selection of employees in the organisation.
3. **Training and Development:** Job analysis by providing information about what a job entails i.e., knowledge and skills required to perform a job, enables the management to design the training and development programmes to acquire these job requirements. Employee development programmes like job enlargement, job enrichment, job rotation, etc.
4. **Placement and Orientation:** As job analysis provides information about what skills and qualities are required to do a job, the management can gear orientation programmes towards helping the employees learn the required skills and qualities. It, thus, helps management place an employee on the job best suited to him/her.
5. **Job Evaluation:** The job evaluation refers to determination of relative worth of different jobs. It, thus, helps in developing appropriate wage and salary structures. Relative worth is determined mainly on the basis of information provided by job analysis.
6. **Performance Appraisal:** Performance appraisal involves comparing the actual performance of an employee with the standard one, i.e., what is expected of him/her. Such appraisal or assessment serves as basis for awarding promotions, effecting transfers, or assessing training needs. Job analysis helps in establishing job standards which may be compared with the actual performance/contribution of each employee.
7. **Personnel Information:** Increasing number of organisations maintains computerized informa-tion about their employees. This is popularly

known as Human Resource Information System (HRIS). HRIS is useful as it helps improve administrative efficiency and provides decision support. Information relating to human resources working in the organisation is provided by job analysis only.

8. **Health and Safety:** Job analysis helps in identifying and uncovering hazardous conditions and unhealthy environmental factors such as heat, noise, fumes, dust, etc. and, thus, facilitates management to take corrective measures to minimize and avoid the possibility of accidents causing human injury.

9.5 PROCESS OF JOB ANALYSIS

Following are the main steps involved in Job Analysis:

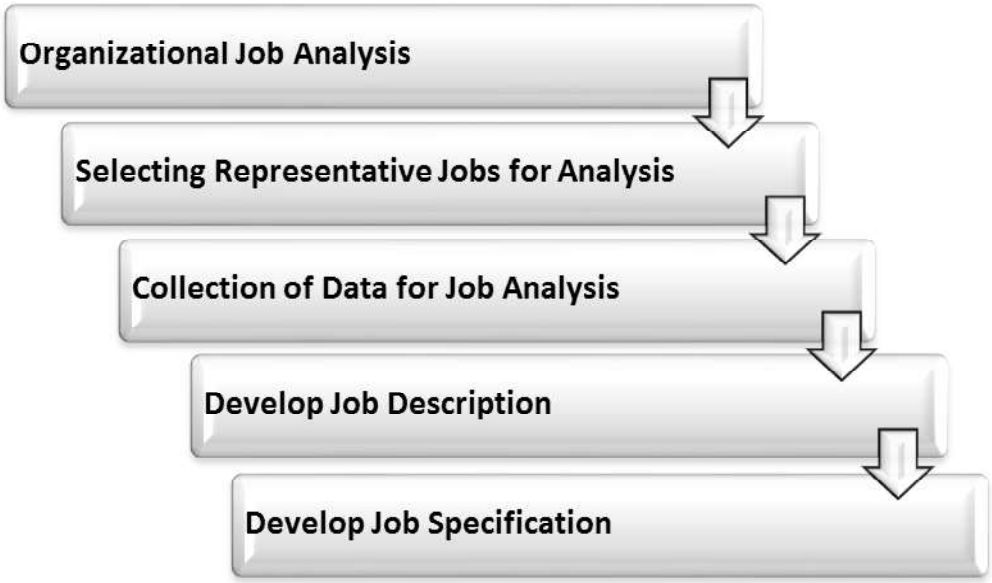


Fig : 8.3 Process of Job Analysis.

Let us discuss the steps in detail:

1. **Organizational Job Analysis:** Job analysis begins with obtaining pertinent information about a job. This, according to Terry is required to know the makeup of a job, its relation to other jobs, and its contribution to performance of the organisation. Such information can be had by dividing back-ground information in various forms such as organisation charts i.e., how the particular job is related to other jobs; class

specifications i.e., the general requirement of the job family; job description i.e., starting point to build the revised job description, and flow charts i.e., flow of activities involved in a particular job.

2. **Selecting Representative Jobs for Analysis:** Analyzing all jobs of an organisation is both costly and time consuming. Therefore, only a representative sample of jobs is selected for the purpose of detailed analysis.
3. **Collection of Data for Job Analysis:** In this step, job data features of the job and required qualifications of the employee are collected. Data can be collected either through questionnaire, observation or interviews. However, due care should be taken to select and use the method of data collection that is the most reliable in the given situation of the job.
4. **Develop Job Description:** In this step of job analysis, a job description schedule is developed through the information collected in the above step. This is the written statement which describes the prominent characteristics of job along with duties, location and degree of risk involved in each job.
5. **Develop Job Specification:** Developing the job specification is the last step of job analysis process under which a detailed specification statement is prepared showing minimum requirement of each job. A job specification summarizes the personal qualities, traits, skills, knowledge, and background required to perform specific task. It also involves the physical and psychological attributes of the incumbent.



CHECK YOUR PROGRESS

Q4: Write the purposes of Job Analysis.

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Q5: Write the steps involved in the process of Job Analysis

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9.6 METHODS OF JOB ANALYSIS

Though there are several methods of collecting job analysis information yet choosing the one or a combination of more than one method depends upon the needs and requirements of organization and the objectives of the job analysis process. Typically, all the methods focus on collecting the basic job-related information but when used in combination may bring out the hidden or overlooked information and prove to be great tools for creating a perfect job-candidate fit.

Selecting an appropriate job analysis method depends on the structure of the organization, hierarchical levels, nature of job and responsibilities and duties involved in it. So, before executing any method, all advantages and disadvantages should be analyzed because the data collected through this process serves a great deal and helps organizations cope with current market trends, organizational changes, high attrition rate and many other day-to-day problems.

Let's discuss few of job analysis methods that are commonly used by the organizations to investigate the demands of a specific job.

Most Common Methods of Job Analysis

1. **Observation Method:** A job analyst observes an employee and records all his performed and non-performed task, fulfilled and un-fulfilled responsibilities and duties, methods, ways and skills used by him or her to perform various duties and his or her mental or emotional ability to handle challenges and risks. It is due to the fact that every person has his own way of observing things. Different people think different and interpret the findings in different ways. Therefore, the process may involve personal biasness or likes and dislikes and may not produce genuine results. This error can be avoided by proper training of job analyst or whoever will be conducting the job analysis process. This particular method includes three techniques: direct observation, Work Methods Analysis and Critical Incident Technique. The first method includes direct observation and recording of behaviour of an employee in different situations. The second involves the study of time and motion

and is specially used for assembly-line or factory workers. The third one is about identifying the work behaviours that result in performance.

2. **Interview Method:** In this method, an employee is interviewed so that he or she comes up with their own working styles, problems faced by them, use of particular skills and techniques while performing their job and insecurities and fears about their careers. This method helps interviewer know what exactly an employee thinks about his or her own job and responsibilities involved in it. It involves analysis of job by employee himself. In order to generate honest and true feedback or collect genuine data, questions asked during the interview should be carefully decided. And to avoid errors, it is always good to interview more than one individual to get a pool of responses. Then it can be generalized and used for the whole group.
3. **Questionnaire Method:** Another commonly used job analysis method is getting the questionnaires filled from employees, their superiors and managers. However, this method also suffers from personal biasness. A great care should be takes while framing questions for different grades of employees. In order to get the true job-related info, management should effectively communicate it to the staff that data collected will be used for their own good. It is very important to ensure them that it won't be used against them in anyway. If it is not done properly, it will be a sheer wastage of time, money and human resources.

These are some of the most common methods of job analysis. However, there are several other specialized methods including task inventory, job element method, competency profiling, technical conference, threshold traits analysis system and a combination of these methods. While choosing a method, HR managers need to consider time, cost and human efforts included in conducting the process.

9.8 CONCEPT OF JOB DESIGN

Job design (also referred to as work design or task design) is a core function of human resource management and it is related to the specification of contents, methods and relationship of jobs in order to satisfy technological and organizational requirements as well as the social and personal requirements of the job holder. The aim of a job design is to improve job satisfaction, to improve through-put, to improve quality and to reduce employee problems (e.g., grievances, absenteeism). **Job design** means to decide the contents of a job. It fixes the duties and responsibilities of the job, the methods of doing the job and the relationships between the job holder (manager) and his superiors, subordinates and colleagues.

The following are the benefits of a good job design:

1. **Employee Input:** A good job design enables a good job feedback. Employees have the option to vary tasks as per their personal and social needs, habits and circumstances in the workplace.
2. **Employee Training:** Training is an integral part of job design. Contrary to the philosophy of "leave them alone' job design lays due emphasis on training people so that are well aware of what their job demands and how it is to be done.
3. **Work / Rest Schedules:** Job design offers good work and rest schedule by clearly defining the number of hours an individual has to spend in his/her job.
4. **Adjustments:** A good job designs allows for adjustments for physically demanding jobs by minimising the energy spent doing the job and by aligning the manpower requirements for the same.



CHECK YOUR PROGRESS

Q6: Define Job Design.

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Q7: What is observation method and interview method of Job Analysis?

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Job design is a continuous and ever evolving process that is aimed helping employees make adjustments with the changes in the workplace. The end goal is reducing dissatisfaction, enhancing motivation and employee engagement at the workplace.

Job Design : To decide the contents of a job.



9.8 LET US SUM UP

In this unit we have discussed the following aspects of Job Analysis:

- Job analysis is a process of gathering or collecting information relating to job description and job satisfaction. It is the systematic process of gathering and organizing the information relating to various aspects of job, which describes the job contents and minimum job requirements in terms of skills, efforts, responsibilities and working conditions.
- The process results in collecting and recording two data sets including job description and job specification. Both job description and job specification are essential parts of job analysis information.
- Job description is about the basic job-related data that is useful to advertise a specific job and attract a pool of talent. It includes information such as job title, job location, reporting to and of employees, job summary, nature and objectives of a job, tasks and duties to be performed, working conditions, machines, tools and equipments to be used by a prospective worker and hazards involved in it.
- Job specification is a written statement of educational qualifications, specific qualities, level of experience, physical, emotional, technical and communication skills required to perform a job, responsibilities involved in a job and other unusual sensory demands.

- The main purposes of conducting a job analysis process is to use this particular information to create a right fit between job and employee, to assess the performance of an employee, to determine the worth of a particular task and to analyze training and development needs of an employee delivering that specific job.
  a. Human Resource Planning:
  b. Recruitment and Selection
  c. Training and Development
  d. Placement and Orientation
  e. Job Evaluation
  f. Performance Appraisal
  g. Personnel Information
  h. Health and Safety
- Following are the main steps involved in Job Analysis
  a. Organizational Job Analysis
  b. Selecting Representative Jobs for Analysis
  c. Collection of Data for Job Analysis
  d. Develop Job Description
- Most Common Methods of Job Analysis
  a. Observation Method
  b. Interview Method
  c. Questionnaire Method
- Job design is related to the specification of contents, methods and relationship of jobs in order to satisfy technological and organizational requirements as well as the social and personal requirements of the job holder.



9.9 FURTHER READING

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9.10 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q1: Job analysis as the process of studying and collecting information relating to the operations and responsibilities of a specific job.

Ans to Q2: Job specification is a written statement of educational qualifications, specific qualities, level of experience, physical, emotional, technical and communication skills required to perform a job, responsibilities involved in a job and other unusual sensory demands.

Ans to Q3: Job description is about the basic job-related data that is useful to advertise a specific job

Ans to Q4: Job Analysis helps in the following aspects:

i. Human Resource Planning
ii. Recruitment and Selection
iii. Training and Development
iv. Placement and Orientation

Ans to Q5: The following is the process of Job Analysis:

a. Organizational Job Analysis
b. Selecting Representative Jobs for Analysis
c. Collection of Data for Job Analysis
d. Develop Job Description
e. Develop Job Specification

Ans to Q6: Job design is a continuous and ever evolving process that is aimed at helping employees make adjustments with the changes in the workplace.

Ans to Q7: Observation Method is a method where a job analyst observes an employee and records all his performed and non-performed task, fulfilled and un-fulfilled responsibilities

and duties, methods, ways and skills used by him or her to perform various duties and his or her mental or emotional ability to handle challenges and risks.

In the Interview Method of Job Analysis, an employee is interviewed so that he or she comes up with their own working styles, problems faced by them, use of particular skills and techniques while performing their job and insecurities and fears about their careers.



9.11 MODEL QUESTIONS

1. Define Job Analysis. Discuss the uses of job analysis.
2. Explain the various methods of job analysis.
3. Discribe the process of job analysis.
4. Define the concept of job design.

