

Chapter- IV

Management of Human Resources: Conceptual Issues

4.1: Introduction

The human resource of an organization comprises the entire labour force. The winning of an organization largely depends upon the Human Resources. Human resources are most important assets of an organization. Unlike many other resources, such as materials, technology, etc. that can be purchased and sold easily; human resource is a ticklish and sensorial element that needs to be handled with care. Even in this robotic, automation, and internet era, human resource is always a precious and unique resource. It is the people who can get other resources moving. Among all the resources of a typical organization, the major six resources are: Man, Money, Material, Machine, Method and Market (6 M's). If you have five all major resources except Man, it's a big question that "who will manage all these?" No organization can produce outputs and render services without proper utilization of Human Resources (Synonymously- Human Capital, Labour, Man Power, etc.).

Basically, organization has two types of resources viz. human resources and non-human resources. Human resource possesses willpower, efficiency, innovative power, mental power, etc. Non-human resources are controlled by human resources with the help of these powers. On the other hand, the non-human resources are those that cannot get into operation and take decision on their own whereas the human resource (human being) can control over the non-human resources by their own intelligence and labour.

Management of human resource is deemed as an art of developing people and also their potentiality for their personal growth and organizational growth. Organization is composed of people; people are the central of all activities of organization. People act as a unit of decision making and also the execution of decisions are implemented through people. In the modern organizations, paramount importance should be given to manage human resources, continuously

focusing on their increased efficiency and effectiveness that depend on the present as well as future work; on the other side, systematically and scientifically planning for acquisition, redeployment through skill renewal and managing their redundancies.

The organization can enjoy its predetermined objectives by proper procurement, growth, maintenance, compensation, and integration of these resources. Its basic purpose is to position the exact number of people in a suitable way.

4.2: Definitions and Meaning of Human Resource Management (HRM)

Resource as defined in the organizational context is everything that can be considered as a weakness or strength of a firm together with touchable and intangible assets.

There are mainly three categories of organizational resources: human resources, financial resources and technological resources. Human resource involves ‘people’ dimension in organization. It is a management that helps in dealing with human resources in the organization. Following definitions of HRM can be useful in capturing its glimpse and philosophy as well as the use:

HRM is “the planning, organizing, directing, and controlling of the procurement, development, compensation, integration, maintenance and separation of human resources to the end that the individual, organizational and social objectives are accomplished” (Flippo, 1984)¹.

“HRM is the methodical control of a system of inter connected processes involving and affecting all constituents of a concern” (French, 1990)².

Thus, HRM symbolizes the amount, total of skills, knowledge, and imaginative abilities of the employees employed by the business to reach its objectives.

4.3: Evolution of Human Resource Management (HRM)

HRM is a fairly new term, founded during the 1970s (Aswathappa, 2008)³, but the concept upon which the theory is based goes back to 400 B.C (Chaldeans Incentive Wage Plans) (Rao, 2005)⁴. In 18th century, workers were assumed as commodities and in the middle of 19th century, the slavery, serfdom, and guild systems were prevailed. Gradually, workers' position has been uplifted socially. In the first half of 20th century, workers began to be regarded as resource. However, up to 1930s, it was termed 'personnel management' (PM). The philosophy of scientific management induced by Taylor initially guided the HR studies and then through the study of Hawthorne, Douglas McGregor, & Herzberg.

In 1980s, the practice of HRM was initiated by Udai Pareek and T.V. Rao in India. Organizations like BHEL, SBI, etc. were the early adopters; it was then only IR department with welfare sub-department. However, prior to that, the Royal Commission in 1931 recommended to appoint Labour Officers (LO) to deal with a variety of issues like recruitment, settlement of grievances, etc. of the labour.

4.4: Objectives of Human Resource Management (HRM)

The function of HRM is a part of organizations' management function. HRM is primarily concerned with pull off the goals of organization by proper utilization and development of man power. However, the objectives of HRM are listed below:

- i).** It helps the organization to recruit the right people, in right number, of right kind, and at the right time.
- ii).** It assists organization to preserve its paramount workforce by reward, social security measures, and welfare.

- iii). It aids to make the greatest progress of human resources within the organization by tendering training and education.
- iv). It ensures successful deployment of human resources in a way that all other organizational resources can be utilized efficiently.
- v). To set up and maintain suitable organizational composition that facilitates to uphold good liaison among the members of the organization.
- vi). To ensure enhanced quality of job life that facilitates to reach individual, organizational and social objectives.
- vii). To spot individual desires and fulfilling them by contributing different economic and non-economic benefits.
- viii). To mitigate various tussles relating to industrial disputes and also bring synchronization in their working environment.
- ix). Ensuring equity, impartiality to generate conducive ambiance in the organization through the job description, job evaluation, collective bargaining agreement, awards, etc.
- x). Making the employees alert concerning their job, responsibilities, and rights to achieve their personal objectives as well as organizational objectives.

4.5: Importance and Significance of Human Resource Management (HRM)

Organization is constituted by the people (human beings). Their participation plays critical role for production and also for the service. Human beings possess reaction, talent, abilities, and knowledge that display competitive advantage for the firm. Unlike other resources, human resources need to have proper nurture to increase its efficiency, adaptability, etc.

