

# Human Resource Management

## LECTURE NOTES

### Nature of HRM

What is HRM Nature? Human resource management aims at fulfilling the goal of each individual and the organization on a whole.

**Nature of HRM are:**

1. **Pervasive Force**
2. **People Oriented**
3. **Action-Oriented**
4. **Future-Oriented**
5. **Development Oriented**
6. **Enhance Employee Relations**
7. **Interdisciplinary Function**

Nature of HRM

**Nature of human resource management are:**

#### **Pervasive Force**

Human Resource Management is an inherent part of an organization. It is pervasive in nature and present in all enterprises at all levels of management. It is the responsibility of each manager to select the right candidate under him and pay attention to the development and satisfaction of each sub-ordinate.

#### **People Oriented**

Human Resource Management focuses on and values people at work both as individuals and groups. It encourages people to develop their full potential and in return give the best to the organization.

#### **Action-Oriented**

Human Resource Management does follow rules, records, and policies but it stresses the action. The focus is on providing an effective and timely solution to employees for any problems, tensions, or controversies faced by them.

#### **Future-Oriented**

To sustain and grow in this competitive environment organizations follow long term strategic planning. Effective Human Resource Management prepares people for current as well as future challenges, especially working in an environment characterized by dramatic changes.

## **Development Oriented**

HRM continuously works towards the development of employees. There are various tools used to make the employees reach their maximum potential. Training programs are held to help employees enhance their skills and knowledge. Monetary and non-monetary reward structures are tuned to motivate the employees.

## **Enhance Employee Relations**

HRM helps to build a healthy relationship between the employees at various levels. It encourages mentoring and counseling to help employees in times of need. It aims at creating a culture in the organization that is conducive to learning and growth.

## **Interdisciplinary Function**

The knowledge that has influenced Human Resource Management is interdisciplinary in nature. It draws knowledge from five major bodies: education, system theory, economics, psychology, and organizational behaviour.

## **Scope of HRM**

What is HRM Scope? Human Resource management has a very wide scope, Every department and activity in an organization needs human resources, even if it is about running machinery.

The scope of human resource management can be broadly divided into three:

1. **HRM in Personnel Management**
2. **HRM in Employee Welfare**

### **HRM in Industrial Relation**

The objective here is to ensure the individual growth of each employee which indirectly contributes to the overall growth of the entire organization.

### **HRM in Employee Welfare**

This aspect of HRM is concerned with the working condition and the amenities at the workplace. It makes the environment worth working by eliminating workplace hazards, providing job safety, medical and health services etc.

### **HRM in Industrial Relation**

The main aim of this aspect is to maintain peace and harmony in the organization. It requires effective interaction with the labour or employee unions, sensitively addressing their grievances and settling their disputes.

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## Objectives of HRM

The primary **objective of HRM** is to place a competent and willing workforce in the right position and at the right time.

Further, it aims to obtain maximum individual development, desirable working conditions and at the same time, it focuses on contributing to the realization of the organizational goals.

### **The main objectives of HRM are:**

- **To help the organization achieve its goals:** HRM is the means to assist the organization to achieve its goals. It ensures effective utilization of Human Resources which in turn results in the efficient utilization of all the other organizational resources.
  - **To employ a skilled workforce and focus on their training and development:** HRM aims at employing the skills and abilities of the workforce efficiently. It generates maximum development of Human Resources within the organization by offering opportunities for growth to employees through training and development.
  - **To ensure employee job satisfaction and maintain a quality of work-life:** HRM focuses on fulfilling the personal objectives of the employees which helps in enhancing their contribution to the organization. Their objective is to ensure respect for human beings by providing various services and welfare facilities to the personnel.
  - **Societal Objective:** HRM must ensure that there is compliance with the legal and ethical standards of the society at each level and function of the organization. It implies that organizations manage human resources in an ethical and socially responsible manner.
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## Functions of HRM

Functions of HRM are:

1. **HR Planning**
2. **Job Analysis and Design**
3. **Recruitment and Selection**
4. **Orientation and Placement**
5. **Training and Development**

## Functions of HRM

### HR Planning

Human Resource Planning is a process that identifies current and future human resource needs for an organization to achieve its goals.