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UNIT 10: GRIEVANCE AND GRIEVANCE HANDLING PROCEDURE

UNIT STRUCTURE

10.1 Learning Objectives
10.2 Introduction
10.3 Meaning of Grievances
10.4 Causes of Grievances
10.5 Forms and Effects of Grievance
10.6 Grievance Handling Procedure
10.7 Grievance Handling Procedure in Indian Industries
10.8 Need for Grievance Redressal Procedure
10.9 Let Us Sum Up
10.10 Further Reading
10.11 Answers to Check Your Progress
10.12 Model Questions

10.1 LEARNING OBJECTIVES

After going through this unit, you will be able to

- outline the procedure of grievance handling
- learn the concept, causes and the different forms and effects of grievances.
- discuss the need for grievance redressal procedure
- methods and need for grievance handling procedures

10.2 INTRODUCTION

In the previous unit we studied about job analysis and design, methods of job analysis, concept of job design etc.

This chapter will focus on grievance and its causes. It would also brief the reader about the various causes and effects of grievance. A grievance is a formal dispute between an employee & management on the



Grievance : A feeling of discontent or grief among the employees.

conditions of employment; it is a complaint that is formally registered in accordance with the grievance procedure. A grievance is any dissatisfaction or feeling of injustice in connection with one's employment situation that is brought to the attention of the management. Let us discuss the grievance and the grievance handling procedure in detail and its methods which are being covered in this unit.

10.3 MEANING OF GRIEVANCE

Grievance is a feeling of discontent or dissatisfaction or grief among the employees. The dissatisfaction when registered or expressed is termed as a complaint, which later becomes grievance when the employer finds truth in the complaint.

There are many other definitions for grievance;

According to Keith Davis, " Grievance is any real or imaginary feeling of personal injustice which an employee has concerning his employment relationship."

According to Dale S. Beach; Grievance is any dissatisfaction or distress or suffering or grief among the workers. The dissatisfaction when expressed becomes a complaint and when the employee believes that some injustice is being done, it becomes a grievance.

According to International Labour Organisation; A grievance is a complaint of one or more workers in respect of wages, allowances, conditions of work and interpretation of service stipulations, covering such areas as overtime, leave, transfer, promotion, seniority, job assignment and termination of service.

According to National Commission on Labour; Complaints affecting one or more individual workers in respect of wage payments, overtime, leave, transfer, promotion, seniority, work assignment and discharge constitute grievance.

10.4 CAUSES OF GRIEVANCES

There may be a large number of causes of grievance, below are the various causes that have been broadly classified into below mentioned categories:

1. **Management issues** : Grievances also arises from certain management related issues like, leave, promotion, demotion, suspension, discharge, overtime, transfers. It also includes lack of clarity in the role assigned to the employee, salary, wages and methods of payment.
2. **Working conditions**: Non availability of proper resources necessary to do the job, poor physical condition of the working area/ work place.
3. **Personal issues**: Personal ambition, ego and high self esteem also are major causes of grievances. This category also comprises of impractical approach towards life.
4. **Violation issues:** Grievances may also arise from reasons like, violation of Central and State Laws, responsibilities of management, companies rules and regulations.
5. **Interpersonal Relationship:** Interpersonal relationship can also be the major reason of grievances arising amongst employees. Lack of conducive work climate is a serious concern which may result in retarding the overall performance of the organisation.

We can also categorize the causes of Grievance in the following ways:

A. Grievance resulting from working condition:
   i. Improper matching of the worker with the job
   ii. Changes in schedule or procedure
   iii. Non-availability of proper tools, machines and equipments for doing the job
   iv. Bad physical condition of workplace
   v. Poor relationship with the supervisor

B. Grievance resulting from management policy:
   i. Wage payments and job rates
   ii. Leave

iii. Overtime

iv. Seniority

v. Transfer

vi. Promotion, demotion and discharge

vii. Lack of clarity and delegation of authority

viii. Lack of agreement for collective bargaining

C. Grievance resulting from personal maladjustment:

i. Over ambition

ii. Excessive self esteem etc.



CHECK YOUR PROGRESS

Q1: Define Grievance

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Q2: State any four causes of Grievance

a. .....

b. .....

c. .....

d. .....

10.5 FORMS AND EFFECTS OF GRIEVANCE

Forms of Grievance:

The grievances can be broadly classified into the following three forms:

a. Fact Based : When the licit needs of the employees are not fulfilled on time, then it results in to fact based grievances. For e.g. a monetary incentive announced for an employee but not given on the scheduled time.

b. Unreal reasons: Employees sometimes have false perceptions, false informations which lead to unreal reasons of grievances. Under this situation it the employee who needs to be satisfied that the perceptions

being held by the employee are of imaginary nature and the management cannot be held responsible.

c. **Dissatisfaction over other issues:** Sometimes when an employee is upset or dissatisfied over some other issue, which is not related to his/her workplace, the employee may view normal day work with a different perspective, resulting in a biased vision towards many activities. For e.g. any one of the fellow workers being given an added responsibility, may be conceived as being unjust towards him/her.

Effects of Grievance:

Grievances have many effects in the working conditions as well in the functioning of an organisation. Below are some of the effects of grievances:

a. **Frustration:** Grievances lead to frustration of employees resulting in disloyalty amongst workers and organisation as well.

b. **Lack of belongingness:** The frustration rising due to grievances lead to lack of interest in work and dissolve the sense of belongingness towards the organisation.

c. **Hampers productivity:** It affects the productivity as well as quality of the output.

d. **Lack of discipline:** The employee shows a growing trend of absenteeism, fondness towards strikes and all sorts of indiscipline acts



CHECK YOUR PROGRESS

Q3: State any two forms of Grievances

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Q4: State effects of Grievance

a. .....

b. .....

c. .....

d. .....

10.6 GRIEVANCE HANDLING PROCEDURE

After a grievance is being registered it is the duty of the management to resolve the grievance. As there is no strict code of conduct as far as handling grievances is concerned, the organisation can opt for any of the following procedures.

I. General Procedure

The usual manner of General Procedure is, the employee/worker should approach the immediate supervisor with the grievance. If the employee is not satisfied with the reply to the grievance than the employee should approach the departmental head/public relations officer. If the worker/ employee is still dissatisfied with the reply to the grievance then the worker should approach a top executive of the organisation.

Finally, a committee is established with representatives from both the sides along with arbitrators to completely resolve the grievance. Hence the decision taken by the committee is considered to be full and final for the case.

II. Standard Model Grievance Procedure

The draft model grievance procedure accepted by labour conference in 1958 is given below:

a. An aggrieved employee shall present his grievance verbally in person to the offer designated by the management for this purpose. The officer shall give the response within 48 hours of the complaint. If the worker is not satisfied with the reply he can approach the head of department.

b. The head of the department shall give his answer within 3 days, if action is not taken within this period, the reason for delay should be recorded. If the worker is still dissatisfied with the answer, he may request to forward his grievance to the grievance committee.

c. The grievance shall make its recommendations to the manager within 7 days, unanimous decision of the committee shall be implemented by the management. If there is difference in opinion among the members of the committee, the matter will be referred to the manager along with the views of the members.

d. If the worker is not satisfied with the decision of the manager, he can appeal for a revision of the decision.
e. If the worker is still not satisfied the matter may be referred to voluntary arbitration.

The above standard model of Grievance Procedure is also adopted in Indian Industry. Let us discuss it in the following section.

10.7 GRIEVANCE HANDLING PROCEDURE IN INDIAN INDUSTRIES

As already discussed in the above section, the 15th session of Indian Labor Conference held in 1957 emphasized the need of an established grievance procedure for the country which would be acceptable to unions as well as to management. In the 16th session of Indian Labor Conference, a model for grievance procedure was drawn up. This model helps in creation of grievance machinery. According to it, workers' representatives are to be elected for a department or their union is to nominate them. Management has to specify the persons in each department who are to be approached first and the departmental heads who are supposed to be approached in the second step.

The Model Grievance Procedure specifies the details of all the steps that are to be followed while redressing grievances. These steps are:

STEP 1: In the first step the grievance is to be submitted to departmental representative, who is a representative of management. He has to give his answer within 48 hours.

STEP 2: If the departmental representative fails to provide a solution, the aggrieved employee can take his grievance to head of the department, who has to give his decision within 3 days.

STEP 3: If the aggrieved employee is not satisfied with the decision of departmental head, he can take the grievance to Grievance Committee. The Grievance Committee makes its recommendations to the manager within 7 days in the form of a report. The final decision of the management on the report of Grievance Committee must be communicated to the aggrieved employee within three days of the receipt of report.

An appeal for revision of final decision can be made by the worker if he is not satisfied with it. The management must communicate its decision to the worker within 7 days.

STEP 4: If the grievance still remains unsettled, the case may be referred to voluntary arbitration.

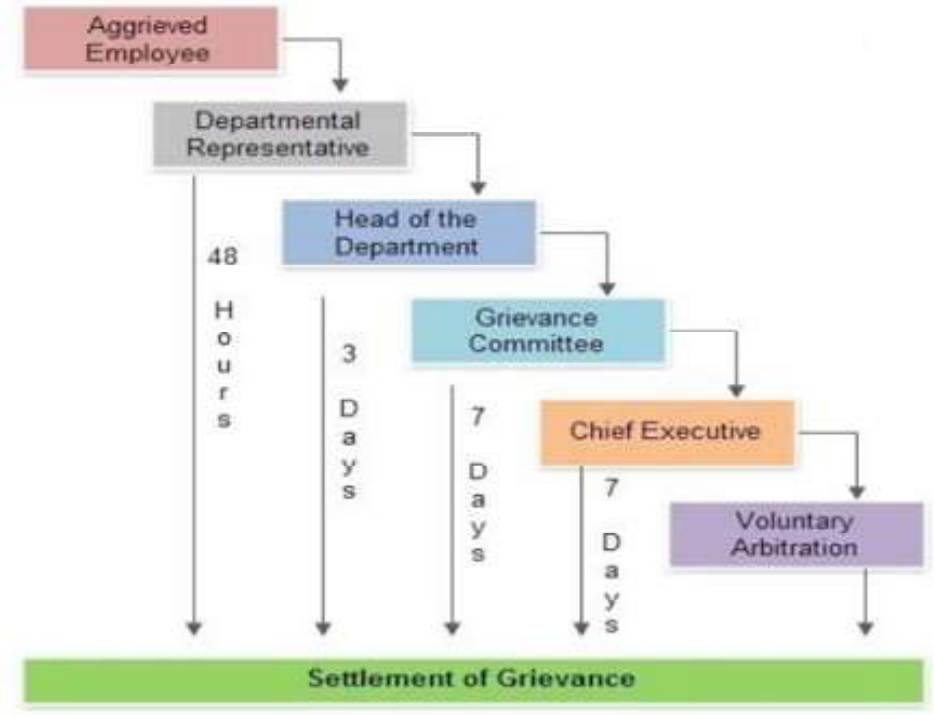


Fig. 9.1 : Grievance Handling procedure

10.8 NEED FOR GRIEVANCE HANDLING PROCEDURE

The grievances settlement procedure is a device by which grievances are settled, generally to the satisfaction of the trade union or employees and the management. This procedure is an important part of labour relations. It is essential, whether a plant is an organized one or not. The grievance machinery enables a management to detect any defector flaws in the working conditions or in labour relations, and undertake suitable corrective measures. If good morale and a code of discipline are to be maintained, it is essential that the grievance procedure is worked honestly and without prejudice, failing which there is likely to be an explosion, and production schedules would be shattered and the morale of the employees would be irrelatively impaired. A grievance procedure is essential because

it brings uniformity in the handling of grievances. It gives confidence to the worker, for if he does not get a fair deal, he knows what to do and whom to approach to ensure that he does get justice. Grievance handling procedure is necessary for the following reasons:

a. To maintain a proper working environment in the organisation
b. For maintaining peace and harmony among the workers.
c. To help the employees identify and resolve their issues.
d. To maintain provide satisfaction to the employees, resulting in better output.



CHECK YOUR PROGRESS

Q5: Discuss the need for grievances handling procedure.

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10.9 LET US SUM UP

In this unit we have discussed the following:

- Grievance is a feeling of discontent or dissatisfaction or grief among the employees. The dissatisfaction when registered or expressed is termed as a complaint, which later becomes grievance when the employer finds truth in the complaint.
- According to International Labour Organisation; A grievance is a complaint of one or more workers in respect of wages, allowances, conditions of work and interpretation of service stipulations, covering such areas as overtime, leave, transfer, promotion, seniority, job assignment and termination of service.
- Causes of Grievances
  - Management issues

- Working conditions
- Personal issues
- Violation issues
- Interpersonal Relationship

➢ Forms of Grievance

- Fact Based
- Unreal reasons
- Dissatisfaction over other issues

➢ Effects of Grievance

- General Procedure
- Standard Model Grievance Procedure



10.10FURTHER READING

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10.11ANSWERS TO CHECK YOUR PROGRESS

Ans to Q1: Grievance is any dissatisfaction or distress or suffering or grief among the workers. The dissatisfaction when expressed becomes a complaint and when the employee believes that some injustice is being done, it becomes a grievance.

Ans to Q2: The causes of grievances are:

a. Management issues

b. Working conditions

c. Personal issues

d. Violation issues

Ans to Q3: The grievances can classified as:

a. Fact Based

b. Unreal reasons

Ans to Q4: Below are some of the effects of grievances:

a. Frustration

b. Lack of belongingness

c. Hampers productivity

d. Lack of discipline

Ans to Q5: Grievance handling procedure is necessary for the following reasons:

a. To maintain a proper working environment in the organisation

b. For maintaining peace and harmony among the workers.

c. To help the employees identify and resolve their issues.

d. To maintain provide satisfaction to the employees, resulting in better output.