However, the significance and importance of HRM is discussed below:

- i). It always favours the management to set up and continue assessment of personnel programs and policies.
- ii). It supplies skilled workers through scientific selection process.
- iii). It assures utmost benefit on guidance and development from the expenditure and supports the human assets.
- iv). It gets workers ready in accordance with the changing needs of industry and business environment.
- v). It cheers workers and upgrade them to epitomize the organizational goals.
- vi). It also facilitates to reduce costs and escalating productivity through newness and experiment.
- vii). It provides to reinstitute the industrial harmony by keeping good employer-employee relationship.
- viii). It establishes device for running of personnel services that are delegated to the (personnel) department.

Thus, the human resource management has great importance in an organization. It is the key element of the whole organization and attached with all other activities of the management i.e., marketing, operation, finance, etc.

4.6: Scope of Human Resource Management (HRM)

The span of the human resources is extremely huge. Usually, the span of HRM is being with the entry of an employee to the exit from the organization, the management functions concerning to procurement, growth, compensation, preservation, and utilization of labour force. However, the Institute of Personnel Management (IPM)⁵ has suggested three main scopes of HRM which are as follows:

- i) Personnel Aspects,
- ii) Welfare Aspects, and
- iii) Industrial Relations Aspects.

Recently, business experts have realized that mere good plans, well structured organization, modern technology, etc. are not sufficient for the success of an enterprise without motivated and dedicated workforce. Further, they are to be trained and appraised periodically. Thus, this realization has widened the scope of HRM.

4.7: Differences between Personnel Management (PM) and Human Resource Management (HRM)

HRM is the new edition of the personnel management. There is no watertight distinction between HRM and personnel management. The word “Personnel” came from the French word meaning labour (Gangapadhya & Halder, 2003)⁶. In the first half of 20th century, personnel management emerged in U.S.A. Basically, in personnel management, the labour is considered as a machine and the behaviour of the labour could be controlled, when required. Personnel management was mainly concerned with maintaining good employee-employer relationship and other activities concerned with this, but never this was considered as a part of the strategic management of business. Before the early 1990s, the labour was treated as “cost” but at present labour is a “resource”.

As of now, human resource management is much more developed, modern, and scientific than the personnel management. The differences are:

1. Evolution: Personnel management precedes HRM; on the other hand, HRM is the latest version.

3. Focus: Personnel management focuses on the personnel management, labour contact, and individual in an organization. HRM on the other hand, individual needs and human values are concerned.

4. Assumption: People are assumed as an input in achieving the preferred output in Personnel management. People are assumed as the most valuable and an important resource in achieving the expected output in HRM.

5. Function: Personnel management is that function of the organization which is taken on for the fulfillment of employees. Under HRM, goal achievement is undertaken by the administrative function.

6. Job Design: Under personnel management, job design is made in accordance with division of labour. In HRM, job design function is done according to group effort or team effort.

4.8: Functions of Human Resource Management (HRM)

HRM function consists of procurement, growth, reward, integration and protection of the staff of an organization to accomplish the organization's major goals and policies. Some scholars have categorized the function of HRM into two extensive categories. These are operative function and managerial function.

4.8.1: Managerial Functions

Planning: Process of planning suggests research and forecasting of the future HR requirements. The HR manager makes plan to obtain right quantity and right quality of people at the right place, time, and in number.

Organizing: Organizing process consists of grouping of individual into a formal relationship in organization, called structure. This is done for the accomplishment of the overall organizational

objectives. The HR manager directs, coordinates, and controls the entire HR activities through organizing.

Directing: For executing the plan, HR manager are entrusted for issuing order and instruction, providing guidance, motivating, leading, and supervising employees.

Controlling: Controlling is the most imperative task performed by HR manager. In this step, he determines the work standard and evaluates the work performed by member of staff.

4.8.2: Operative Functions

Operative functions are those routine functions of HR departments which are concerned with the procurement, growth, compensation, integration, and maintenance.

(i). Procurement Function: Procurement function comprises of the following:

a). Job Analysis: It's a thorough study of a specific job and it helps finding out job duties and other various requirements of a job. This process also helps to spot the corresponding significance of those duties for a definite job. It also provides the relevant information needed and formulates how the job should be done. Further, it provides the qualifications, experiences, aptitudes, etc. of the person suited to do a job.

b). Human Resource Planning: Human resource planning (HRP) is the procedure through which the HR manager becomes able to forecast a firm's future demand and supply of right number of qualified people in proper time at a suitable place.

c). Recruitment: It's an art of inventing and procuring the required personnel. It involves attracting and invigorating the applicants to apply for the job in the organization.

d). Selection: It is the process where HR manager chooses the appropriate candidates from the pool of the applicants whose skills, ability, knowledge, etc. are matched with requirements of the company.

e). Placement: Placing the selected candidates at the specific job.

f). Induction: After placement, the new comers are introduced with the all members of the organization and made familiar with company's mission, vision, rules, regulations, policies, etc.

(ii). Development Function: Development function comprises of the following:

a). Performance Appraisal: It's a process where the performance of an individual is measured or appraised against well defined benchmark.

b). Training: After acquisition of human resources, training is essential to hoist the present job performance. Training is conducted in a methodical and designed way.

c) Development: It is a future oriented process focusing on the development of managerial talent and also the personal augmentation of the employee.

