

# **HUMAN RESOURCE MANAGEMENT**

## **SEMESTER – V**

### **18BTM54C**

Objectives:

To learn the various managerial skills necessary for the success of tourism industry.

To enable the students to understand the procedures and practice applied for the manpower training and placement

#### **UNIT I**

1. HRM-Introduction Meaning and Definition
2. Evolution of HR Practices
3. Functions of HRM
4. Organizational structure of HR Department

#### **UNIT II**

1. Human Resource Planning-Meaning and Definition
2. Job Analysis, Job Evaluation
3. Recruitment and Selection
4. Induction

#### **UNIT III**

1. Human Resource Development -Meaning and Definition
2. Training & Development
3. Promotion Transfers
4. Employee Retention

#### **UNIT IV**

1. Compensation
2. Rewards and incentives
3. Performance Appraisal. Potential Appraisal

#### 4. Employee Attrition

#### UNIT V

1. Role of HR Managers
2. Employee Morale
3. Quality of Work Life (QWL)
4. Latest trends in HRM

#### Books Recommended for Reference:

1. John Bratton (2017) Human Resource Management Theory and Practice, Palgrave.
2. K. Aswathappa (2010), Human Resource Management: Texts and Cases, McGraw Hill, Sixth Edition, New Delhi.
3. Gary Dessler (2011), A Framework for Human Resource Management, Pearson, Noida
4. David B. Balkin & Robert L. Candy (2014), Managing Human Resources, PHI, New Delhi

## UNIT II

### HUMAN RESOURCE PLANNING -MEANING AND DEFINITION

Human Resource Planning is concerned with the planning the future manpower requirements are the organisation. Human Resource manager ensures that the company has the right type of people in the right number at the right time and place, who are trained and motivated to do the right kind of work at the right time. Obviously, human resource planning primarily makes appropriate projections for future manpower needs of the organisation envisages plan for developing the manpower to suit the changing needs of the organisation from time to time, and foresees how to monitor and evaluate the future performance. It also includes the replacement plans and managerial succession plans. Human Resource planning is the process by which a management determines how an organisation should move from its current manpower position to its desired manpower position. Through planning a management strives to have the right number and the right kinds of people at the right places, at the right time, to do things which result in both the organisation and the individual receiving the maximum long-range benefit.

**Definitions of Human Resource Planning:** According to Wikstrom, Human Resource Planning consists of a series of activities, viz.,

- (a) Forecasting future manpower requirements, either in terms of mathematical projections of trends in the economic environment and developments in industry, or in terms of judgemental estimates based upon the specific future plans of a company;
- (b) Making an inventory of present manpower resources and assessing the extent to which these resources are employed optimally;
- (c) Anticipating manpower problems by projecting present resources into the future and comparing them with the forecast of requirements to determine their adequacy, both quantitatively and qualitatively; and
- (d) Planning the necessary programmes of requirements, selection, training, development, utilisation, transfer, promotion, motivation and compensation to ensure that future manpower requirements are properly met.

Coleman has defined Human Resource Planning as “the process of determining manpower requirements and the means for meeting those requirements in order to carry out the integrated plan of the organisation”.

Human resource planning is a double-edged weapon. If used properly, it leads to the maximum utilisation of human resources, reduces excessive labour turnover and high absenteeism; improves productivity and aids in achieving the objectives of an organisation. Faultily used, it leads to disruption in the flow of work, lower production, less job satisfaction, high cost of production and constant headaches for the management personnel. Therefore, for the success of an enterprise, human resource planning is a very important function, which can be neglected only at its own peril

### **JOB ANALYSIS**

Developing an organizational structure, results in jobs which have to be staffed. Job analysis is the procedure through which you determine the duties and nature of the jobs and the kinds of people (in terms of skills and experience) who should be hired for them. Some of the definitions of job analysis are:

Information provided by Job Analysis Job analysis provides the following information:

1. Job Identification : Its title, including its code number;
2. Significant Characteristics of a Job: Its location, physical setting, supervision, union jurisdiction, hazards and discomforts;
3. What the Typical Worker Does : Specific operation and tasks that make up an assignment, their relative timing and importance, their simplicity, routine or complexity, the responsibility or safety of others for property, funds, confidence and trust;
4. Which Materials and Equipment a Worker Uses: Metals, plastics, grains, yarns, milling machines, punch presses and micrometers;
5. How a Job is Performed: Nature of operation - lifting, handling, cleaning, washing, feeding, removing, drilling, driving, setting-up and many others;
6. Required Personal Attributes: Experience, training, apprenticeship, physical strength, co-ordination or dexterity, physical demands, mental capabilities, aptitudes, social skills;
7. Job Relationship: Experience required, opportunities for advancement, patterns of promotions, essential co-operation, direction, or leadership from and for a job.