### Job Analysis and Design

Job Analysis is the determination of the precise characteristics of a job through an in-depth and detailed examination of the activities to be performed.

Job design allows job analysis. It involves designing the content of a job, it combines the tasks into a job to be assigned to an individual and further fixes the duties and responsibilities to do the job.

### Recruitment and Selection

Recruitment is the process of searching the best-qualified candidate from within or outside the organization in a cost-effective manner.

### Orientation and Placement

Orientation is the process in which the new employees are introduced and made familiar to their jobs, complex processes, coworkers, and organizations. Placement includes assigning tasks to new employees and the promotion or transfer of present employees.

### Training and Development

Training is the process of enhancing the knowledge and skill of an employee required for a particular job.

Development is an ongoing and continuous process that aims at improving the personality and attitude of employees.

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## Importance of HRM

The **Importance of human resource management** can be discussed at three levels:

1. **Instrument for growth to an organization**
2. **Liaison between the employee and employer**
3. **Professional field**

### Instrument for growth to an organization

The survival and growth of the organization depend largely on the competence and its effective management. Human resource management makes workers efficient and motivated through training, supervision, and inspiring leadership.

### **Liaison between the employee and employer**

It tries to maintain the balance between the available jobs and the job seekers according to their needs and organizational requirement.

Its significance can also be determined by the elimination of wastages and providing a healthy and conducive environment for employee growth.

### **Professional field**

Human Resource Management has moved to a specialist function. The realization of employee goals is the sole responsibility, as a specialist function.

Its focus has moved from employee management to employee development. The skills development and individual capacity utilization are the challenges faced by human resource managers in the current scenario.

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### **Skills and Proficiency of HR Managers**

Job of an HR manager is the most challenging one as there is no factor of production as complex as people. HR managers need to integrate processes, people and technology in an efficient and effective manner that should enable the organization to achieve its goals.

While doing all this they need to assess, develop, reward and retain a wide variety of people. Discussed below are the skill sets that an efficient HR manager should possess

- **Multi- knowledgeable**
- **Personal attributes**

- **Professional attitude**
- **Ethical attitude**

### **Multi- knowledgeable**

HR managers should possess knowledge of all the diverse fields that collectively run a business. Since HR management is required in all the departments and at all levels, it is important that HR managers should be competent in all the diverse areas of finance, sales, marketing, operations etc

### **Personal attributes**

HR managers should possess the mental ability to communicate, articulate and handle people and situations with intelligence He should have the learning skills as he needs to continuously upgrade himself to stay abreast with the outside world.

Coaching and teaching is a continuous process that an HR professional undertakes to develop the employee's skills and personality.

HR managers should have both leadership and executive skills. They should be able to lead a large group of people towards a course of action that is in the best interest of the individual as well as the organization. They should also accurately and quickly execute the management's decision regarding personal issues.

### **Professional attitude**

HR manager's job is getting professionalized. He should be organized as there is no margin of error when dealing with the lives and careers of people. He should have a comprehensive understanding of HR policies, principles, programs, practices and laws.

### **Ethical attitude**

For healthy and successful running of a business, it is very important that the HR managers comply with the code of moral principles and values with respect to what is right or wrong. Employees should be coached from time to time and their ethical dilemmas should be cleared.

In case of any violation, the company should not hesitate to punish the unethical behaviour of the employees. HR professionals should communicate clearly and fairly and aim to promote equity. HR professionals are company conscience and keepers of confidential information. They should respect and maintain privacy always.

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## What is Training?

**Training** refers to programs and procedures undertaken with an attempt to improve current or future employee performance. Let's now look into types of training.