(iii). Compensation Function: Compensation function comprises of the following:

a). Job Evaluation: Job evaluation implies analysis and verification of a job to describe the comparative value of it. The result of this may be used for sound wage settlement.

b). Wage and Salary Administration: It involves determination of remuneration, fixation of the rate of wages, methods of promotion, transfer, discharge, etc.

c). Bonus: In organization, there are various financial benefits. Bonus is one of them (linked with profits or productivity) and paid to the company's employees, executives, and shareholders as per rules.

(iv). Integration Function: This function helps to integrate organizational goals with aspirations of employee through employee-related programs, such as redressing grievances quickly, establishing disciplinary measures, collective bargaining, workers participation in management, offering good quality of work life, etc. It also helps maintaining good working environment by maintaining good relationship with each other and also reducing industrial conflicts.

(v). Maintenance Function: Maintenance function is the last phase of operative function in HRM. This function relates to protecting and promoting the intellectual and bodily health of workers through good working provision, safety and security at work, recreation facilities, enjoyment of leave, housing, medical aids, etc.

4.8.3: Supportive Function

Supportive functions are those functions which are executed by the human resource practitioners. These include offering helpful advices and suggestions, various information regarding employment, etc. to the other departments of the same organization.

4.9: Procurement

The word 'Procurement' as per the dictionary meaning is supplying something into the organization. Here, in the context of human resource management, procurement implies supplying human being into the organization. Thus, in this section we will discuss about supply of human resources in the organization. Following are the procedure of procurement.

4.9.1: Job Analysis

Every job possesses a distinct title depending on the trade or specialization. Each job position differs from one another like, supervisor, clerk, cashier, manager, etc. A job analysis is the procedure primarily used to assemble the information about job duties, responsibilities, outcomes, required set of skills, and also working environment (Flippo, 1984)⁷. In other words, it is the methods to gather all information associated to a job. Job analysis is composed of two components; job specification and job description. Job analysis, job description, and job specification, etc. are the important prerequisite for effective HRP. Job analysis distributes

various information about varieties of job which is to be performed effectively that will ultimately help in organizational growth. This information helps to conduct job evaluation, compensation designing, duties and responsibilities of the employees, etc.

Uses of Job Analysis

Job analysis facilitates to describe the job in such a manner that facilitates selection of right candidate. Followings are some of the uses have been presented:

- i).** Job analysis assists to forecast requirements of human resources in terms of knowledge and ability of employees and also in deciding other qualities of human resources.
- ii).** Job analysis is exceptionally useful to classify the different jobs and the interrelationships between the jobs.
- iii).** Job analysis supplies some information on acquisition, growth, utilization, remuneration, etc. of human resources (Armstrong, 1988)⁸.
- iv).** It provides information of hazardous and unhealthy working conditions such as noise, dust, fume, heat, etc. Thus, it helps the organization to take remedial measures to avoid and to minimize injury and accidents.
- v).** Job analysis helps in performance appraisal by establishing job quality that can be measured by the actual performance of the employees.
- vi).** Job analysis gives information about knowledge, skills, ability of an employee necessary to perform a job and helps the management.

4.9.1.1: Job Description

Job description is the part of job analysis process; the data which is gathered through job analysis facilitates a basis for job description.

Job description is written records that illustrate the task, responsibility, required skills, and reporting relationship of a meticulous job. It is concerned with the work itself and not with the person who possesses the job. It is a declaration to describe the job by specifying its title, position, salary range, duties, working environment, and hazards.

Job description contains the following information:

- a). Job title, job code, department, range,
- b). Reports to whom and direct inferior,
- c). Use of the job, key liabilities and duties,
- d). Working conditions,
- e). Authority of imposed,
- f). Value of performance,
- g). Extend of responsibilities,
- h). Link with other jobs, etc.

4.9.1.2: Job Specification

Job specification is a written document that holds the least reasonable education, experience and various skills like, communication skills, behavioural skills, technical skills, decision making skills, interpersonal skills, problem solving skills, etc. With the aids of those skills, a person can easily perform a particular job. Such qualifications or specifications are basically included in the job specifications which are the following:

- a). Educational requirements,
- b). Experiences,
- c). Personality, characteristics, physical abilities,
- d). Special knowledge and skills are needed to carry out the task, etc.

4.9.1.3: Job Evaluation

Job evaluation is an evaluating process of discovering the relative standard of each job in association with another job in an organization. In this process, the subject matter of jobs is analyzed and assessed and finally placed into a standard rank. Thus, the result of job evaluation is used to make decisions for determining the compensation package.

Job evaluation is an endeavor to decide the relative value of every job in an organization to fix the basic fair wage. There are four methods to conduct job evaluation. These are ranking, factor comparison classification, and points rating method.

4.9.1.4: Job Design

It is a preplanned and systematic endeavor to form the technical and social perspective of work that enhance technical effectiveness and also job satisfaction. It is an effort to create a match between requirements of the job and the human attributes. It involves organizing responsibilities, duties and tasks into a unit which aims to accomplish certain objectives (Poplewell & Wildsmith, 1988)⁹.