Sources of Information for Job Analysis

According to George R. Terry, “the make-up of a job, its relation to other jobs, and its requirements for competent performance are essential information needed for a job analysis”.

Information on a job may be obtained from three principal sources:

- (a) From the employees who actually perform a job;

(b) From other employees such as supervisors and foremen who watch the workers doing a job and thereby acquire knowledge about it; and

(c) From outside observers specially appointed to watch employees performing a job. Such outside persons are called the trade job analysts.

### **Methods of Job Analysis**

Four methods or approaches are utilised in analysing jobs. They are:

1. Personal Observation: The materials and equipment used, the working conditions and probable hazards, and an understanding of what the work involves are the facts which should be known by an analyst.

2. Sending out of Questionnaires: Properly drafted questionnaires are sent out to job-holders for completion and are returned to supervisors.

3. Maintenance of Long Records: The employee maintains a daily record of duties he performs, marking the time at which each task is started and finished.

4. Critical Incidents: In this method, job holders are asked to describe incidents concerning the job on the basis of their past experience. The incidents so collected are analyzed and classified according to the job areas they describe

5. Personal Interviews: Personal interviews may be held by the analyst with the employees, and answers to relevant questions may be recorded. But the method is time-consuming and costly.

6. Technical Conference Method: This method utilizes supervisors with extensive knowledge of the job. Here, specific characteristics of a job are obtained from the “experts.”

7. Functional Job Analysis: Functional job analysis (FJA) is employee- oriented analytical approach of job analysis. This approach attempts to describe the whole person on the job.

### **Purposes and Uses of Job Analysis**

The information provided by job analysis is useful in almost every phase of employee relations. Its purposes and uses can be understood from the following points:

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

2. Recruitment and Selection: By indicating the specific requirements of each job (i.e., the skills and knowledge), it provides a realistic basis for hiring, training, placement, transfer and promotion of personnel.

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

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

5. Employee Training and Management Development: Job analysis provides the necessary information to the management of training and development programmes.

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

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

### **JOB EVALUATION**

Job Evaluation is a system wherein a particular job of an enterprise is compared with its other jobs. In the present industrial era, there are different types of jobs which are performed in every business and industrial enterprise. Comparative study of these jobs is very essential because on the basis of such study the structure of wages for different types of jobs is prepared. The comparison of jobs may be made on the basis of different factors such as duties, responsibilities, working conditions, efforts, etc. In nut shell, it may be said that job evaluation is a process in which a particular job of a business and industrial enterprise is compared with other jobs of the enterprise.

Objectives of Job Evaluation The following are the objectives of job evaluation:

- (i) To secure and maintain complete, accurate and impersonal descriptions of each distinct job or occupation in the entire plant;
- (ii) To provide a standard procedure for determining the relative worth of each job in a plant;
- (iii) To determine the rate of pay for each job which is fair and equitable with relation to other jobs in the plant, community or industry?
- (iv) To ensure that like wages are paid to all qualified employees for like work;
- (v) To promote a fair and accurate consideration of all employees for advancement and transfer;
- (vi) To provide a factual basis for the consideration of wage rates for similar jobs in a community and industry

### **Methods of Job Evaluation:**

The following are the methods of Job Evaluations:

1. Ranking Method:

The ranking method requires a committee typically composed of both management and employee representatives of job in a simple rank order, from highest to lowest. Rating specialists review the job analysis information and thereafter appraise each job subjectively according to its general importance in comparison with other jobs. In other words, an overall judgment is made of the relative worth of each job, and the job is ranked accordingly.

2. Job Grading or Job Classification Method :

This method works by assigning each job a grade, level or class that corresponds to a pay grade for instance Grade I, Grade II, Grade III and so forth. These grades or classifications are created by identifying gradations of some common denominations, such as job responsibility, skill, knowledge, education required, and so on. Then, for each job grade so created standard job descriptions are determined. Thereafter, such standard description is matched with job descriptions in the organisation. The standard description that most nearly matches the job description determines the job's grading.