10.12 MODEL QUESTIONS

1. Define grievance.
2. Write in details in causes of grievance.
3. Define grievance handling. Elaborate on methods of grievance handling.
4. What are the various effects of grievances?
5. Discuss the grievance handling procedure in Indian Industries.
6. Discuss why there is a need for grievance handling procedure.

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UNIT 11: EMPLOYEE MISCONDUCT AND DISCIPLINARY PROCEDURE

UNIT STRUCTURE

11.1 Learning Objectives

11.2 Introduction

11.3 Meaning and Objectives of Discipline

11.4 Principles for Maintenance of Discipline

11.5 Types of Discipline

11.6 Essentials of a Good Disciplinary System

11.7 Disciplinary Action

- 11.7.1 Punishment for Disciplinary Action
- 11.7.2 Procedure for Disciplinary Action

11.8 Let Us sum Up

11.9 Further Reading

11.10 Answers to Check Your Progress

11.11 Model Questions

11.1 LEARNING OBJECTIVES

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

- learn the meaning and objectives of discipline
- discuss the principles behind the maintenance of discipline
- outline the guidelines for disciplinary policy
- discuss the disciplinary actions

11.2 INTRODUCTION

In the previous unit, we learned about the concept of grievance, its causes, different forms and effects of grievance. We also learned about the procedures for grievance handling. The need for grievance redressal procedure was also discussed.

In this unit, we will learn the meaning and objectives of discipline, principles of discipline and disciplinary actions. Discipline is very important

for smooth and efficient functioning of an organisation. Discipline means the presence of orderliness in any particular field of activity. In simple words it means working, cooperating and behaving in a normal and orderly way, as any reasonable person would expect an employee to do. Disciplinary action refers to taking action against an individual who departs from the devised code of conduct.

In this unit we shall be discussing the guidelines for disciplinary policy and also will get an idea of the different disciplinary actions.

11.3 MEANING AND OBJECTIVES DISCIPLINE

Meaning of Discipline:

The word “discipline” is derived from the Latin word “disciplina”, which means teaching, learning and growing. Discipline is one of the most important aspects involved in maintaining a harmonious human relation in an organisation. It is not possible for an organisation to survive and sustain without discipline. Maintenance of discipline is necessary at all levels of the organisation. Discipline is the process of training an employee so that he can develop self-control and can become more effective in his work

Discipline can be defined as an organised behavior of individuals towards the aspired goals of an organisation. Any behavior which indicates towards the degradation or hindrance towards the common goal of an organisation can be considered to be an indisciplined behavior and deserves punishments as per the model code of conduct of the organisation.

According to Richard D. Calhoon, “Discipline may be considered as a force that promotes individuals or groups to observe the rules, regulations and procedures which are deemed to be necessary for the effective functioning of an organisation.”

Discipline can be simply understood to be an external force which enables the employees of an organisation to abide by the organisational rules and regulations, which are necessary for the effective functioning of an organisation. Discipline maintains the smooth functioning of an organisation until the employees adhere to the rules established by the

organisation, but in contrary if the employees do not adhere to the rules or disobey them then a situation of indiscipline arises, which is resolved by taking necessary actions against the concerned employee.

Objectives of Discipline:

The main objectives for the establishment of discipline in an organisation are:

- **To obey rules and regulations**: The main objective of discipline is to obey the rules and regulations of the organisation, so that it becomes convenient to get things done through a large group of employees, which helps in attaining the organisational goal effectively.
- **Certainty**: Discipline amongst employees ensures element of certainty in the organisation despite of different variances.
- **Efficiency:** Obeyance of rules and regulations leads to smooth functioning of the activities performed by the employees, hence enhancing the efficiency level.
- **Mutual respect:** One of the major objectives of discipline is to create a conducive work climate, which results in mutual respect amongst the employees in an organisation.
- **Organisational harmony**: To develop harmonious environment within the organisation, this enables the employees to attain better interpersonal understandings.



CHECK YOUR PROGRESS

Q1: Define Discipline.

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Q2: Write any four objectives of discipline.

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11.4 PRINCIPLES FOR MAINTENANCE OF DISCIPLINE

The following principles should be followed in an organisation to maintain discipline:

a. **Clear objectives:** The objectives of an organisation should be clearly defined to the employees and also the level of output aspired from an employee should be specified.

b. **Specific rules and regulations:** Set of rules and regulations should be framed in consultation with the employees. The organisation should then function in accordance with these set of rules and regulations.

c. **Proper communication:** All the rules and regulations should be properly communicated to the employees, helping the employees in better understanding of the rules and regulations. It results in better interpersonal relations among the employees.

d. **Provision of investigation:** The set of rules and regulations should also incorporate a provision for investigation, which can help in case of grievance redressal.

e. **Prevention of breach of discipline:** The primary objective of establishment of rules and regulations in an organisation is not to levy penalty but to maintain a proper functioning of the organisation. It should always emphasise on prevention of breach of discipline.

f. **Self discipline:** The management should be responsible to not promote any act that may encourage the employees to breach discipline. They must focus of self discipline, as their own conduct should lead an example for the rest to follow.

g. **Specific enforcement authority:** The authority for enforcement of discipline must be specified. Also the procedure for appeal against any disciplinary actions should be provided to the employees.

h. **Rules , regulations must be periodically appraised :** All the rules and regulations should be periodically evaluated and appraised.

i. **Discipline action should not be vindictive:** Disciplinary action should not be taken to victimize employees, rather the main objective should be to prevent its reoccurrence.

j. **Suitable grievance procedure:** The grievance redressal procedure should be so designed that it is convenient and prompt. The grievance redressal should not be delayed as it leads to chaos and confusion among the employees.

k. **Constitution of discipline committee:** A discipline committee should be constituted to look after the matter concerning indiscipline in an organisation and give suitable suggestions to avoid reoccurrence.

l. **Extent of punishment must be known:** The prescribed punishment relating to indiscipline must be known.

11.5 TYPES OF DISCIPLINE

A disciplinary action is the means by which the various procedures are used to bring about the controlled state of affairs. The types of discipline are: Positive or self Discipline, Negative or Enforced Discipline, task Discipline, group discipline and Imposed Discipline. Let us discuss this in detail.

1. **Positive or Self –Discipline:** Self discipline is a willing and instinctive sense of responsibility that leads on employee to know what needs to be done. Getting to work on time, knowing the job, setting priorities, and denying personal preferences for more important ones all measure how self disciplined you are. This is the highest order of all disciplines because it springs from the values you use to regulate and control your actions. The ideal situation is to motivate cadets to willingly discipline themselves, and exercise self control and direction to accomplish the task.

2. **Negative or Enforced Discipline:** Negative Discipline is also called 'enforced discipline'. In case of negative discipline, employees are forced to obey orders and abide by rules and regulations that have been laid down, failing which penalties and punishment would be imposed on them. Thus, the objective of using negative discipline is to ensure that employees do not violate rules and regulations formed by the organisation. In other words, the purpose of negative discipline is to

scare other employees and to ensure that they do not indulge in undesirable behaviour.

3. **Task Discipline.** Task discipline is a measure of how well you meet the challenges of your job. Task discipline requires that you have a strong sense of responsibility to do your job to the best of your ability.
4. **Group Discipline.** Group discipline means teamwork. Most jobs require that several people work effectively as a team, group discipline is very important.
5. **Imposed Discipline.** Imposed discipline is the enforced obedience to legal orders and regulations. This type of discipline provides the structure and good order necessary throughout the organisation to accomplish a task regardless of any situation.



CHECK YOUR PROGRESS

Q3: Write any four principles followed in an organisation to maintain discipline.

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Q4: What is negative discipline?

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Q5: What Is group discipline?

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11.6 ESSENTIALS OF A GOOD DISCIPLINARY SYSTEM

a. Defined rules: All the employees irrespective of their positions in the organisation should be well versed in the organisational rules and regulations, enabling them to understand the and obey the instructions. All instructions should be clear and understandable. The supervisor particularly is responsible to make the employees understand about it.

b. Promptness: Misconduct or any violation of rules must be quickly addressed. The more the delay the more it creates a situation of chaos and confusion among the employees.

c. Non vindictive approach: Disciplinary action must be non vindictive in approach, which means the misconduct must be properly enquired and punishments should be in compliance to the misconduct or violations. Also it should be kept in mind that the employee should be given an opportunity to explain his action. The common law principle that an offender is innocent until he is proved guilty beyond doubt should be followed.

d. Clear procedure: All the procedures which are followed to address a grievance or penalty decision should be clearly laid down, without any prejudice. Also emphasis should be laid on gathering the facts. Some of the factors that should be considered during the procedure may include the magnitude of the issue, the frequency of occurrence of such issues, previous decisions on taken on similar issues, the track record of the employee concerned.

e. Proper handling of disciplinary action: The handling of disciplinary action is also an important component of a good disciplinary action system. The disciplinary action should be in a constructive manner. Also it should be maintained that the disciplinary action should be taken in private, as any public involvement would demean the employee and hamper his/her social standing.

11.7 DISCIPLINARY ACTION

Disciplinary action is a process to improve indiscipline behavior or performance, when other methods such as counseling and performance appraisal have not been effective.

The term 'disciplinary action' refers to any conditioning of future behaviour by the application of either rewards or penalties. This approach includes positive motivational activities, such as praise, participation and incentive pay, as well as negative motivational techniques, such as reprimand, layoff, and fines.

10.7.1 Punishment for Disciplinary Action

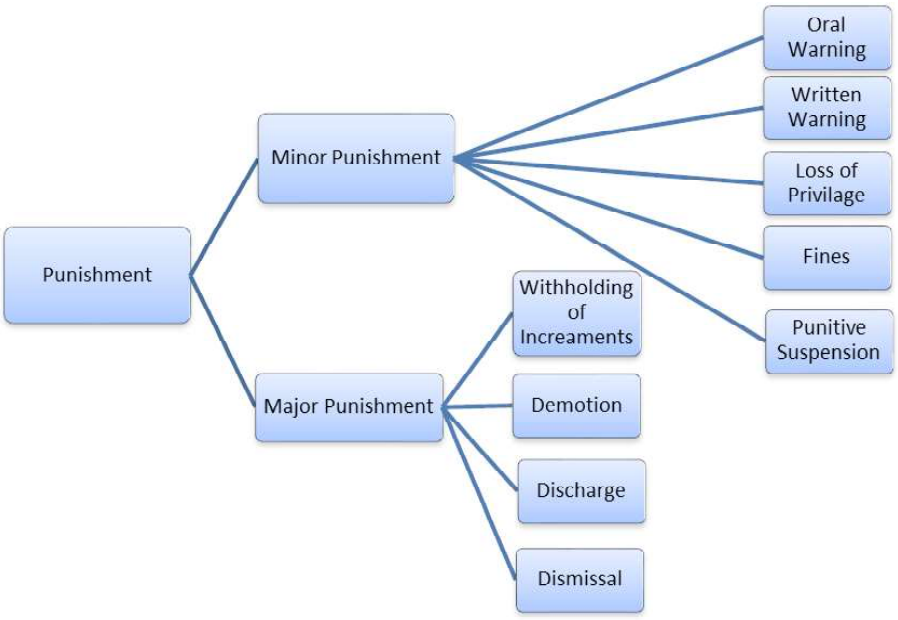


Fig 10.1 : Types of Punishment

Let us discuss the types of punishment in detail:

Minor Punishment:

- **Oral warning:** It is the least strict disciplinary action, where the supervisor or the immediate senior warns the employee about his unacceptable behavior.
- **Written warning:** In case misconduct is frequently repeated by the employee, management can issue a written warning, bewaring the employee of the consequences.

- **Loss of privileges:** In case of repetitive misconduct an employee might lose the privileges like selection of job assignments, right to select machine etc.
- **Fines:** Fine is the deduction in remuneration of an employee, as a penalty of any unnecessary activity or misconduct.
- **Punitive suspension:** Under punitive suspension an employee is prohibited from performing the duties assigned to him and his wages are withheld for as long as the prohibition exists.

Major Punishments:

- **Withholding of increments**: It is a major punishment; it stops or deducts the increments of an employee enjoyed in his service. It is equivalent to the (amount of increment) x (12 months) x (number of years of service remaining).
- **Demotion:** Demotion is the reduction in the position of an employee from the currently working position. Demotion can be used only when the employee does not meet the requisite qualifications as per present scenario.
- **Discharge:** Discharge is a mutual process of termination of job, where the employee is not accused of any misconduct and is discharged from the job when both the parties have agreed to a common contract.
- **Dismissal:** As far as an organisation is concerned, dismissal is the capital punishment. Dismissal makes itself a disqualification for future employment, which is not so in case of discharge.