## Types of Training

There are different **types of training** that are conducted depending upon the requirements of the trainee and the organization.

1. **Orientation Training**
2. **Promotional Training**
3. **Refresher Training**
4. **Skills Training**
5. **Internship Training**
6. **Cross-functional Training**
7. **Team Training**
8. **Creativity Training**
9. **Diversity Training**

### The objective behind this **type of training** is to:

- Help settle the employee in a new and unfamiliar environment
- Inducted about the procedures, rules, and regulations followed by the company
- In-depth knowledge about the company background, organization structure, products and policies is imparted to the new employee
- An employee is also made familiar to his superiors and subordinates
- It helps develop a feeling of certainty and satisfaction in the mind of the new employee as he feels cared for and is handled in the initial phase of his new job.

### Importance of Training are:

1. **Higher productivity and better quality of work**
2. **Reduction in wastage and cost**
3. **Increases morale and loyalty**
4. **Reduced supervision and low accident rates**

Importance of Training

### **Higher productivity and better quality of work**

Formal training leads to the enhancement of skills of the employees that enables them to perform their job more efficiently. As standard methods are taught to the employees it improves the quality of product and services.

### **Reduction in wastage and cost**

Workers learn how to make the optimum use of resources. Training leads to the economic use of material and machinery and helps minimize the cost of operations per unit.

### **Increases morale and loyalty**

Training helps boost the morale of the employees by developing a positive attitude, job satisfaction and enhanced learning. It makes them loyal to the organization as they develop a sense of commitment.

### **Reduced supervision and low accident rates**

Training develops well-motivated employees who are self-reliant, they do not need constant guidance and supervision. Employees can also avoid mistakes and accidents on the job as they can handle a job with confidence and adopt the right work methods

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## **Importance of Training in HRM**

1. **To the Organization**
2. **To the Employees**
3. **For Personnel and Human Relation**

Importance of Training in HRM

### **To the Organization**

1. Gets more effective in decision-making and problem-solving.
2. Improve the morale of the workforce.
3. Helps people identify the organizational goal.
4. Aids in developing leadership skills, motivation, loyalty and better attitude.



5. Aids in improving productivity and quality of work.
6. Aids in understanding and carrying out organizational policies.
7. Aids in organizational development.
8. Creates an appropriate climate for growth and communication.
9. Helps employees adjust to change.

#### **To the Employees**

1. Increases job satisfaction and recognition
2. Moves a person towards personal goals while improving skills
3. Helps in eliminating the fear of attempting new tasks
4. Provides the trainee with an avenue for growth
5. Through training and development, motivational variables of recognition, achievement growth, responsibility and advancement are internalized and operationalised
6. Provides information for improving leadership, communication skills and attitudes
7. Helps to handle stress, tension, frustration and conflict

#### **For Personnel and Human Relation**

1. Improve inter-personnel skills
  2. Improves morale
  3. Builds cohesiveness in groups
  4. Makes the organization a better place to work and live
  5. Provides information on other governmental laws and administrative policies.
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## Need for Training

Training is required for organizational growth. It is beneficial to both the employer and the employee; it makes the employee more efficient which leads to better results and growth of the organization.

- Learning for New Recruits
- Promotions
- Transfers
- Bridging the Gap

Need for Training

### Learning for New Recruits

Once the employees are selected and placed in a position they need to be trained for a specific job. It helps in making them perform their job effectively. On job training help them handle their job competently.

### Promotions

In order to prepare the existing employees for higher roles they need to be trained in the areas of their added responsibilities so that they can do justice to the position.

### Transfers

Training on different jobs makes the employees mobile and versatile and makes them capable to be moved from one job to another.

### Bridging the Gap

There can at times be some gaps between the knowledge and skills an employee possesses and the requirements of the job. Training helps in bridging this gap and making the employees more productive.