3. Factor-comparison Method:

This method is a combination of ranking and point systems. All jobs are compared to each other for the purpose of determining their relative importance by selecting four or five major job elements or factors which are more or less common to all jobs. These elements are not predetermined. These are chosen on the basis of job analysis. The few factors which are customarily used are : (i) mental requirements (ii) skill (iii) physical requirements (iv) responsibilities (v) working conditions, etc. A few jobs are selected as key jobs which serve as standard against which all other jobs are compared. key job is one whose contents have been stabilised over a period of time and whose wage rate is considered to be presently correct by the management and the union

**Advantages of Job Evaluation**

Job evaluation enjoys the following advantages:

(i) Job evaluation is a logical and to some Extent an objective method of ranking jobs relative to one another. It may help in removing inequalities in existing wage structures and in maintaining sound and consistent wag differentials a plant or industry.

(ii) In the case of new jobs, the method often facilitates fitting them into the existing wage structure.

(iii) The method helps in removing grievances arising out of relative wages; and it improves labour- management relations.

(iv) The method replaces the many accidental factors, occurring in less systematic procedures, of wage bargaining by more impersonal and objective standards, thus establishing a clear basis for negotiations. (v) The method may lead to greater uniformity in wage rates, thus simplifying wage administration.

(vi) The information collected in the process of job description and analysis may also be used for the improvement of selection, transfer and promotion procedures on the basis of comparative job requirements.

(vii) Such information also reveals that workers are engaged on jobs requiring less skill and other qualities than they possess, thereby pointing to the possibility of making more efficient use of the plants' labour force.

## **RECRUITMENT**

Recruitment means search of the prospective employee to suit the job requirements as represented by job specification. It is the process of attracting people to apply for jobs in an organisation. According to Edwin B. Flippo: "Recruitment is the process of searching for prospective employees and stimulating them to apply for jobs in the organisation."

### **Factors affecting Recruitment**

The factors affecting recruitment can be classified as internal and external factors.

#### **The internal factors are:**

Size of the organisation and the number of employees employed;

- Human resource planning strategy of the company;
- Recruiting policy of the organisation;
- Future expansion and reduction programmes;
- The level and seasonality of operations in question;
- The nature of operations involved the kind of personnel required;
- Turnover rates;
- Promotion and retirement policies;
- The age composition of existing working force;



- Wage and salary policies;
- Growth and expansion plans of the organisation.
- Cost involved in recruiting employees, and finally;

**External cultural factors:**

- External cultural factors: Obviously, the culture may exert considerable check on
- Company's image perception of the job seekers about the company.
- •Supply and demand of specific skills in the labour market; recruitment. For example, women may not be recruited in certain jobs in industry.
- Economic factors: such as a tight or loose labour market, the reputation of the enterprise in the community as a good pay master or otherwise and such allied issues which determine the quality and quantity of manpower submitting itself for
- Political and legal factors also exert restraints in respect of nature and hours of recruitment. work for women and children, and allied employment practices in the enterprise, reservation of Job for SC, ST and so on.

**Sources of Recruitment**

The various sources of recruitment are generally classified as internal source and external source.

**(a) Internal Sources:** This refers to the recruitment from within the company. The various internal sources are promotion, transfer, past employees and internal advertisements

**(b) External Sources:**

External sources refers to the practice of getting suitable persons from outside. The various external sources are advertisement, employment exchange, past employees, private placement agencies and consultants, walks-ins, campus recruitment, trade unions, etc.

The following external sources of recruitment are commonly used by the big enterprises:

1. Direct Recruitment: An important source of recruitment is direct recruitment by placing a notice on the notice board of the enterprise specifying the details of the jobs available. It is also known as recruitment at factory gate.
2. Casual Callers or Unsolicited Applications: The organisations which are regarded as good employers draw a steady stream of unsolicited applications in their offices. This serves as a valuable source of manpower.

3. Media Advertisement: Advertisement in newspapers or trade and professional journals is generally used when qualified and experienced personnel are not available from other sources.
4. Employment Agencies: Employment exchanges run by the Government are regarded as a good source of recruitment for unskilled, semi-skilled and skilled operative jobs. In some cases, compulsory notification of vacancies to the employment exchange is required by law.
5. Management Consultants: Management consultancy firms help the organisations to recruit technical, professional and managerial personnel they specialise middle level and top level executive placements.
6. Educational Institutions or Campus Recruitment: Big organisations maintain a close liaison with the universities, vocational institutes and management institutes for recruitment to various jobs. Recruitment from educational institutional is a well - established practice of thousand of business and other organisations.
7. Recommendation: Applicants introduced by friends and relatives may prove to be a good source of recruitment.
8. Labour Contractors: Workers are recruited through labour contractors who are themselves employees of the organisation. Recruitment through labour contractors has been banned for the public sector units.
9. Telecasting: The practice of telecasting of vacant posts over T.V. is gaining importance these days. Special programmes like 'Job Watch', 'Youth Pulse', ' Employment News', etc. over the T.V have become quite popular in recruitment for various types of jobs.
10. Raiding: Raiding is a technical term used when employees working elsewhere are attracted to join organisations. The organisations are always on the lookout for qualified professionals, and are willing to offer them a better deal if they make the switch.