11.7.2 Procedures for Disciplinary Action

The following are the procedures followed for disciplinary actions:

a. **Preliminary investigation**: It is done to find out whether a case of misconduct has occurred or the allegations raised are false.
b. **Charge sheet issuance**: A charge sheet issues a list of allegations raised on the employee and ask the employee for an explanation on the allegations.

c. **Explanation of the employee**: If the explanation of the employee is satisfactory then no disciplinary action is taken.

d. **Issuance of show cause notice**: When the management is convinced that there are enough evidences, then they can issue a show cause notice to the employee, to give clarifications on the charges levied on the employee.

e. **Suspension** : If the charges levied are of grave nature, then the employee is immediately suspended with half the amount of remuneration till the charges are being proved.

f. **Notification and Performing the enquiry**: The management forms an enquiry committee which sends a notice for enquiry to the employee, mentioning the name of enquiry officer, time, date and place of enquiry etc. The enquiry is performed without any prejudice, allowing the accused of an opportunity to defend the charges. The enquiry officer should record the findings of the enquiry and submit their report to the management.

g. **Passing of the final order of punishment**: on the basis of the enquiry report, the management decides the final punishment. But they also consider the employees past record and gravity of the charges.



CHECK YOUR PROGRESS

Q6: State the concept of oral and written warning.

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Q7: What is discharge and dismissal?

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Q8: What is disciplinary action?

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11.8 LET US SUM UP

In this unit we have discussed the following:

- "Discipline may be considered as a force that promotes individuals or groups to observe the rules, regulations and procedures which are deemed to be necessary for the effective functioning of an organisation."
- Discipline maintains the smooth functioning of an organisation until the employees adhere to the rules established by the organisation, but in contrary if the employees do not adhere to the rules or disobey them then a situation of indiscipline arises.
- Disciplinary action is a process to improve indiscipline behavior or performance, when other methods such as counseling and performance appraisal have not been effective.
- Procedure for disciplinary actions:
- Preliminary investigation
- Charge sheet issuance
- Explanation of the employee
- Issuance of show cause notice
- Suspension
- Notification and Performing the enquiry
- Passing of the final order of punishment



11.9 FURTHER READING

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11.10 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q1: Discipline may be considered as a force that promotes individuals or groups to observe the rules, regulations and procedures which are deemed to be necessary for the effective functioning of an organisation.

Ans to Q2: The four objectives for the establishment of discipline in an organisation are:

1. Observance of rules and regulations
2. Certainty
3. Efficiency
4. Mutual respect

Ans to Q3: The following principles should be followed in an organisation to maintain discipline:

a. Clear objectives
b. Specific rules and regulations
c. Proper communication
d. Provision of investigation

Ans to Q4: Negative Discipline is also called 'enforced discipline'. In case of negative discipline, employees are forced to obey orders and abide by rules and regulations that have been laid down, failing which penalties and punishment would be imposed on them.

Ans to Q5: Group discipline means teamwork, now days most of the organizations require that several people work effectively as a team, group discipline is very important.

Ans to Q6: Oral warning is the least strict disciplinary action, where the supervisor or the immediate senior warns the employee about his unacceptable behavior.

Written warning is a type of minor punishment wherein in case misconduct is frequently repeated by the employee, management

can issue a written warning, bewaring the employee of the consequences.

Ans to Q7: Discharge is a mutual process of termination of job, where the employee is not accused of any misconduct and is discharged from the job when both the parties have agreed to a common contract.

Dismissal is the capital punishment. Dismissal makes itself a disqualification for future employment, which is not so in case of discharge.

Ans to Q8: Disciplinary action is a process to improve indiscipline behavior or performance, when other methods such as counseling and performance appraisal have not been effective.



11.10MODEL QUESTIONS

1. Elaborate on concept of discipline.
2. Write a short note on objectives for the establishment of discipline in an organisation.
3. Write about the principles of maintenance of discipline.
4. What are the procedures for disciplinary action?
5. Write a short note on disciplinary action.

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UNIT 12: HUMAN RESOURCE INFORMATION SYSTEM

UNIT STRUCTURE:

12.1 Learning Objectives
12.2 Introduction
12.3 Concept of Human Resource Information System (HRIS)
12.4 Components of Human Resource Information System (HRIS)
12.5 Types of Human Resource Information System
12.6 Applications of Human Resource Information System
12.7 Implementation of Human Resource Information System
12.8 Benefits of Human Resource Information System
12.9 Let Us Sum Up
12.10 Further Reading
12.11 Answers to check your Progress
12.12 Model Questions

12.1 LEARNING OBJECTIVES

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

- learn the concept of HRIS and its various types
- discuss how HRIS is beneficial
- outline the various methods of its applications and implementation in an organsiations

12.2 INTRODUCTION

This unit is about Human Resource Information System (HRIS) and its various aspects. As a company grows, it becomes difficult to rely exclusively on manual HR systems. For example, to conduct performance appraisal for few employees may not be a problem at all, but for a company having 50 or 60 employees or more, the amount of time may take weeks or even months. It is therefore, for these reasons, larger companies are

integrating their separate HR system into integrated human resource information system.

Therefore, human resource information system (HRIS) is a system which is formed to supply information to the human resource management, in order to help them in managing the employees effectively. This system can be build by computerizing individual human resource tasks.

12.3 CONCEPT OF HUMAN RESOURCE INFORMATION SYSTEM (HRIS)

The Human Resource Information System (HRIS) is a method by which an organisation collects, analyses and reports information about people and jobs. It applies to information needs at macro and micro levels. HRIS is basically a data base system that offers important information about employees in a central and accessible location. When such information is needed, the data can be retrieved and used to facilitate human resource planning decisions.

HR information system is being recognized as the 5th original resource and it is the key to employee productivity, competitive spirit and corporate excellence and information. It is the blood of an organisation.

The success of human resource management largely depends upon the quality of information held by it. For this an information system is required to communicate effectively with the environment.

In other words a Human Resource Information System is a system that keeps track of all the employees and information about them. The HRIS is therefore a software or online solution for the data entry, data tracking and data information needs of the human resources, payroll, management and accounting functions within a business.

A HRIS generally should provide the capability to more effectively plan, control and manage HR costs; achieve improved efficiency and quality in HR decision making; and improve employee and managerial productivity and effectiveness.

A HRIS offers HR, payroll, benefits, training, recruiting and compliance solutions

Most are flexibly designed with integrated databases, a comprehensive array of features, and powerful reporting functions and analysis capabilities that you need to manage your workforce. This can give back hours of the HR administrator's day previously spent attending to routine employee requests.

12.4 COMPONENTS OF HUMAN RESOURCE INFORMATION SYSTEM (HRIS)

The following are the components of Human Resource Management System:

1. **Database or Information Bank**: Information technology has a significant impact in the working of HR department in the organisations, one of the most valuable offering of HRIS includes the formation of a database, to store employee information. All personnel data regarding the employees are feed into the system which can be accessed from anywhere, anytime.
2. **Time and Employee Management:** Activities like time and employee management can be highly time consuming. Time and labour management improves the HR department's ability to track punctuality and attendance. The details regarding working hours, overtime and holiday requests are managed using HRIS, enhancing the working ability and reducing biasness.
3. **Payroll Management:** Payroll management comprises of informations about wages, salaries , incentives, allowances, fringe benefits, deductions from provident fund etc. Payroll management also reduces the chances of errors in case of salaried employees. The HRIS payroll software usually helps in tax compliance for locations with multiple tax levels.
4. **Benefits:** Some HRIS employers allow employers to establish and maintain medical benefits and retirement investments through their

software. Other HRIS packages facilitate medical benefits and retirement investment deductions for payroll but not the establishment of those benefits.

5. **Easy access and user friendly system:** The HRIS facilitates easy access to data whenever required. Whosoever knows the operations of a computer can access the required information. Most HRIS softwares allow an employee to have limited user access. Employee users access a part of the database where they can update their personal information, review pay scales, change retirement benefit programs, update direct deposit information or download benefit election documents.
6. **Recruitment and Retention:** It includes advertisement module, applicants profile, appointment and placement data. Finally, it can be said that recruitment and retention are the most important components of HRIS. Finding new talent, acquiring them, keeping them engaged and finally being able to retain them are the major task of a HR person. HRs also have to ensure that employees are not only able to do their work, but they are also provided with the required training; receives proper compensation and benefits from the organization.

12.5 TYPES OF HUMAN RESOURCE IINFORMATION SYSTEM

1. **Employee Database:** The human resource department must maintain information on each of the organization's employees for a variety of decision and reporting purposes. An employee database usually contains personal and organization-related information, such as name, address, sex, minority status, marital status, citizenship, years of service or seniority data, education and training, previous experience, employment history within the organization, salary rate, salary or wage grade, and retirement and health plan choices. The employee database may also contain information about employee preferences for geographical locations and work shifts. Employee database also

maintains a record of employee skills and proficiency. The skills database contains information about every employee, such as project experience, work preferences, departmental test scores, interests, and special skills or proficiencies.

2. **Automated Job Analysis:** As individuals are employed for various jobs it is therefore necessary to computerize job related information regarding every job. Data on people, jobs and organisation are gathered by this system through diagnostic questionnaires which query human respondence and analyse their data. It also identifies the details about unfilled positions.
3. **Recruitment and Selection Information Systems:** After jobs and the employee requirements have been identified and after the recruitment of the candidates suitable for the job, the candidate must be screened, evaluated, selected, and placed in the positions that are open. The main objective of recruitment and selection information system is to see that the right kind of candidates are placed on the right job.
4. **Appraisal Information Systems:** Performance Appraisal Information Systems include performance appraisal data and productivity information data. Performance appraisal information systems data is frequently used as evidence in employee grievance matters. Careful documentation of employee performance and of how the performance was measured and reported is critical to acceptance of appraisal information in grievance hearings. Performance appraisal information also contains information about performance rating which serves as input for transfer, promotion, increment, succession and career planning etc.
5. **Government Reporting and Compliance Information Systems:** Government Reporting and Compliance Information Systems provide information needed to maintain compliance with government regulations. It enhances the organizational efficiency and helps in maintaining a good rapport with the concerned government organisation.



CHECK YOUR PROGRESS

Q1: Define Human Resource Information System.

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Q2: Name any two types of HRIS.

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Q3: Name any four components of HRIS.

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12.6 APPLICATIONS OF HUMAN RESOURCE INFORMATION SYSTEM

The applications of HRIS are as follows:

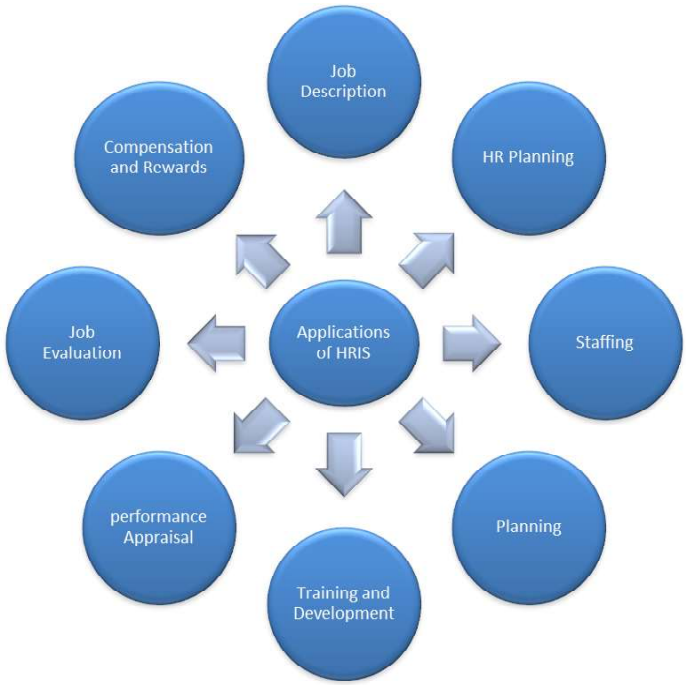


Fig : 11.1 Applications of HRIS

1. **Job description**: Job description includes job title, purpose, duties and responsibilities. The HRIS update and reformat job descriptions.
2. **HR Planning**: It is based on forecast, demand, for important jobs as well employee turnover and patterns of inter organizational mobility. It may be used to project future employee, based on competency.
3. **Staffing** : staffing includes the following modules
   - Applicant tracking: Track key information on job applicants and other relevant selection process information.
   - Job posting: It includes identification of job title, job location, basic responsibilities and job requirements.
   - Job requirements analysis: Analyse job duties and responsibilities to identify competencies that predict effective job performance.
   - Job person matching : Compare competency assessments of candidates to job competency requirements.
4. **Planning:** Reporting the information on available of candidates for available job positions. It enables to identify the needs of training and development of candidates.
5. **Training and development**: The following comprise of training and development:
   a. Career planning: comparison between alternative job and comparison between job competencies.
   b. Development needs analysis: identifying the employees , who will benefitted from training and development.
   c. Development advisor: helping the employees identifying the needs and competency of an employee.
6. **Performance Appraisal:** It includes generation of performance appraisal forms based on the goals and standards and competencies required of a job and record appraisal ratings. In focuses on the assessment of performances, accomplishments of goals, offering rewards and reward management.
7. **Job Evaluation:** The HRIS job evaluation system helps in classification levels and hierarchy of jobs.