4.9.2: Human Resource Planning (HR Planning)

Organization does not need excess or less number of people or people of below standard. For effectively operating the organization and for accomplishing organizational objectives, organization needs to pick right quantity of people, right category of people at the accurate time and at the exact place. Thus, effective human resource planning is required for efficient use of people in the organization.

Planning is vital for achieving a desired result. Planning is typically one of the processes to set up objectives and also facilitates to take key courses of actions for taking effectual decisions.

Human resource planning helps the management to understand the future requirement and

sources of people (Aswathappa, 2008)¹⁰. It is also regarded as a strategy which helps in utilization, acquisition, development and conservation of the people in organization (Gangapadhyay and Halder, 2003)¹¹.

Thus, this planning determines the necessity of human resources and meeting these requirements by creation and evaluation of man power inventory, supply and demand calculation, etc.

4.9.2.1: Objectives of HR Planning

The major objectives of HR Planning in the organization are as follows:

- i). HR planning helps guess the future requirement of human resources in an organization;
- ii). To assure the finest and effective use of human resources;
- iii). To make an inventory of available present qualification, experience, skill, etc.;
- iv). To identify ineffective, incompetent, useless people in the organization;
- v). To create dynamic world class workforce in the organization;
- vi). To organize the cost phase of human resources;
- vii). To make alteration and promotion policies;
- viii). To introduce expansion, diversification program as per requirement;
- ix). To plan the programs of procurement and improvement to sustain in the competition.

4.9.2.2: HR Planning Process

HR Planning originally involves predicting personnel needs, measuring personnel supply and also incorporates demand-supply issue through personnel related programs (Aswathappa, 2003)¹². HR planning process is composed of analyzing organizational plan, demand forecasting, forecasting manpower supply, estimating human resource gap and action plan (Biswas, 2012)¹³.

There is no specific HR planning process. Different authors have given different views. There are some ordinary stages/steps of HR Planning practice and these are given below:

a). Analyzing Organizational Objectives and Policies

In this course, the objectives and policy of the organization are analyzed first and then specific plans relating to an estimation of manpower requirement of future work in all major departments/functional areas. On fixing this, HR department communicates with all functional departments with regards to the manpower utilizations (Aswathappa, 2003)¹⁴.

b). HR Demand Forecasting

There are several demand forecasting techniques organizations generally follow. The common demand forecasting techniques of HR planning are managerial judgment, ratio trend analysis, work study method, work force analysis, Delphi method, etc.

c). HR Supply Forecasting

There are mainly two sources wherefrom organization can avail the expected human resources. These are external and internal sources. If the figure of requirement is less, the organization can fill the posts through internal sources like promotion, transfer, demotion, etc. If the figure of requirement is more, the organization can execute the posts through external supply.

d). Estimating Manpower Gaps

Gaps in manpower can be traced out by contrasting the requirement and supply of manpower after forecast. There may be extra or shortage of manpower in future. Action plans have to be taken based on the specific situation.

e). Action Planning

After identification of manpower gaps, action plans have to be prepared in order to minimize these gaps. Surplus manpower can be checked by redeployment, retrenchment, transfer, etc. Deficit can be managed by selection, promotion, etc. (Bhattacharyya, 2012)¹⁵.

4.9.3: Recruitment

After successfully analyzing the job and HR Planning, the next step is to attract the prospective candidates towards the organization. It is known as recruitment. Organization needs to recruit the potential workers to suit their job requirements as described by job specification. In this competitive business milieu, strategic staffing and selection of work forces are extremely vital and necessary for the organization. Recruitment is the initial juncture for getting valuable and efficient worker.

Recruitment is considered as the most essential functions of organization which makes various vacancies. In recruitment, budding candidates are fascinated to apply and thus it creates pool of applicants. Organizations have the prospect to find out the paramount suitable aspirant for their business who can execute the work glowing.

Recruitment is the course of finding out prospective aspirants and fostering and stimulating them to apply.

4.9.3.1: Objectives of Recruitment

- i).** To enlarge the quantity of job aspirants at lowest cost;
- ii).** To allure and inspire new applicants to apply in the organization;
- iii).** To make a mass of applicants and select the best candidates for the organization;
- iv).** To find the required quantity and best quality employee at low cost to pull off the organizational goal;
- v).** To meet legal and social obligations of organization;
- vi).** To create a dynamic workforce to accept changes in the business.

4.9.3.2: Source of Recruitment

Primarily, there are two sources of recruitment; internal source and external source. Details of each source are illustrated below:

A). Internal Recruiting Source

When vacant positions are filled in from within the organization by employing internal employees through transfer, promotion, retirement, demotion, retrenchment, etc., the recruitment is called internal recruitment. This form of staffing is less expensive than employing from exterior supply of the organization. This type of recruitment source consists of the following:

a). Promotion: Promoting entry level staff to more responsible position can be of good source of recruitment. In this source of staffing, employees achieve more responsibilities and facilities and also reach from lower level to upper level position with high designation. Promotion is also regarded as motivation design where worker tend to do their jobs effectively and efficiently and thus organization grasps its goals easily (Beardewell & Holden, 1996)¹⁶.

b). Job Posting: Organization can also use the policy of job posting as an internal staffing source. In the job posting system, organization notifies its existing employees about job openings through the use of bulletin boards, company publications, or personal letters. The aim of job posting is to communicate the job opening exists.

c). Retired and Retrenched Employees: People who are gone out of the company for any reason intend to come back. Individuals who have already left for other jobs, might agree to return again for higher emoluments (Armstrong, 1988)¹⁷.

d). Dependents of Deceased Employee: Some companies recruit the dependents of their deceased and disabled employees, so that their associates' family does not turn out dependent on the lenity of the others.