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## Benefits of Training

SNO	BENEFITS TO THE BUSINESS	BENEFITS TO THE EMPLOYEE
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## **SNO    BENEFITS TO THE BUSINESS    BENEFITS TO THE EMPLOYEE**

1	Trained people can work more efficiently	It makes an employee more useful to the firm.
2	They use machines, tools materials in a proper way. Wastage is thus eliminated to a large extent.	It makes employees more efficient and effective. They produce more with minimum effort.
3	There are fewer accidents.	It enables employees to secure promotion easily. They can realize their career goals comfortably.
4	They show superior performance.	They can handle jobs with confidence. They are more satisfied on their jobs. Their morale would be high.
5	It makes employees more loyal to an organisation. They will be less inclined to leave the unit where there are growth opportunities.	It can enable employees to cope with organisational, social and technological change. Effective training is an invaluable investment in the human resource of an organisation.

### **Training Process**

Below are the steps involved in the **training process**:

1. **Needs Assessment**
2. **Defining Training Objective**
3. **Designing a Training Program**
4. **Implementation of the Training Program**
5. **Evaluation and Follow up**

### **Needs Assessment**

The first step in the training process is to assess the need for training the employees. It analysis what are the long term requirements of the organization and what does the organization expects from the employees.

If there is a mismatch between the skills and knowledge required, it means there is a learning gap. To assess this learning gap below three elements is closely examined.

1. **Organization analysis:** The objectives of the organization are studied. The end result that a company wants to achieve is examined in context to how it uses its resources to achieve the same. Organizations' internal and environment is also considered.
2. **Operation Analysis:** A job requires a combination of different activities for successful completion. Operation analysis focuses on the needs, skills, knowledge, and attitude required to efficiently complete the job.
3. **Person analysis:** In-person analysis the focus is on the employee who has to perform the job. It is analyzed whether the performance of the employee is satisfactory and he is being able to achieve the organizational goal.

### **Defining Training Objective**

After deriving the learning gap organizations should define the learning objective. Goals and objective of training becomes the foundation of the training initiatives.

Hence determining the training objectives gives a direction to the entire learning program.

### **Designing a Training Program**

Once the objective of the training program is determined, it is time to analyze the factors that need to be considered while designing a training program.

1. **Who will be the trainer:** As per the skill and knowledge required for effective training; it should be decided upon who will conduct the training program. It can be a supervisor, university faculty, Industrialist, HR staff, consultants, etc.
2. **Who needs to be trained:** It is to be decided who all needs to be trained to fill the learning gap. It can be on the basis of self-motivation, recommendation by supervisors of HR department itself.

3. **Training Methods:** Trainer should have complete information about the participants and their profile so that he can choose the learning methods that best suits their requirements. The training content is prepared based on the specific areas that need development.

### **Implementation of the Training Program**

Refers to putting the training plan into action. There should be a proper environment created which is conducive to learning. It should be preferably a participative approach and trainer should promote role-playing and interactive games to keep the trainees involved

### **Evaluation and Follow up**

Training evaluation is done to check whether the goals and objectives of the training have been achieved or not. Feedback needs to be taken from the participants on the training results.

A follow up can be done by asking the supervisors whether the participants are applying the skills learned in the learning program on their day to day job.

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## **Systematic Approach to Training & Development**

To operate training in a systematic manner, it has to cover inter related stages and processes as graphically depicted in the figure below:

- **Organisation's Aim**
- **Analysing Training Needs**
- **Setting aims and learning objectives**
- **Designing Training strategy**
- **Implementing Training Strategy**
- **Validation: Internal or External**

### **Organisation's Aim**

Understanding the organisation's aims and needs and how the aims are met by range of jobs that exist in the organisation

### **Analysing Training Needs**

Finding out what people need to learn

- Analysing the knowledge, skills and attitudes/behaviours that each job requires;
- Assessing the degree of competence of job-holders to meet those requirements

## Setting aims and learning objectives

Specifying what trainees should be able to do as a result of training.