8. **Compensation and Rewards:** Analyse and report compensation database based on pay grade structure, salary budgeting etc.

12.7 IMPLEMENTATION OF HUMAN RESOURCE MANAGEMENT SYSTEM

Implementation deals with the structuring and fitting in of the HRIS into an already existing/new organisation. It is easier to introduce HRIS in a new organisation, but may be more challenging when it comes to its introduction into an already established organisation. There are various methods of implementation of HRIS they are:

- The old information flow may be allowed as it is and installation of the new system should be introduced to the new operations.
- The new system completely replaces the old system.
- The new system can be introduced in a phase wise manner, removing the old one in a systematic manner.

The introduction and implementation of HRIS involves trained professionals. It has to be taken care of that during the period of transition minimum hindrance is being created.

Steps in Implementing an HRIS

The following steps should be should be followed in setting up an HRIS:

1. **Inception of idea:** Idea must be originated somewhere. The originator should make a preliminary report justitifying the need –for an HRIS. The most critical part of the step is top clarify illustrate how an HRIS can assist management in making certain decisions.
2. **Feasibility study:** The present system should be studied to highlight the problem areas and likely benefit of an HRIS. It should carry out cost benefit analysis of the HRIS in terms of labour and material.
3. **Selecting a project team:** Once the feasibility study has been accepted and resources allocated, a project team should be selected. The project team should consist of a human resource representative, who is knowledgeable about the organisation human resource functions and activities, and the organisation itself, and also a representative from management information system.

4. **Defining the requirements:** A statement of requirements specifies in detail exactly what the system needs to do. A larger part of the statement of requirement normally deals with the details of the reports that will be produced, the objective here being to make 0sure that the mission of an HRIS truly matches with the management's needs of an HRIS.
5. **Vendor Analysis:** The purpose of this step is to determine what hardware and software are available that will best meet the organizations needs at the least price.
6. **Contract Negotiation:** The contract stipulating the price, delivery, vendor's responsibilities with regards to installation, service maintenance, training to organsiation employees etc, may be negotiated.
7. **Training:** Project team members may first be trained to use the system an then they could train all users from other department.
8. **Collecting Data:** Data is collected and fed into the system.
9. **Testing the system:** Testing is done to verify output of HRIS and make sure that it is doing what it is supposed to do. All reports needs to bee critically analyzed.
10. **Starting Up:** Even after testing, often some additional errors surface during the start-up. These need to be sorted out.
11. **Running in parallel:** The new system run in parallel with the old till the new system stabilizes and people gain confidence in its operation.
12. **Maintenance:** It normally takes several months for the HR people to get acquainted with HRIS.
13. **Audit:** After a year, the project team should audit the performance of HRIS and if required, corrective actions should be taken.

12.8 BENEFITS OF HUMAN RESOURCE INFORMATION SYSTEM

Below are mentioned the benefits of Human Resource Information System:

1. **One-stop place:** One of the most frequently mentioned advantages of an HRIS is that we can enter information only once for many hr-related

employee tasks. And, similarly, we need to update only one place when employee information changes.

2. **Integration of data.** Furthermore, different parts of the system can "talk to each other" allowing more meaningful reporting and analysis capabilities, including internal evaluations and audits and preparation of data for outsiders.
3. **Accuracy.** Improved accuracy is likely assuming data are entered and manipulated correctly.
4. **Self service.** This feature can be a great timesaver for hr. Employees may enter the system to change data (for example, change their own addresses) and managers and supervisors may enter the system to enter data (for example, performance reviews) or to retrieve data without bothering hr.
5. **Automated reminders.** Systems can schedule events, such as performance appraisals and benefit deadlines, automatically notifying and nudging if actions have not been performed.
6. **Hosting of company-related documents.** The system can host such materials as employee handbooks, procedures, and safety guidelines. The materials are easily updated in one place.
7. **Benefits administration**. This could include enrollment, notices, changes, and reporting.
8. **Recruiting management.** This may include applicant tracking, management, and reporting.



CHECK YOUR PROGRESS

Q4: Write any four benefits of HRIS

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Q5: What are the applications of HRIS

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12.9 LET US SUM UP

In this unit we have discussed the following:

- The Human Resource Information System (HRIS) is a method by which an organisation collects , analysis and reports information about people and jobs. It applies to information needs at macro and micro levels.
- Components of HRIS
  - Database or Information Bank
  - Time and Employee Management
  - Payroll Management
  - Benefits
  - Easy access and user friendly system
  - Recruitment and Retention
- There are various methods of implementation of HRIS they are:
  - The old information flow may be allowed as it is and installation of the new system should be introduced to the new operations.
  - The new system completely replaces the old system.
  - The new system can be introduced in a phase wise manner, removing the old one in a systematic manner.



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12.11 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q1: The HRIS is a software or online solution for the data entry, data tracking and data information needs of the human resources, payroll, management and accounting functions within a business.

Ans to Q2: The two types of HRIS are: Employee Database and Automated Job Analysis

Ans to Q3: The following are the components of Human Resource Management System:

a. Database or Information Bank
b. Time and Employee Management
c. Payroll Management
d. Benefits

Ans to Q4: The benefits of HRIS can be mentioned as:

1. Accuracy
2. Self service
3. Automated reminders
4. Hosting of company-related documents

Ans to Q5: The applications of HRIS are as follows:

a. Job description
b. HR Planning
c. Staffing
d. Planning
e. Training and development
f. Performance Appraisal
g. Job Evaluation
h. Compensation and Rewards
i. Within the organisation analysis



12.12 MODEL QUESTIONS

1. What is mean by HRIS? What are the different components of HRIS?
2. What are the various types of HRIS.
3. What are the various applications of HRIS?
4. What are the various methods of implementation of HRIS?
5. Elaborate on the benefits of HRIS.

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UNIT 13: CONTEMPORARY CHALLENGES IN HUMAN RESOURCE MANAGEMENT

UNIT STRUCTURE

13.1 Learning Objectives
13.2 Introduction
13.3 The Job and Challenges
13.4 The New Professional Approach
13.5 Challenges in Human Resource Management
13.6 HR in Mergers and Acquisitions
13.7 New Organisational Forms
13.8 HR Professional as Change Agent
13.9 Let Us Sum Up
13.10 Further Reading
13.11 Answers To Check Your Progress
13.12 Model Questions

13.1 LEARNING OBJECTIVES

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

- explain job and the challenges in reference to present world scenario
- describe the emerging professional approach in HRM
- outline the major human resource challenges to the managers and its solutions.



Strategic Decisio

A strategy of corporation forms comprehensive ma plan stating how corporation achieve its miss and objectives maximizes competi advantage a minimize competi disadvantage

13.2 INTRODUCTION

In this unit, we are going to discuss the important issues and challenges of Human Resource Management like outsourcing H.R. activities, B.P.O. and call centres, globalization, organizational restructuring etc.

133 THE JOB AND CHALLENGES

When the issue of job and challenges is raised, then it refers to the changes announced by the Government of India, in its economic policy- including liberalisation, privatization and globalisation. As soon as Government has introduced the reforms, the whole scenario of managing people is changed. As a consequence of these changes, many new trends have emerged in the practices of Human Resource Management. Moreover human resource management has now come up as a new professional approach leaving the traditional concepts behind.

Foreign companies got the license to invest in India that is continuing till now as a result of Liberalisation and Globalisation. This has totally reversed the style of managing employees in the organization. Now emphasize is more on Human Resource Management and Development than that of Personnel Management in the companies and corporations. The image of employees has changed from cost center and they are started recognizing as a great potential profit centre. Thus, it has become the responsibility of management to utilise and convert human resources into human assets. Managers are to be trained suitably to make them capable to change their attitude and approach towards employee management with the changing situation. The role of manager has changed. They have to transform the way of dealing with human beings. Managers should continue with the activity of motivating employees and making the best use of their talents and skills in the organization so that there is effective use of human resources in it. Managers are better to use participative style of leadership as and when necessary. Under certain circumstances, employees should also be empowered to make their own decisions that are felt necessary to achieve the desired goals of productivity, profits and growth. The value of Personnel Executive has increased and simultaneously they are offered the same status and position like that of higher levels of management which is instrumental in decision making.

They are also empowered to contribute in the **strategic decision**-making session of Board level.

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There is a changing mix of workforce, values of workers, demands of employers, economic policy of government, technological development and demands of modern society in the world. This has persuaded a change in the role of personnel executive. A lot of changes like introduction of sophisticated technology, consequent reduction in manpower, concern for quality, focus on innovation to remain competitive, new work culture facilitating better productivity , job enrichment ,open system of free flow of creative ideas, recognition of individual talent, flattening of levels of management, changes in promotional policy, career advancement, changes in reward system, intensive and focused training , development of employees to enhance their technical and professional competence, changes in the policy of industrial relations from fire fighting to mutual faith, harmony, trust and collaborative relationship are taking place in the world and these are of great significant for human resource management.

13.4 THE NEW PROFESSIONAL APPROACH

It is essential to reorient and renew the skills of Human Resource Manager in the light of modern trends in management. He should be aware of recent trends and keep updating his knowledge with time. He should keep on searching the innovative methods to integrate the human resources contribution with the organizational goals. Active participation of Human Resource Manager is most essential for business management to bring dynamism in it. He should be the pioneer to use modern concepts, new tools and techniques in his professional performance. He should mainly concern for optimum utilisation of human energies, converting human resources into human assets, improving quality of life, meeting needs of **self- actualization**, encouraging creativity, innovation and dynamism and bringing excellence in the performances of employees etc. Human resource manager can offer his valuable contribution to the society by satisfying directly or indirectly the social needs like health and education of employees, creating **work culture** and relationship of mutual faith; trust and harmony, commitment, satisfaction and motivation.



Self-actualization : These are the needs for realizing one's potential; for becoming what one is capable of becoming

Work culture : It is the system of shared values ,beliefs and habits within an organization that interacts with the formal structure to produce behavioural norms

13.5 CHALLENGES IN HUMAN RESOURCE MANAGEMENT

The challange in HRM may be discussed under the following heads

1) Outsourcing human resource activities
2) BPO and Call centers
3) To balance work-life
4) To make Human Resource activities ethical
5) To manage diversity
6) Attitude towards unions
7) Globalisation
8) Organisational restructuring
9) Changing demographics of work-force
10) Changed employee expectations

1) Outsourcing Human Resource Activities: Now, it is a trend of outsourcing the human resource activities to outside suppliers and contractors so that functions like employees hiring, their training and development as well as maintenance of statutory records can be done by them on behalf of the firms.

This trend of outsourcing is a result of several strategic and operational motives.

Human Resource departments have started focusing more on strategic role than that of routine activities due to the impact of strategic perspective. Outsourcing is a means to reduce bureaucracy and to encourage a more responsive culture by introducing external market forces into the firm through the bidding process.

Outsourcing also has a negative side besides its positive side. There would not be any value or use of Human Resource department in the organization if outsourcing were carried to the logical end. That means the relevance of Human Resource departments may be at stake. The function of Human Resource department that is taking a major role in the organization may

suddenly become irrelevant. These have compelled us to think on the fate of specialized bodies advocating Human Resource functions, B-schools running courses on Human Resource specialization, books on traditional HRM etc.

There is a fear and apprehension for the situation when there will be loss of jobs due to extinction of Human Resource department in the organization. Human Resource department is going to loss its fame as job giver if these conditions exist for long. Therefore it is a big challenge for the HR manager to prove his / her department as an important one in the organization.



MNC :

Multi National Company

2) BPO and Call Centers :

Business Process Outsourcing (BPO):

Several MNCs have increasingly started unbundling or vertically de-integrating their activities that in simple language termed as "outsourcing" (also called business process outsourcing or BPO). BPO means the contracting out or handing over of activities formerly performed in- house to the outside firms so that the main firm can concentrate fully on its most important functions. For this contracting job under outsourcing, certain stages which are not considered as a core business have to be withdrawn from the activities of an organization.

Outsourcing industry is growing fast not only in India but also in the World as a whole. Though many new fields are emerging recently but in India mainly the technical support and financial services have dominated the outsourcing industry.

BPOs- Cost Advantage :

The concept of BPO is logical. It is based on cost advantage and sound economic reasons. It is preferable to outsource the activities of a firm to outsider when it can perform these functions in a better and cheaper way. For example, Many **PC** makers have shifted from in- house assembly to utilizing contract assemblers to make their PCs.



PC :

Personal Computer

Secondly, it does not hamper the functioning of an organization when it outsourcers its maintenance services, data processing, accounting, and other administrative support activities to the companies specialised in these areas because these activities are neither the tactics to gain sustainable competitive advantage nor hollow out the organization's core competence services, capabilities or technical know-how.

Thirdly, Outsourcing means delegation of some of the responsibilities to the outsider that in turn helps in reducing the company's risk exposure to changing technology and to changing buyer preferences.

Fourthly, BPO is an important and effective tool to streamline the operations of a company in order to improve organisational flexibility, cut **cycle time**, speed decision- making, and reduces coordination costs.