B). External Recruiting Source

When an organization fills up vacancies from outside sources is known as external recruitment source. It alludes to the practice of getting sufficient persons from outside. It is essential to bring in few 'new blood' to widen the present ideas, knowledge and endeavor. Thus, all organizations heavily depend on outer sources of recruitment. Several external recruitment sources are discussed below:

a). Advertisement: Advertisement is the process where recruiters communicate with outsiders for employment through media such as radio, industry publications, television, newspaper, and internet. For extremely focused recruitment, advertisement is placed in business /professional/ journals. This is extremely much handy in special ways. However, success of advertisement largely relies on the choosing the appropriate media and contents of advertisements.

b). E-recruitment: Almost all organizations in this robotic era use online or e-recruitment with the assistance of internet to advertise various vacancies, providing information about jobs and also communicate through e-mail. The potential job aspirants can apply for jobs by uploading or sending their curriculum vitae (CV) online. Moderately, e-recruitment can make a broader range of potential applicants. This recruitment is less expensive, informative, and quicker than the traditional methods of advertising.

c). Social Media: The use of social media means applying Web 2.0 technologies to search for recruits and find out more about them online on a variety of sites such as LinkedIn, Facebook, etc. Recruiters sometimes arrange blog spaces where existing employees share their experiences for the organization.

d). Recruitment Process Outsourcing (RPO): RPO is the term used when an organization pays commissions to any third party to assign responsibility for the end-to-end delivery of the

recruitment process. Some companies do not assign all recruitments using RPO except only for high-volume vacancies. They may retain responsibility for senior and specialist jobs.

The advantage of RPO is that it can save time, bring outside expertise, and more value adding activities (Armstrong, 2014)¹⁸.

Others external sources are educational institutions, employment exchange, employee referrals, direct recruitment, trade unions, professional associations, etc.

4.9.4: Selection

Selection is a course of deciding the suitable persons for employment depending on certain principle by interviewing and evaluating. It is such a method which helps the management to distinguish normal candidates from the best ones. It is that approach which helps to find out the finest aspirants from general. Thus, it is the effort of the company to choose a specific number of individuals from large scale candidates (Koontz & O'Donnel, 1972)¹⁹.

During selection, due concentration must be given to avoid error. In this process of selection, the selector may probably make two types of error- 'reject error' and 'accept error' (Ghosh, 2006)²⁰.

A careful selection by the experts is desirable in the modern day's organization that acts as a basis of competitive advantage.

4.9.5: Placement and Induction

Placement is the actual positioning of the selected candidates to a definite job. In this step, management has to take the ultimate decision about where to place the candidate. Further, assigning of a specific title and accountability depends on the actual qualification of the candidate. Placement is to confer the task and accountability to the selected worker for those

tasks for which one is considered to be fittest. The suitable match position can avoid absenteeism, turnover, industrial accident, pitiable performance, etc. So, exact placement is mostly wanted and is highly beneficial to organization for the employee.

Orientation or induction is the significant part of the newcomer's socialization process. It is the procedure to accept and welcome the new employee. Induction is that process by which the newcomer is resettled in the changed environment and is introduced to the exercises, policies, and objectives of the organization (Billimoria, 1970)²¹. After selecting and placing on suitable job, it is especially imperative for the candidate to get familiar with the job and environment. On joining, organization needs to provide some necessary information that facilitates him/her to start the work cheerfully in the organization.

4.10: Development

Development function of HRM is the support for helping workforce to develop their individual and organizational skills, abilities, and knowledge. It includes such prospect as employee training, development, performance appraisal, etc. for progress of the organization. However, this function consists of the following:

4.10.1: Training

The newly joined employees do not possess sufficient level of competencies to perform the job as per requirements of the organization. This is due to absence of enough competencies. To make them competent, organizations have some mechanism to widen their performance. Such kind of mechanism is called training. It is created in fetching about equitable transformation in the awareness, skills, and attitudes of the people.

After successful appointment of the recruits, training is crucial for them. Without having proper training, individual may not perform his/her best. Training is the key to increase their abilities, skills, aptitudes to carry out specific job successfully and efficiently. We all know that the prosperity of business is overly concerned with the well trained employees. So, organization should need to carry out training program to construct well trained troops to combat in the stiff competitive business world. So, it is an act of flourishing the knowledge and diverse skills of the workforce to perform a particular task (Flippo, 1984)²².