### **Merits of External Source of Recruitment**

The merits of external sources of recruitment are as under:

1. Qualified Personnel: By using external sources of recruitment the management can make qualified and trained people to apply for vacant Jobs in the organisation.
2. Wider choice: When vacancies are advertised widely a large number of applicants from outside the organisation apply. The management has a wider choice while selecting the people for employment.

3. Fresh Talent: The insiders may have limited talents. External sources facilitate infusion of fresh blood with new ideas into the enterprise. This will improve the overall working of the enterprise.

4. Competitive Spirit: If a company can tap external sources, the existing staff will have to compete with the outsiders. They will work harder to show better performance.

### **Demerits of External Sources**

The demerits of filling vacancies from external sources are as follows:

1. Dissatisfaction among Existing Staff: External recruitment may lead to dissatisfaction and frustration among existing employees. They may feel that their chances of promotion are reduced. 2. Lengthy Process: Recruitment from outside takes a long time. The business has to notify the vacancies and wait for applications to initiate the selection process.

3. Costly Process: It is very costly to recruit staff from external sources. A lot of money has to be spent on advertisement and processing of applications.

4. Uncertain Response: The candidates from outside may not be suitable for the enterprise. There is no guarantee that the enterprise will be able to attract right kinds of people from external sources.

## **SELECTION**

Human resource selection is the process of preferring qualified individuals who are available to fill positions in an organization. Selection involves both picks up the fits and rejects the unfits. Therefore, sometimes, it is called a negative process.

According to Thomas Stone, "Selection is the process of differentiating between applicants in order to identify (and hire) those with a greater likelihood of success in a job".

### **Selection Procedure**

1. Application Pool: Application pool built-up through recruitment process is the base for selection process. The basic objective at the recruitment level is to attract as much worthwhile applications as possible so that there are more options available at the selection stage.

2. Preliminary Screening and Interview: It is highly noneconomic to administer and handle all the applicants. It is advantageous to sort out unsuitable applicants before using the further selection steps. For this purpose, usually, preliminary interviews, application blank lists and short test can be used. All applications received are scrutinised by the personnel department in

order to eliminate those applicants who do not fulfil required qualifications or work experience or technical skill, his application will not be entertained. Such candidate will be informed of his rejection.

3. Application Blank or Application Form: An application blank is a traditional widely accepted device for getting information from a prospective applicant which will enable the management to make a proper selection. Information is generally taken on the following items:

(a) Biographical Data: Name, father's name, date and place of birth, age, sex, nationality, height, weight, identification marks, physical disability, if any, marital status, and number of dependants.

(b) Educational Attainment: Education (subjects offered and grades secured), training acquired in special fields and knowledge gained from professional/technical institutes or through correspondence courses.

(c) Work Experience: Previous experience, the number of jobs held with the same or other employers, including the nature of duties, and responsibilities and the duration of various assignments, salary received, grades, and reasons for leaving the present employer.

(d) Salary and Benefits: Present and expected.

(e) Other Items: Names and addresses of previous employers, references etc. An application blank is a brief history sheet of an employee's background and can be used for future reference, in case needed.

#### **4. Selection Tests:**

Many organisations hold different kinds of selection tests to know more about the candidates or to reject the candidates who cannot be called for interview etc. Selection tests normally supplement the information provided in the application forms. Such forms may contain factual information about candidates.

A. Aptitude Tests: These measure whether an individual has the capacity or talent ability to learn a given job if given adequate training. These are more useful for clerical and trade positions.

B. Personality Tests: At times, personality affects job performance. These determine personality traits of the candidate such as cooperativeness, emotional balance etc. These seek to assess an individual's motivation, adjustment to the stresses of everyday life, capacity for interpersonal relations and self-image.

C. Interest Tests: These determine the applicant's interests. The applicant is asked whether he likes, dislikes, or is indifferent to many examples of school subjects, occupations, amusements, peculiarities of people, and particular activities.

D. Performance Tests: In this test the applicant is asked to demonstrate his ability to do the job. For example, prospective typists are asked to type several pages with speed and accuracy.

E. Intelligence Tests: These aim at testing the mental capacity of a person with respect to reasoning, word fluency, numbers, memory, comprehension, picture arrangement, etc. It measures the ability to grasp, understand and to make judgement.