Finally, it is seen that outsourcing helps a company to concentrate more on its core business rather than its accessories.

HR Managers and BPOs :

The concept of BPO has brought a new dimension to Human Resource Management. In BPO, the entire business model is people- centric. Human Resource plays the key role to develop and execute the business strategy of a BPO firm. The role of human resource managment has changed from transactional supporting to partnering in the light of BPO **business strategy**. Now a day, it is a major challenge for the Human Resource Managers to work out hard to retain the best employees in their organizations. Various studies have revealed that the average time-to- profit time period for a new hire in the BPO industry is about 9 months. Here, it estimated that a fresher begins to break-even the investments made on him or her and earn profit for the firm only after 9 months. Therefore it can cost up to five times of an employee's salary if he or she exits the firm before the 9 months. Surprisingly it has been observed that employees who



Cycle Time :

Total time required to complete a production/ manufacturing stage

Business strategy :

It usually occurs at the business unit or product level and it emphasizes improvement of the competitive position of a corporation's product or services in the specific industry or market segment served by that business unit.

quit a BPO firm usually get appointed in the other BPO firm that means in the same industry. Better career prospects urge the employees to change organizations because it is a natural human feeling that an agent wants to become a team leader, a team leader want to become a supervisor and so on.

Human Resource managers need to think off innovative ideas to retain the talented employees in their organizations.



CHECK YOUR PROGRESS

Q1: What are the major challenges of human resource management?

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Q2: Explain B.P.O.

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3) **To Balance Work with Life:** The matter that is going to raise here is how to balance the work with the personal life of an employee especially when both the husband and wife are employed. The problem is associated more with a working wife than that of a working husband because often she only has to try her level best to balance the life at home as well as at work too with her own attitude.

Thus, the human resource manager needs to be concerned more to balance the work-life of employees as now a day women are taking up jobs to make their families financially

secured or to become careerists.

In absence of such work- life balancing programmes both men and women will be exposed to stress, depression and anxiety. So certain activities like childcare at or near the workplace, job sharing, care for sick children and employees, on- site summer camp, training of supervisors to respond to the work and family needs of employees, flexible work scheduling, sick leave policies and variety of work from dry cleaning, dropping children at schools, making dinner reservations etc should be included under the work-life balancing programmes of employee.

The organisations that have opted adequate measures to get a work-life balance are making their employees happier and more productive. But still many companies are hesitating to investigate, implement or experiment the work – life balance programmes they believe this problem is a personal problem not an organizational issue.

4) **Making Human Resource Activities Ethical:** It is a duty of Human Resource Manager to build an ethical climate in the organization. This is the reason why he needs to screen applications for jobs carefully, weed out those who are not suitable or to hire those who can build a value driven organization.

Human resource managers are advised to hire ethically strong employees for their organization. Therefore they have to institute some of the mechanisms like whistle blowing, ethics hotline and ethics committee to ensure the ethical conduct of employees.

After choosing these mechanisms, HR manager has to create an environment for its effective functioning.

The human resource manager should be the ideal one for ethical behaviour. But regrettably, it is observed that human resource managers are often accused of being dishonest and

these dishonest people cannot expect honesty from others in an organisation



LET US KNOW

Whistle Blowing is a system of protesting against unethical deeds like accepting bribes from hiring firms, caterers etc.

The whistle blower is the person who exposes wrong doing within an organisation in the hope of stopping it.

5) To manage Diversity:

Now a day, employees of the organizations are belonging to different background and thus they have created a heterogeneous environment in the organization. The resulted diversity is going to be an important issue for the following reasons:

- The number of young workers in the work- force is increasing.
- More women are joining the work- force.
- The proportion of ethnic minorities in the total work-force is increasing.
- Work- force mobility is increasing.
- International experience is becoming a pre-requisite for career progression to many top-level -managerial positions.

How to manage diversity effectively?

Following are some of the guidelines or prerequisite to manage diversity effectively:

First the top management should show a respect to this valued diversity. Next the organization should conduct diversity training programmes to aware the employees as well as to educate them on cultural and sex differences and the way of responding to these differences in the workplace. Employer should form a support group to provide a nurturing climate to the employees

who would otherwise feel isolated or alienated. To cut the turnover of female employee, she must be provided with certain facilities like child care and job sharing etc.

Mentoring programmes are the ways to identify the promising women and minority employee so that they can be helped out to nurture their career successfully.

An organization should have the provision of apprenticeship programme for the promising prospective employees so that they can be groomed well before they are actually hired on a permanent basis. Moreover, the organization should institute regular diversity audit to review the effectiveness of its diversity management programmes. There should be proper communication between the employer and employee in an organization. For this, it is required to deliver speeches by senior executives, to include diversity in corporate vision statements and to publish diversity brochure and to include diversity as a topic in new employee orientation.

6) Attitude Towards Unions:

Unions provide a means to the workers to express their views particularly about the conditions prevailing in the workplace before the management. But in contrary to the popular perception, the organization where management is unreceptive to the concerns of individual workers and there is no union to provide a voice, makes the employees dissatisfied. There remains no alternative left to these dissatisfied employees instead of searching the better options elsewhere. Unionisation is the voice mechanism of a firm through which employees are able to communicate or express their views with the management. Therefore, the labour turnover rate is low in the organization where there is a union. Moreover, union also encourages the organisation to provide more rational and professional management.

It is agreeable that unionisation has positive impact on the performances of a firm but under certain conditions of labour market like in situations where the employer has monopoly in the labour market. Employers have to add more capital per worker in response of their negotiation with the union to pay the employees a higher wages. This thing usually enhances the quality of labour that in turn leads to higher productivity in the organization.

Organization may have to incur a heavy cost if it prefers a union- free environment in it. Under such environment, organizations may usually have to go for frequent pay raise, out of turn promotions, generous perks and other benefits to satisfy the workers.

Unionization is also not excluded from the common belief that every entity has a positive and a negative side too. Unionization may sometime result strikes, spoiled labour relations, low production and low revenues etc. in the organization. Seeing the dark side of unionization, managers may prefer to keep their plants union-free.

But it is necessary to realize the importance of existence of a union in the organization by a manager. It is impossible to think of an organisation without the union. The firm may belong to either old or new economy, but it cannot prevent unionization in it.

7) Globalisation:

The impact of globalization is revolutionary. It has bought a new dimension in the global economy. As a result of globalization, foreign firms have started entering into the Indian market which is a challenging situation for domestic firms. This challenge is going to be much tougher in the years to come. Globalization has compelled the Indian firms to think globally. Besides these it has also bought the challenges for managers who were accustomed to operate in vast sheltered

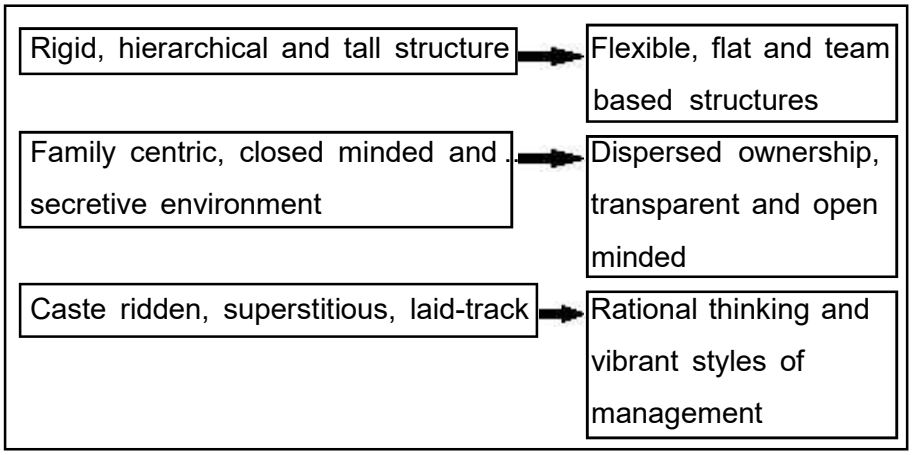
markets with minimal or no competition either from domestic or foreign firms. Internet is acting as a catalyst in the process of globalization. Most of large MNCs are setting up green field projects in India or entering into joint ventures with local companies. The implications of a global economy on human resource management constitute the followings:

- HR practices like in US or Japanese firms have entered the Indian business. HR managers are influenced to adopt the ideas and practices followed in US or Japanese firms. Hiring practices, motivational approaches, compensation packages, training and development methods and techniques, appraisal systems and capability development are now being practiced in Indian firms as that of US or Japanese firms.
- Many foreign nationals are working here in India or many Indians are being sent as expatriates to other countries to work for the MNCs. Whatever may be the situation, both are challenging jobs for the HR manager. These expatriates (who may be the foreign nationals working in India or the Indians sent to abroad) need to be attracted, trained, compensated, promoted and motivated differently.
- BPO and call centers have created a unique problem for the HR managers.

  All the time, MNCs try to form strategic alliances with the local firms. There is no doubt that Joint venture is beneficial to the MNCs, but local firms also stand to gain in terms of increased sales, expanded markets, sharing of technology and professionalization of management from it. But it is necessary to prepare/make a domestic company potentially fit to enter into the alliance. No MNC ventures are interested in signing a partnership agreement with a local firm which is not known for its competence. It is the task of every manager, particularly

the HR manager, to make a company competent so that it can gain the attention of MNCs who are always in the search of prospective alliance partners.

Indian firms need to move from one end of each continuum to the other end as shown below:



It is possible to shift from the left to the right side of each continuum only through the catalytic action of HR manager.

Corporate Reorganisations:

In early 90's some new concepts like corporate mergers, takeovers and massive reorganizations have come up to fend off hostile take-over bids. The resulted circumstances from acquisitions, mergers, the take- over threats have posed a greater challenge for HRM. Both the organisation and employees are affected from the process of reorganization. Employees are anxious and uncertain about their places in the new organisation.

The employees of both the 'taking over' as well as the 'taken over' companies will have anxious moments because there are the chances of losing jobs, emerging new roles and assignments in the job, transferring to new geographic locations, getting modified remuneration and benefits and the career possibilities and experiencing a change in the organizational power, status and prestige etc. An employee may get new peers, supervisors and subordinates as his staff members. Ultimately it may happen that the company will loss its own identity and a new corporate culture

will come up.

There is no hope of slacken the pace of mergers and acquisitions in the near future. Acquisitions, mergers, or divestitures have become the routine business operations of companies at present. But the key to success for any deal of merger or acquisition remains hiden in the management quality of HR department.

Organizations may themselves go for internal restructuring like that of external corporate mergers and takeovers. Companies are forced to downsize and flatten their organizational structures due to the competition resulted out from the emergence of MNCs in the World. Reorganisations may provide increased growth opportunities to the well performers, fasten the process of decision making and market response and go for upgrading the skills within ranks. It may also facilitate the internal communication and interaction as well as reduce the manpower costs.Thus, it is seen that reorganisation is beneficial for the company.

However, downsizing and flatten of organizational structures may have lots of pitfall which the HR managers must take into consideration and these problems can be summarized as follows:

1. Reduced promotion chances for employees,
2. Increased workload as layers get trimmed,
3. Reduced morale during the transition phase , and
4. Increased training and development needs.

8) Organisational Restructuring :

It is a fact that the organizational forms in which people are employed shapes the practice of HRM. The structures of organizations are changing along with the fundamental changes in economy of a country and thus the relationships between them have also been transformed.

Giant corporations are loosing their potentiality to employ the people. It is a fact of past to have large production units. Large companies are now consisting of business units that are managed independently. The latest trend is that organizations with the

concept of 'Business process re- engineering', have started assembling their ancillary and expensive tasks to suppliers and automated the remaining functions.

A higher profile of medium sized and small sized firms has resulted that affects the functioning of HRM in the following ways:-

1. It is possible to have more face-to-face communication in the firms and establishments of small size. Moreover, these firms also have adopted a more personalized style in carrying out their functions.
2. There is no doubt that smaller units execute only less complex and sophisticated systems of personnel management. Therefore they may find it difficult to sustain in the particular areas like developmental and specialized function of personnel management.
3. Interestingly the incidence of operating business in this kind of environment are adding up along with the human challenges. The practice of HRM has transformed from the traditional personnel management to out-sourcing of jobs. But now the practice of HRM is to facilitate the processes which support the development of an enterprise.

Challenges that are coming in path of HRM and enterprise management are the outcomes of changing character of competition. The issue is no longer related with the size of a firm. In the international level, it is seen that major companies are operating through a complex web of strategic alliances of varying degrees of permanence.

The same pattern is visible in the domestic scenario where there is increased close relationship between the large (often transnational) corporations and their local suppliers. In the motor vehicle and electronics sectors, for example , buyer – supplier relationships have been transformed by the need for co- operation in the pursuit of reliability, continuous quality, product improvements, and shorter developmental lead times. Such a relationship depends

on regular exchanges of people and information.

It is a common picture (for example, in the motor industry) that a single large company is surrounded by the suppliers in its close geographical proximity. It is definitely helpful from the delivery and communication point of view and therefore the firms should consider such factors in choosing a location for their plants. It is possible to get an improvement in the firm first by developing the locality and the sector surrounding it as a whole. Thus it takes up the activities to develop specialized skilled in the labour (technical and managerial) that can be managed flexibly within the local labour market.