4.10.1.1: Methods of Training

On the Job Training (OJT)

Under this method of training, the workers are offered to the direct injunctions to carry out their tasks on the actual work floor. In the modern days, almost every organization is offering on-the-job training to its employees. This method is apposite for all ranks of employees. This is less expensive and semi-proficient employees can be trained well by this training method. Different practice under this method is as follows:

a). Coaching

Coaching is a personal (usually one-to-one) approach to help the people for developing their understandings, skills and capabilities to increase their performance. The necessities for coaching may emerge from formal or informal execution of reviews, but scope for this will arise during everyday activities (Armstrong, 2014)²³. Coaching is often considered as a duty of the immediate boss who has greater experience or expertise and is in the position to offer sage advice.

b). Apprenticeship

It is commonly offered as practical training to the people who are concerned in specific crafts or trade and also to the technical fields that require specific knowledge and ability. Trainees are required to spend a specific time period under this training technique.

c). Job Rotation

Job rotation refers to the movement of employee from one job position to another where the nature of tasks remains the same. It facilitates to encourage pliability of employees. Actually, in this process, positions of the employees are rotated. Employees gain more knowledge because of multi-tasking across the area.

Off the Job Training

a). Role Playing

Role playing is performance of a particular role. It is one kind of simulation, in this procedure each trainee is required acting out on a given role. Role playing involves three important aspects- action, practice, and doing. The intention of this training method is to discover the potentiality among the trainees who are needed for a particular position.

b). Simulations

In simulation, artificial work environment is created. Under simulation, instead of taking the trainees into the field, the field is simulated or created in the classroom. Simulation techniques can be of two forms; role playing and business game.

c). Case method

Case study is such a technique where discussions take place about how workforce or business faces the real situation. Trainees have to analyze the situation or the problem, the cause of it, and

build up alternative solutions, chose the best one and finally, implement it. Case method assists trainees to develop analytical and critical skills.

4.10.2: Executive Development

Executive development implies developing people in the managerial carder of business. Development of managers and executives are vital for any organization that would like to be vibrant and also growth oriented. It principally focuses on the delicate growth of executives. Management development is an endeavor to progress managerial performance by conferring understandings, changing attitudes or increasing skills (Dessler, 2013)²⁴. Development is an education process to improve knowledge, skill, abilities, and attitudes of managers and executives in order to enhance performance in a useful way in the area of judging right or wrong, thinking logically, etc. Development is future oriented entity in which focus is given on personal growth through education.

Management development is associated with flourishing the performance of managers in their present roles, preparing them to take on greater responsibilities in the future and also developing their leadership skills (Armstrong, 2014)²⁵.

4.10.2.1: Methods of Management/Executive Development

The methods of the management development program can be broadly categorized into the following way:

On the job	Off the job
Coaching	Role Playing
Job Rotation	Case Method
Understudy Assignment	In tray/In-basket
Multiple Management	Sensitivity/ T-group Training

Committee Assignments	Syndicate Method
	Incident Method
	Johari Windows
	Problem Oriented Projects
	Transactional Analysis
	Behavior Modeling
	Lecture
	Conferences
	Programmed Instruction
	Films
	Business Game

Source: Ghosh, (2006)²⁶.

On the Job Techniques of Developing Managers/Executives

a). Coaching

Coaching is a mutually determined process by the executives/managers (trainee) and coach for development of managerial skill, knowledge, ability, etc. The coaching procedure generally is pursued by continuous meetings and counseling at the managers' convenience by the coach. The guidance, instructions, etc. related to the operations are provided by the coach to enhance understandings and skills to perform job in an effective way. Coaches are generally external and internal of organization. The seniors of the organization can also act as coach, in case of internal coaching.

b). Job Rotation

Job rotation implies the management training process in which managers are moving from one department to different department. So, the trainee executive can execute diverse assignment and they can acquire various experience. Thus, trainee executives equip themselves for the future performance. This kind of practice can reduce the level of monotony and also the potentiality of the trainee executives can be improved. The trainee under this method may be a fresh management graduate or a senior manager being groomed for further promotion.

c). Understudy

Understudy technique is also known as attachment method. The word 'Understudy' implies preparing someone to execute the duty in absence of another. In this scheme, a suitable person, usually junior executive or manager is selected and trained well for backup in future to handle the full function and responsibility of the position of his boss. The person selected as trainee, observes closely the way of functioning, methods for handle problems, decision making, etc. of the manager or his/her boss. On completion of a particular period, the person will be in the position of the manager/boss during the absence or illness, or retirement, transfer, promotion, etc.

d). Committee Assignment

Under this technique, a committee is formulated and it is composed of trainee executives. The committee is formulated to solve the specific problems. Such committee is constructed for a specific period only to perform a particular purpose. The participants of such committee gain enough experience and this helps them in performing their actual job.

e). Special Projects

In special projects, trainee is assigned to a particular project which involves heavy responsibility. Then the trainee executive learns about the projects, knows the problem and issues, suggests alternative solutions, finally make recommendations on the project.

f). Selective Readings

To be in close touch with the latest developments in the management field, some organizations maintain libraries involving a large collection of useful material on the subjects of curiosity to the enterprise. By reading the books, journals, articles, notes, and magazines, executives can continue in association with the latest research findings and can enhance knowledge. The managers may also disseminate the same to the subordinates during their leisure hours to keep them updated.