F. Knowledge Tests: These are devised to measure the depth of the knowledge and proficiency in certain skills already achieved by the applicants such as engineering, accounting etc.

G. Achievement Tests: Whereas aptitude is a capacity to learn in the future, achievement is concerned with what one has accomplished. When applicants claim to know something, an achievement test is given to measure how well they know it.

H. Projective Tests: In these tests the applicant projects his personality into free responses about pictures shown to him which are ambiguous.

#### **5. Interview:**

An interview is a procedure designed to get information from a person and to assess his potential for the job he is being considered on the basis of oral responses by the applicant to oral inquiries by the interviewer. Interviewer does a formal in-depth conversation with the applicant, to evaluate his suitability. It is one of the most important tools in the selection process. This tool is used when interviewing skilled, technical, professional and even managerial employees. It involves two-way exchange of information. The interviewer learns about the applicant and the candidate learns about the employer.

#### **6. Background Investigation:**

The next step in the selection process is to undertake an investigation of those applicants who appear to offer potential as employees. This may include contacting former employers to confirm the candidate's work record and to obtain their appraisal of his or her performance/ contacting other job-related and personal references, and verifying the educational accomplishments shown on the application.

#### **7. Physical Examination:**

After the selection decision and before the job offer is made, the candidate is required to undergo physical fitness test. Candidates are sent for physical examination either to the company's physician or to a medical officer approved for the purpose. Such physical examination provides the following information:

**8. Approval by Appropriate Authority:**

On the basis of the above steps, suitable candidates are recommended for selection by the selection committee or personnel department. Though such a committee or personnel department may have authority to select the candidates finally, often it has staff authority to recommend the candidates for selection to the appropriate authority.

**9. Final Employment Decision:**

After a candidate is finally selected, the human resource department recommends his name for employment. The management or board of the company offers employment in the form of an appointment letter mentioning the post, the rank, the salary grade, the date by which the candidate should join and other terms and conditions of employment. Some firms make a contract of service on judicial paper. Usually an appointment is made on probation in the beginning. The probation period may range from three months to two years. When the work and conduct of the employee is found satisfactory, he may be confirmed.

**10. Evaluation:**

The selection process, if properly performed, will ensure availability of competent and committed personnel. A period audit, conducted by people who work independently of the human resource department, will evaluate the effectiveness of the selection process. The auditors will do a thorough and the intensive analysis and evaluate the employment programme.

## **INDUCTION**

Orientation (Induction) The introduction of the new employee to the job is known as induction. It is the process by which new employees are introduced to the practices, policies and purposes of the organisation. Induction follows placement and consists of the task of orienting or introducing the new employee to the company, its policy and its position in the economy. Induction literally means helping the worker to get or with his own environment. After an employee is assigned his job, it is necessary to introduce him to his job situation, his associates in the job and the overall policies of the company.

In other words, it is a welcoming process-the idea is to welcome a newcomer, make him feel at home and generate in him a feeling that his job, even though small, is meaningful and has significant importance as part of the total organisation.

In the words of John M. Ivancevich, “Orientation orients, directs, and guides employees to understand the work, firm, colleagues, and mission. It introduces new employees to the organisation, and to his new tasks, managers, and work groups.”

Orientation is one component of the new employee socialization process. It is a process through which a new employee is introduced to the organisation. The new employee is handed over a rulebook, company booklets, policy manuals, progress reports and documents containing company information which are informational in nature. It is responsibility of the human resource department to execute the orientation programme.

### **Objectives of Induction**

An induction process properly designed should serve the following objectives :

- 1) Introduce the new employee and the organisation to each other.
- 2) Create interest in his job and the company
- 3) Provide basic information about working arrangements
- 4) Make the new employee feel ‘at home’ in the new environment
- 5) Indicate the standards of performance and behaviour expected from him
- 6) Inform him about the training facilities
- 7) Reduce any misunderstanding about the job or the enterprise
- 8) Facilitate good employee relations
- 9) Assist the new employee to adjust to the company; and
- 10) Establish a favourable attitude about the company in the minds of the employee

### **Induction Process**

There is no specific model of induction process. Each industry develops its own procedure as per its requirements. Generally, an induction procedure involves the following basic steps:

1. Reporting for duty before the concerned head of the department at a certain place.
2. The head of the department welcomes the new employee.
3. Introduction to the organizational head / branch head by the head of the department.
4. Organizational head/ Branch head introduces him to the important employees

5. Supervisor concerned introduces him to his co-workers in that section.
6. Providing information about the duties, responsibilities, rights, facilities, welfare measures, etc.
7. Supervisor clarifies the doubts of the new employee about the work