Managers generally including the HR professionals, have to cope more and more with the implication of networked relation in place of hierarchical relationship which is still dominating the experience of most of the people in the organizations due to the changes in economic structure and patterns of competition.

9) Changing Demographics of Work-force :

The major challenge that has resulted from changing workforce demographics is the concern for dual career couples. Now a day, both the husband and wife are professionally qualified and thus they opt for professional career. To increase the talents in the employees, the organisations should go for job moves and physical relocation of employees. It is necessary to have an experience of various roles both by the men and women in the different organizational units to function well at the upper – level position of the organization. Frequent physical relocation is required. But the individual flexibility in accepting such assignments and the organizational flexibility in acquiring and developing talent may be hindered due to increasing number of dual- career professionals in the society.

Another important issue of HRM is the growing number of employees who are young in the workforce. Usually organizations are recruiting fresh college graduates or diploma holders to fill up

the vacancies. It is the common interest of newly established enterprises to prefer young men and women basically of 25 years. It will be a great challenging task for the Indians because the country has the largest number of young people in the world today who are going to be the work-force of tomorrow. In other way, it can be said that these Indian young people are the asset of future global economy because by the time they grow old, the population of all developed countries will get ageing population. Then the rich countries will face a shortage of working age people when India will have a surplus. Then the situation will compel these rich countries to procure the workforce from this surplus population of India.

Increasing number of working mothers, a steady decline of blue-collar employees who are giving way to white-collar employees as well as increasing awareness and education among the workers can be cited as the other demographic changes in the workforce.

10) Changed Employee Expectations:

Employee expectations and attitudes are changing along with the changes in workforce demographics. Job security, lucrative remuneration, provision of employee quarter etc. are loosing its charm as the important motivators of today's workforce.

Employees demand empowerment that results in redefining jobs, both on the shop-floors and in board- rooms. Workmen are empowered to have more control over their jobs. It has made the need of inspectors in the organization less than that of before. Thus the class of inspectors may become redundant in the coming days. In other sense, empowerment means the permission that a worker has to bring his or her sons or daughters to the workplace, so that they can look around and gain the knowledge about work methods. But still now this concept of empowerment is in nascent stage. Only the children of owners are lucky enough to avail this privilege.

Traditional relationship between employer and employee is broken down into top and bottom due to the expectation of equality. Seeing the electronic and telecommunication revolution, employees are expecting improvement in the quality of their work life. Innovation in information technology has accelerated the pace of changes that are going to be continued in the future also. This has also brought some innovations in practice of HRM of which the most probable one is the opportunity got by the employee is to work at home.

Also, today's average worker demands better treatment, challenging jobs and career advancement. Look at the workers' unions of Otis, Hindustan Lever, ICI, TOMCO, Blue Star, Webel Electro, and Central Bank. They rewrite their agenda to include quality and better customer service and are even accusing the management of malpractices. The HR manager must, therefore, redraw the profile of the worker and discover new methods of hiring, training, remunerating and motivating employees.



CHECK YOUR PROGRESS

Q3: Write a short note the changing demographics of Work force in an organsiation

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Q4: Write the implications of global economy on HRM

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13.6 HR IN MERGERS AND ACQUISITION

Mergers or acquisition involves the combining with or taking over an existing business. Let us discuss the two concepts briefly in following ways:

Merger: Merger refers to combining of two companies where one new company will continue to exist. Merger is combining of two or more companies, generally by offering the stockholders of one company securities in the acquiring company in exchange for the surrender of their stock. It can also be defined as an arrangement whereby the assets of two or more companies become vested in or under the control of one company.

Acquisition: Acquisition refers to buying of assets of one company from another company. A action in which a company buys most, if not all, of the target company's ownership stakes in order to assume control of the target firm. Acquisition is purchase by one company of controlling interest in the share capital of an existing company.

Human resources helps in managing any problems or challenges related to people in the organizations as the merger or acquisition process unfolds. Let us discuss it in the following ways:

1. **Company Culture:** Human resources helps determine if the cultures of the two companies that are becoming one through a merger or acquisition are compatible. Human resources must have a firm grasp on the culture of the company for which they work and must study the culture of the other organization to make such a determination. Cultural differences may include how the two organizations define and measure success within the organization; benefits employees enjoy, such as personal time and insurance; how problems within the organization are handled; the management styles of the two organizations; and the overall attitude of the employees and managers toward business functions and the industry in which they work.
2. **Benefits Problems:** During the due diligence portion of a merger or acquisition, which comes after the purchasing company makes its initial offer to purchase the other company, management from the purchasing company assess whether the deal makes strategic and financial sense.

Human resources from the purchasing company specifically assess the benefits structure of the other company to uncover any potential problems, such as a pension plan that is running low on funds or a health insurance package that will cost a significant amount for the company to continue offering.

3. **Employee Concerns:** People often fear change, and a merger or acquisition creates uncertainty and change for employees both of the purchasing company and the purchased company. Human resources in both companies help smooth out the transition for employees, helping calm any fears as well as answering questions about how the merger or acquisition affects each employee individually. If the employees of both companies do not have as much fear over the change, productivity is more likely to stay at previous levels. Human resources can detect and address any rumors about layoffs, office relocation or other changes employees fear, giving feedback to management about employee concerns.
4. **Changing Roles and Structure:** When one company merges with or acquires another, some changes to both organizations may occur, such as eliminating redundant positions or combining teams and departments. The process of altering the two organizations so they work together as one can take months to complete, and human resources plays a vital role in the changes. Human resources communicates to employees changes in who they report to within the company, what team or work group employees are assigned to as well as any changes to different positions' roles in the organization. Human resources may work with management and employees to alter the job descriptions of various positions, ensuring everyone understands his role in the newly altered organization.

The following are some of the other roles played by HRM:

1. Maintaining the productivity by placing of right people at right place
2. Alignment of compensation and welfare schemes
3. Job security
4. Relocation

5. Compliance of local labour laws
6. Employee communication
7. Taking care of personal records

13.7 NEW ORGANISATIONAL FORMS

INow-a days the structure, the process, type and content of work have changed. Today work is :

- more cognitively complex
- more team-based and collaborative
- more dependent on social skills
- more dependent on technological competence
- more time pressured
- more mobile and less dependent on geography.

The practice of HRM is shaped by the organisational forms in which people are employed. Now-a –days, large production units are becoming a matter of past, and large companies now tend to consist of business units that are relatively independent. Now–a-days the organistionions are in medium to small sized firm. Adopting smaller and leaner principles and thinking in the organisations can lead to numerous changes in organizational structure to improve the efficiency of internal processes, with a goal of eliminating waste and defining customer value.

These changes have been supported and enabled by transformations in information and communications technology, especially the Internet and mobile computing and communication devices.Following are some of the key organizational changes:

1. **Reduced hierarchical structure**: Hierarchies are cumbersome and cannot respond quickly to changing market demands, such as pressures for reduced cycle time and continuous innovation. Hierarchies are being replaced by cross unit organizational groupings with fewer layers and more decentralized decision making.
2. **Blurred boundaries**: As organizations become more laterally structured, boundaries begin to breakdown as different parts of the organization need to work more effectively together. Boundaries between

departments as well as between job categories (manager, professional, technical) become looser and there is a greater need for task and knowledge sharing.

3. **Teams as basic building blocks**: The move toward a team-based organizational structure results from pressures to make rapid decisions, to reduce inefficiencies, and to continually improve work processes.
4. **New management perspective**: Workers are no longer managed to comply with rules and orders, but rather to be committed to organizational goals and mission. The blurring of boundaries also affects organizational roles. As employees gain more decision making authority and latitude, managers become more social supporters and coaches rather than commanders.
5. **Continuous change**: Organizations are expected to continue the cycles of reflection and reorganization. However, changes may be both large and small and are likely to be interspersed with periods of stability.

13.8 HR PROFESSIONAL AS CHANGE AGENT

Before going into the concept of HR professional as change agent, first let us have an understanding on the concept of organizational change and why people resists to change.

Organisational change is the process by which firms move from their present state of some desired future state to increase their effectiveness. Change can be characterized as:

1. To avoid stagnation
2. A process and not an event
3. Normal and constant
4. "Directive", i.e. implemented by 'top down' management or "Participative" i.e. involving the parties impacted by change

Now, change agent can be anyone who possesses enough knowledge and power to guide and facilitate the change effort. Change agent is a person who initiates and assumes the responsibility for managing a change in an organization

Change agents apply transformational leadership that:

- Help develop a vision
- Communicate the vision
- Act consistently with the vision
- Build commitment to the vision

HR Professional should play the role of a change agent in three areas: initiatives, processes and cultural adaption. *Initiative changes* focus on implementing new programmes, projects or procedures. *Process changes* are within a firm focus on the ways in which work is being done. *Cultural changes* occur within a firm when fundamental ways of doing business are re-conceptualised.The identity of the firm is transformed both for the employees and the customers.HR professional as change agents build a firm's capacity to manage all the three types of change. They ensure that initiatives are defined, developed and delivered in a timely manner, that the process are stopped, started and simplified and that fundamental values within the organization are debated and appropriately adapted to changing business condition.



13.9 LET US SUM UP

- In this unit we have discussed the three important issues of Human Resource Management i.e.
  1) The new role of human resource manager
  2) The concerns of human resource management
  3) A new professional approach.
- The major challenges of Human Resource Management are:
  1) Outsourcing Human Resource activities
  2) BPO and Call centers
  3) To balance work-life
  4) To make Human Resource activities ethical
  5) To manage diversity
  6) Attitude towards unions
  7) Globalisation

8) Organisational restructuring
9) Changing demographics of work-force
10) Changed employee expectations

- Mergers or acquisition involves the combining with or taking over an existing business.
- Key organizational changes:
  1) Reduced hierarchical structure:
  2) Blurred boundaries
  3) Teams as basic building blocks
  4) New management perspective
  5) Continuous change
- HR Professional should play the role of a change agent in three areas: initiatives, processes and cultural adaption.



13.10 FURTHER READING

1. K Aswathappa (2013), "*Human Resource Management: text and Cases*" McGraw Hill Education; Seventh edition
2. C.B. Mamoria and S.V. Gankar (2011), "*Personnel Management*" Himalaya Publishing House



13.11 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q1: The following are the major challenge of HRM.

1. Outsourcing Human Resource activities
2. BPO and Call centers
3. To balance work-life
4. To make Human Resource activities ethical
5. To manage diversity
6. Attitude towards unions
7. Globalisation

8. Organisational restructuring
9. Changing demographics of work-force

Ans to Q2: BPO means the contracting out or handing over of activities formerly performed in- house to the outside firms so that the main firm can concentrate fully on its most important functions.

Ans to Q3: The major challenge that has resulted from changing workforce demographics is the concern for dual career couples. Now a day, both the husband and wife are professionally qualified and thus they opt for professional career. Another important issue of HRM is the growing number of employees who are young in the workforce. Usually organizations are recruiting fresh college graduates or diploma holders to fill up the vacancies. Increasing number of working mothers, a steady decline of blue-collar employees who are giving way to white-collar employees as well as increasing awareness and education among the workers can be cited as the other demographic changes in the workforce.

Ans to Q4: The implications of a global economy on HRM constitute the followings:

- HR practices like in US or Japanese firms have entered the Indian business. HR managers are influenced to adopt the ideas and practices followed in US or Japanese firms.
- Many foreign nationals are working here in India or many Indians are being sent as expatriates to other countries to work for the MNCs.
- BPO and call centers have created a unique problem for the HR managers.



13.12 MODEL QUESTIONS

1. In what way has increased international competition influenced Human Resource Management?

2. Identify and discuss the major forces influencing Human Resource Management in future. In your answer, address how these challenges are likely to affect the practice of Human Resource Management.
3. Write short notes on:
   i) B.P.O. ii) Work life balance
   iii) Outsourcing H.R. activities iv) Globalisation

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UNIT 14: HUMAN RESOURCE MANAGEMENT: CASE STUDIES

AN INTRODUCTION TO MANAGEMENT CASES:

In simple terms, a case is a description of a management situation. The length of a case may vary from one page to several pages. In some cases to present quantitative and analytical data and information, exhibits and figures are provided. All these information provide the required inputs for case analysis. While reading and analysing the case, the reader should try to find out the management problem in the case. The focus of the case should be identified. Cases may be prepared from field data or from published sources. The websites of the concerned business organizations or the published reports etc. provide the required information. Information related with some of the cases may be available in the public domain. Some cases may require analysis of interpersonal relations, disciplinary issues in an organization. In those situations, in house materials in the organization provide the required information and those information are presented in the case. A case is not written or analysed to illustrate correct or incorrect handling of an administrative situation. There is no bias towards a particular conclusion. The analysis should be rational, free from bias. A chronological series of cases based on a single organization is sometimes used to expose the learner to an organization's cumulative experience with a situation.