Off the Job Techniques of Developing Managers/Executives

a). Case Study Approach

Case study approach presents the executives trainee with a well written narrative of an organizational problem. The trainee then investigates the case, spots the problem and then presents his/her results and clarifications in a conversation with other trainees.

The method is appropriate for enhancing problem crack and logical skill, providing practice in applying management concepts, tools and techniques and improving awareness of management thought and processes.

b). Role Playing

Role playing is performance of a particular role. It is one of the forms of simulation. Role playing creates a practical situation in which trainees guess the character of a definite person in the given situation. Every trainee is required to act on a given role. Thus, in this method trainees get chance to interact in the real situations.

c). In-basket Method

In-basket technique of executive development is also regarded as in-tray technique in which the trainee receives tray or basket of papers that are closely related to his/her working area. This includes mails, emails, customer feedbacks, demand for reports from the boss and handle of complaints, documents, statement, message, orders and instructions, etc.

In-basket or In-tray procedure consists of simulation of a chain of judgment that a learner might have to formulate in actual life. Trainee is anticipated to give her/his suggestions after reading all papers. The decisions taken by several trainees are recorded and compared to one another. Finally, feedback is given based on the actual decisions taken by the managers.

d). Management Games

In management games, an artificial ambiance related to the real life situation is created. The participant executives play a dynamic role and enrich their communication skills, problem solving skills, decision making skills, etc. Management games can be of different types that are desktop business games, team learning games, etc.

e). Conferences/Executive Development Program (EDP) or Management Development Program (MDP)

Premium B-Schools like, IIM, MDI, FMS, etc. and a lot of universities and institutes provide web-based and traditional classroom conferences and seminars for the management or executive development program. These programs are primarily designed for the business professionals. Through these kind of programs, participants gain in depth knowledge about the contemporary issues in the business environment.

f). Behaviour Modeling

Behaviour modeling, a component of the social learning theory, acts as a guide of an employee about how to do something fresh by exhibiting them quality modeled behaviour. This involves (1) viewing trainees the proper (or model) method of doing any, (2) letting trainees exercise that process, and then (3) giving response on trainees function (Dessler, 2013)²⁷.

4.10.3: Performance Appraisal

Performance appraisal is a practice to assess the employee's performance and also discover the strong points and weak points of the employee. It includes both the qualitative and quantitative aspect of job performance. In this exercise, the focal focus is given on assessing and improving the original performance of an individual and also the potentiality in the future. However, performance appraisal helps in the following ways:

a). Salary/Wage Decision: Performance appraisal helps to establish wage and salary packages. The employees/workers who are excellent in their job get good salary/wages. This means, performance appraisal serves as a basis for pay rise.

b). Promotion: It also aids the employees to get promoted based on their good performance. So, non-performers also get provoked to achieve more through this process.

Through the appraisal of performance, employees' weak points and strengths can easily be pointed out. Based on strengths and weaknesses, it is decided whether employee can be promoted to the next higher position or not. If the performance is not as per the standard, additional training is required.

c). Training and Development: Performance appraisal serves as a principle for formulating a suitable education and development program. Through performance appraisal, individual can inform their defects and try hard for removing it as well as flourishing their performance. The

weak points of individual employees are recorded and based on these, suitable development program is offered.

d). Feedback: Performance appraisal provides each employee where they are, how they are working and also how they are contributing for achieving of organizational objectives. Such information helps them to rectify their performance apropos to ensure the improvement in the future.

e). Competency Improvement: Performance appraisal assists to augment the competencies of the employees. Performance appraisal ascertains the area of activity where employee needs to improve so that they can render standard performance. Some employees may have potential to take up higher assignments. This is also identified through the appraisal system.

In all such cases, development of competency is made for performance of present job as well as future jobs.

4.10.3.1: Methods of Performance Appraisal

There are diverse processes to assess employee's performance. These are grouped into two extensive classes as shown below:

Traditional System of Performance Appraisal

- a). Graphic ranking scale,
- b). Man-to-man method,
- c). Checklist method,
- d). Paired contrast method, and
- e). Grading method.

Modern System of Performance Appraisal

- a). Behavioural Anchored Rating Scale (BARS),

- b). Management by Objective (MBO),
- c). Assessment Centre Method,
- d). Human Resource Accounting Method (HRA),
- e). 360⁰ Appraisal, and
- f). 720⁰ Appraisal.

4.11: Compensation

Literally, compensation implies counterbalance. Counterbalance of service rendered by employees and in terms of that employers provide compensation. Compensation is an inclusive term which includes wages, salaries, and all other allowance and benefits. Compensation can be destined as the entire award acquired by employees in return of their service. This covers:

- i) Direct economic aspect consisting of wages, bonus, salaries, commissions conferred at systematically, and also compatible intervals.
- ii) Indirect economic aspects contain those which are not direct financial aspect like leaves, retirement plans, education, insurance, maternity leaves, etc.
- iii) Non-financial aspects include the part which is not associated with financial feature like work environment, working conditions, career development, etc.

Wages are the remuneration paid to the blue-collared workers on hourly, weekly or monthly basis for a certain amount of work, such as maintenance and production workers.

Salary is the economic compensation paid on monthly or yearly basis to the white-collared employees for their services, such as, the services of managerial cadre employees.