Cases are used to develop an analytical bent of mind and also for class discussion in a variety of educational programs. At the KKHSOU in the Master of Business Administration (MBA) Programme a few cases have been offered in this Unit for reading and analysis by the learners. The short cases (can also be said as case lets) offer the learners an experience in dealing with complex, realistic situations. The emphasis is on analysis and exposure to decision making in real life organizational situations.

In some cases questions are given at the end of the case. In those cases the learners should read the case and answer the questions with an analytical approach. In the cases, where information may be available in

the public domain, the learner may update himself or herself accordingly before approaching the issues. In some cases, there may not be some questions at the end. In those cases, while answering the questions the learners should try to identify the main problem and the key issues, search for the decision alternatives and should try to contemplate measures towards solving the management problem.

CASE 1: BAIBHAB INTERNATIONAL

Baibhab International is a large 25 year old Indian multinational corporation with presence in more than 30 countries in the world. It has a global workforce of more than 30,000. The products of the company are offered in diverse sectors including construction, office equipment, pharmaceuticals, telecommunications, electronics and retail. Each sector has its own challenges. Till a decade back, Baibhab International was functioning like a family business organization. As the company was treading well on the growth path and the future prospect of the company was considered to be bright, it was decided to hand over the management to a team of professionals. After a well-designed talent search, Mr. Ajay Jadeja was offered the post of Chief Executive Officer of the company. He was given the brief and mandate that the company needed a well-crafted corporate strategy and identity. To that extent, the diverse business wings of the company were to be brought under a common vision-mission. The job of developing a corporate strategy and image across sectors was a challenging one. Mr. Jadeja joined the company and took on the onerous task with a professional spirit. He was extended full support and cooperation by management.

Mr. Jadeja decided to develop a corporate team with skills so that diversity of the company businesses could be managed. He set out three clear objectives for himself for the next six months.

i. To hire and build the corporate team of VPs

ii. To understand the diverse sectors of the company businesses

iii. To unify strategies that would bind the diverse business wings to a common vision/mission.

Mr. Jadeja decided to recruit a Vice President (HR) first because this measure would help him to hire the rest of the top management team. After three months, Mr. Mahindran joined as VP (HR). Together they spent time understanding the different businesses of the company so as to formulate the strategy for future growth and success of Baibhab International as a single entity.

They decided to share the best practices across business wings. There were a series of team meetings and training programmes so as to develop the collective thinking of a corporate identity for Baibhab International as an entity. The HR corporate team was handpicked with a good mix of internal and external talent. The internal HR functionaries provided the knowledge of existing HR practices and justification for retaining them. The external HR functionaries shared the best HR practices in similar MNCs.

Questions

i. What could be challenges for a large and diversified company to develop a corporate image across business wings?

ii. Comment on the strategy adopted by Mr. Jadeja and Mr. Mahindran for developing the corporate HR team with a mix of internal and external HR practitioners.

CASE 2: Coca Cola

After fumbling in India for several years and losing the top slot to Pepsi, the cola giant was dreaming big and contemplating strategic actions.

Coca Cola entered India in 1990s.It was one of the top powerful brands in the world. It is headquartered at Atlanta, USA. It is the largest beverage company in the world. While entering India, it acquired the local popular brands like Thums Up, Limca, Maaza to kill competition. The brand building exercise for the mother brand was at the cost of the local brands.

Five CEOs in a decade and a high employee turnover of about 30% was a serious factor as regards HR in Coca Cola. With a new CEO joining, there was a new strategy. Lack of confidence and patience from the headquarters made matters worse and complicated. There was a thrust

on short term results. There was not much flexibility that HR department had in managing people. Roles were changing frequently.

For both Pepsi and Coca Cola, the world was small and their attention was very focussed on each other. To complicate the matters, there were issues and allegations like use of pesticide, pollution and ground water depletion. Coca Cola decided to move beyond the blame game and to be constructive. The company wanted to build a sustainable business model in India.

As HR manager, what role do you carve for yourself in making Coca Cola a number one cola company in India?

CASE 3: HINDUSTAN UNILEVER

'I believe that people make all the difference. I learnt this very early in my career, when, as a sales manager, I travelled from one territory to another.'

- *M.S. Banga, Former Chairman, HLL and President, Foods, Home & Personal Care, Hindustan Unilever Ltd*

Hindustan Unilever Ltd. is a multinational company. It has a heritage of over 80 years in India, operates in the FMCG sector and has a big portfolio of products in India. The company has shown a net profit of more than Rs. 4000 crores in 2015-16. The profit is increasing every year.

It had a profit of Rs. 2,691 crores and Rs. 3,797 crores in India in 2011-12 and 2012-13 respectively. Sustainability of business is a key theme for the company in how it does its business and drives its growth agenda. Unilever's Indian subsidiary is the country's largest fast moving consumer goods company. The company touches the lives of two out of three Indians. HUL is known for its ability to attract and develop good people. Several Unilever India managers have gone on to assume senior level responsibilities in Unilever's worldwide system.

BP Biddappa, ED, HR, Hindustan Unilever, once said, "One of the things that we focus on is the creation of great jobs that come with inculcating

great responsibilities at a very early age. It also helps people develop the independence to transform their psyche. Secondly, having a great value system and a great performance culture could provide the hardware for the job but if it is not linked to the culture, then there will be a mismatch. You will be respected because of the professionalism you bring in and decisions are taken solely on merit."

"Thirdly, we have a set of agile work practices that recognizes that people work differently and we should be geared towards providing a better work environment and allow them to work to best of their ability be it having a crèche, debates in office or even changing the shape of the office," he added. "Through Career by Choice, women with more than two years of relevant prior work experience can work flexibly with the company, on live business projects ranging from six months to a year. The fourth thing is growth and capability building. Of course, through the normal course of being in an organization, you would be growing through promotion etc., but with our learning programs you would be able to develop the capability to sustain your performance."

High performance culture is stated to be a norm at HUL. The organization aims at providing clarity of goals and what is expected of each individual. Fair objectives, training, ratings and individual capability cards provide employees with a clear picture of where they stand on the basis of their performance and potential and they are provided with clear career progression paths. It advocates agile working – an approach to working with maximum flexibility and minimum constraints. Hence, all employees, are encouraged to work anytime or from anywhere as long as business needs are fully met and performance is determined by results, not 'time' or 'attendance'. The company has many initiatives that support fun, agility and work-life balance of employees, which helps employees form collaborative interest.

Culture is a very important dimension of the organization. An organization needs a culture that is action-oriented and solution-oriented; a culture where people find solutions and don't blame each other; a culture

where organizational communication is transparent. HUL strives to have a culture of that kind.

One of India's most sought after employers, HUL recruited most of its future managers at the leading institutes of technology and management in the country. HLL believed in a policy of scrupulous meritocracy, which emphasized calibre, competence and contribution. The company has a strong belief on on-the-job training. The young recruits are sent to the field including the villages to learn the dimensions of consumer buying behaviour.

HLL had always been perceived as more Indian than multinational. One reason was that Unilever believed, that its companies best progressed through a combination of global linkages and a locally tuned consumer understanding deeply rooted in local cultures.

Harish Manwani, the then Chairman of HUL India in his 2013 Speech at the company's AGM stated that the challenges are quite different in the fast changing environment. He described the new age environment with the help of an acronym called VUCA which stands for Volatile, Complex, Uncertain and Ambiguous.

Question

As the HR Manager of the company, what measures would you take to sustain the performance and work ethos of the company in the new age environment?

Note: The case is developed from resources available at the following sources accessed on 06-12-2016

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CASE 4: When an employee says he is HIV Positive

Chemtech was a chemical firm employing nearly 1500 people with an organizational focus on technology and manufacturing. There was a little accent on marketing. But a liberal import regime of the Government of India galvanised the management into sprucing up its sales and marketing team. A number of people were being hired from outside the company in a long overdue exercise of giving a customer focus to the company's operations. A few employees were being promoted from within.

Mr. Das, the VP (HRD) was examining two dossiers of two candidates who had been interviewed at various levels over the previous month. As a part of final assessment, Mr. Das himself had met them individually an hour ago. Both were internal candidates, presently working as Sales Executives and seeking promotion to the post of the Sales Manager to be based at the head office of the company. Both were highly recommended by the company's VP (Sales) for the post.

Prem Sagar and Arvind Vardhan were the two candidates. Mr. Das was in favour of Arvind as he found him a natural salesperson. He seemed confident, self-starter, sensitive to others' points of view and a good team player. Prem was also found to be very keen to take on new responsibilities.

It was when Mr. Das was about to terminate the interview that Arvind said, 'Mr. Das, there is something that I think I must mention in all fairness. But before I do so, I need to have your word that I tell you will remain between the two of us'.

Mr. Das said, 'You have my words.'

"I have been declared HIV positive, said Arvind, 'the tests came last week'.

Mr. Das in his cabin found the burden of having to make a decision. The company's standing order stated that no physical ability or even a chronic health problem should come in the way of a promotion as long as it does not interfere with performance directly.

It was the first ever case of its kind in history of the company.

Questions

i. Should Mr. Das inform about the case to the Managing director of the company?

ii. Should Mr. Das inform about the case to the VP(sales) of the company as he was the head of the sales function?

iii. Although there was no danger of contagion, how should the other employees be informed? Should the company inform the other employees about the disease of Mr. Vardhan?

iv. What kind of responsibilities Mr. Vardhan be entrusted with after detection of the desease?

v. Mr. Vardhan deserved the promotion on sheer merit. Will it not be unfair to deny what was due to him?

Note : The case is adapted from the case published in the book on HRM (7th edition, 2014) authored by K Aswathapa , McGraw Hill Education (India) Pvt Ltd with an acknowledgement to R Chandrasekhar, The Buck Stops Here, Macmillan, 1997, p. 87

CASE 5: Training - so difficult!!!

Mr. Barun Barua joined as a Training Coordinator in a state level public sector enterprise (SLPE) after spending three years at a private sector enterprise in its HR department. Mr. Barua came to know about the importance of training in his brief stint at the private enterprise. When he received the appointment letter of the SLPE, he felt very happy and resolved to work for the cause of training. He knew that before conducting a training programme, the training department should study the training needs. Based on that the training objectives should be formulated and the training should be conducted.

After the liberalization, privatization and globalization measures initiated by the Government of India in the 1990s, the public sector enterprises could not enjoy the benefits they were entitled to. It was no longer a sellers' market. Completion became quite intense.

The SLPE, which Mr. Barua joined, was in the business of dealing in the business of consumer goods. It was a state level federation promoted by the cooperation department of the government. It received grants from government. The government even subscribed to the equity by paying the membership fee of the institutional members. The SLPE had a number of stores and retail outlets in various places of the state. It had a very good distribution network covering the urban, semi urban and major villages. With more than 1000 employees, the SLPE was a major enterprise of the state. The Managing Director of the SLPE was nominated by the state government. The Divisional Heads and the Zonal Managers reported to the MD. A detailed organization structure was in place with job description for the respective roles.

The government asked the SLPE to modernize its training department and organize need based training programmes. The Training Manager of the SLPE asked Mr. Barua to organize a five day management development programme (MDP) on marketing for the branch managers and the managers of the retail outlets. There were 78 such managers and all of them were to be covered in three MDPs in the next month. Mr. Barua was also told that the 'success' of the programme would be counted while deciding on confirmation of his service at the SLPE. Being in a probationary period, Mr. Barua felt tense. However, he decided to take on the job with utmost sincerity. With the help and guidance of the Training Manager, a session wise structure of the programme was designed. Half of the sessions were allotted to the Zonal Managers of the SLPE and the remaining half was allotted to carefully chosen guest faculty from the local management institutes and the university. His colleagues in the training department helped him in establishing contacts with the 'resource persons'. The training hall of the SLPE had infrastructure of digital projection, white board and arrangements for U type of sitting. It was not air conditioned, but well-lit andwell-ventilated.

The training programme was started with 25 participants from different places of the state. The Minister of the Cooperation Department of

the state was invited for the inauguration. The Minister delivered a long inaugural speech. After the tea break, the first session started with a guest speaker who talks about the public sector enterprises in India and urged the participants to 'change their style of working'. Mr. Barua observed that majority of the participants did not pay any interest. Tea and lunch was served in time as per the daily routine during the entire programme without any failure. Mr Barua personally supervised everything.

In a few sessions, aspects of marketing were discussed and the participants were urged 'to be responsive to the needs of the customers'. Whenever any problems were cited by the participants, the internal trainers carefully and tactfully avoided those problems. The problems were side-lined. The external trainers were not aware of the realities within the organization.

At the end of the programme, a feedback form was administered. Most of the participants commented adversely about the programme. They suggested that the training should be 'practical and need based'. They were happy with the quality of tea, lunch etc. Some of the participants commented that the duration of the programme was too long.

The other two scheduled programmes on marketing were also organised by Mr. Barua. Not only had these three programmes, Mr. Barua organised some other programmes also during his probationary period. Mr. Barua is holding a confirmed job now. But he is not very happy with the quality of training being imparted. All the programmes are organised in the same manner as the first programme was organised by him. He feels all is not well with training in the SLPE.

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