4.11.1: Objectives of Compensation Planning

The utmost purpose of a sound compensation plan is to set up and maintain an equitable rewards system. Besides, the supplementary purpose is to establish and maintain an equitable

compensation structure for balancing of contradictory personnel interest of internal equity, external equity, and individual equity.

A sound compensation structure tries to achieve these objectives:

- a). To attract dynamic workforce in a competitive market,
- b). To maintain and establish an impartial salary and wage structure,
- c). To control wages and salaries and labour costs by determining rate change and frequency of increment,
- d). To develop motivation and spirits of employees and also improve the union management relations, and
- e). To retain competent, precious talents in the organization.

4.12: Integration

Integration refers to the endeavour to achieve a reasonable understanding of individual, organizational, and societal wellbeing. The most momentous, yet complex act of managers is to induce an 'integration' of workforces with association and to manage with imminent incident which befall in organization. Organizational activities which bring about the integration of human resources and objectives of the organization are regarded as human relations. The human relation programs tend to reduce accidents, turnover, absenteeism, operative faults, etc.

This is an important operative function of the human resource management. It consists of the following:

- a). Industrial relations,
- b). Collective bargaining,
- c). Industrial conflict,

- d). Workers participation in management,
- e). Discipline,
- f). Grievance, and
- g). Trade unions

4.12.1: Industrial Relations

Industrial relations plays a very pivotal role to set up and uphold industrial democracy. The foundations of healthy industrial relations rely on the positive attitudes of both the parties that are management and union (Bhatia, 2002)²⁸. The maintenance of strong human relationship is the prime objective of industrial relations, in absence of it organizational foundation will fall dawn (Mamoria and Mamoria, 1995)²⁹. It helps to increase the rate of production and also creates good working environment within or outside of the organization.

The expression 'Industrial Relations' is constituted two entities; Industry and Relations. 'Industry' means any productive action in which a person (or group of persons) is involved. 'Relations' mean those the relationships which subsist in the industry between the workmen and their employer.

The important objectives of industrial relations are as follows:-

1. To prevent and defend the interest of worker and management with the help of mutual understanding in the organization which take part in the procedure of production.
2. To eliminate industrial disagreement and develop smooth harmonious relations.
3. To remove or reduce the amount of disputes and differences by providing satisfaction to workers and improve the cordial relations in the industry.
4. To improve economic status of the workers.
5. To reduce unhealthy environment in the organization like strike, lock out, etc.

4.12.2: Industrial Disputes

An industrial dispute expresses “any disagreement or differentiation between employers and employees, or between workmen and employers, or between workmen and workmen, which is associated with the employment or non-employment or conditions of employment or with the conditions of labour of any person.” (Sec. 2(k) of the Industrial Disputes Act. 1947)

In layman’s words, industrial disputes imply the dispute which arises in the course of industrial activities.

4.12.3: Discipline

To sustain industrial tranquility and harmony needs to have well modest employees. Discipline means getting obedience to rules and regulations of the institute. If anyone avoids the rules, he or she gets punishment. There are primarily two types of discipline; positive discipline and negative discipline. For the well functioning of the organization, discipline is extremely essential. It is required for both the individual and organization.

Aims and Objectives of Discipline

The aims and objectives of discipline are as follows:-

- 1.** Creating and accepting rules, regulations, standards and producers of the organization for its employees for smooth running.
- 2.** Generating mutual admiration for human relations as well as raising the feelings of co-operation among the people in the organization.
- 3.** To introduce the component of uniformity and assurance despite the numerous organization.
- 4.** For directing and getting the work done in a responsible manner.
- 5.** For improving the quality of production by enhancing the morale and working efficiency of the employees.

6. For promoting industrial morale and efficiency among the staffs to get the best results at minimum cost.

However, other components of integration are teams and team work, employees' participation in management, employees association and trade union, employee empowerment, etc.

4.13: Maintenance Function

Maintenance function is designed to look after and encourage the intellectual as well as bodily health of workers. For this purpose, organization arranges good quality working condition, safety, security at work, leisure facilities, recreation and leave, housing, health check up, etc.

It works with improving and sustaining the provisions that have been recognized. Any problems related to maintain the physical conditions of workers like safety, health, etc. at work place are the sole responsibility of human resource managers. If all these conditions are maintained well, people hardly depart from the organization and therefore, experienced work force can lead for the future growth of the enterprise. This function includes the working conditions, benefits, and welfare services provided to workers. It also comprises human resource research of its broader scope.

However, maintenance function of HRM aims at preserving and protecting the psychological and physical health of workforce through multifarious measures. These are as follows:

i). Health and Safety: Management of an organization always tries to enforce the standard safety and health measures. Management wants to be free from the obligations which are related to working conditions and desires to implement the provisions of various working condition related laws such as Factories Act, 1948, Plantation Labour Act, 1951 and Mines Act, 1952.

ii). Employee Welfare: It includes the amenities, services and facilities provided to workforce for their well being. For this purpose, organization offers housing, education, transportation, recreation, etc. facilities in addition to regular wages or salaries.

iii). Social Security Measures: Organization provides social security to their employees such as maternity benefits, medical or sickness benefits, disablement allowance, provident fund, gratuity, pension, etc. as per the Act.

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