## Designing Training strategy

Deciding on a strategy to meet training needs, e.g., by designing courses/modules, suggesting various methodologies, deciding key learning points trainees must grasp and also sending some learning material (preview) to trainees.

## Implementing Training Strategy

Putting the training into practice.

## What is Performance Appraisal?

Performance Appraisal is a formal structured system of measuring and evaluating an employee's job-related behaviours and outcomes to discover how & why the employee is presently performing on the job and how the employee can perform more effectively in the future so that the employee, organization, and society all benefit.

Performance appraisal works towards measuring the performance quality of the job holder. Performance appraisal evaluates the jobholders' performance over a period of time against these standards and targets.

## Methods of Performance Appraisal

Methods of Performance Appraisal are:

1. Rating Scale
2. Checklists
3. Forced choice Method
4. Critical Incident Method
5. Behaviorally Anchored Rating Scales
6. Field Review Method
7. Performance Test
8. Annual Confidential Report
9. Cost Accounting Approach
10. Comparative Evaluation Approach
11. Management by Objective
12. Psychological Appraisal

### 13. Assessment Centers Notes

### 14. 360-degree Feedback

#### Past-oriented Scale

#### **Rating Scale**

The typical rating scale system consists of several numerical scales, each representing a job-related performance criterion such as dependability, initiative, output, attendance, attitude, cooperation etc., each scale ranges from excellent to poor.

The disadvantage includes the rater's biases to influence evaluation. Furthermore, numerical scoring gives an illusion of precision that is really unfounded.

#### **Checklists**

Under this method, a checklist of statements on the traits of the employee and his or her job is prepared in two columns i.e., the 'YES' column and 'NO' column.

All that the rater is to do is to tick the 'YES' if the answer is positive and tick 'NO' if the answer is 'NO'. The HR dept. gives a point for every "YES" when points are allotted the technique becomes a weighted checklist.

- The advantages are economy, ease of administration, limited training of rater & standardization.
- The disadvantage includes improper weights by the HR department.

#### **Forced choice Method**

The rater is given a series of statements about the employee these are arranged in the blocks of two or more, and the rater indicates which statement is most or least descriptive of the employee.

- Learns fast—————works hard
- Absent often—————others usually tardy

The HR department does actual assessment.

- The advantage is the absence of personal bias in rating.
- A disadvantage is that the statement may not be properly framed.

#### **Critical Incident Method**

It focuses on certain critical behaviors of an employee that make all the difference between the effective and non-effective performance of a job. Such incidents are recorded by the superiors as and when they occur.

- One of the advantages of this is that the evaluation is based on actual job-behaviour. It also increases the chance that the subordinate will improve because they learn more precisely what is expected of them.
- As a disadvantage, negative incidents are generally more noticeable than positive ones.

### **Behaviorally Anchored Rating Scales**

In this, the scale represents a range of descriptive statements of behavior varying from the least to the most effective. A rater must indicate which behavior on each scale best describes an employee's performance.

#### **BARS the following feature:**

- Areas of performance to be evaluated are identified and defined by the people who will use the scales.
- The scales are anchored by description of actual job behavior that supervisors agree, represent specific level of performance.
- All dimensions of performance to be evaluated are based on observable behaviors and are relevant to the job being evaluated since BARS are tailored made.
- Since the raters who will actually use the scale are actively involved in the development process, they are more likely to be committed to the final product.
- Unfortunately, this also suffers from distortions inherent in most rating techniques.

### **Field Review Method**

This is an appraisal by someone outside the assessor's own dept., usually someone from the corporate office or HR dept.

Two disadvantages of field review method are:

- An outsider is not familiar with conditions in an employee's work environment.
- He does not have an opportunity to observe employee behavior of performance over a period of time.

### **Performance Test**

With a limited number of jobs, employee assessment may be based upon a test of knowledge and skills. The test may be paper & pencil or an actual demonstration



of skills the test must be reliable & validated to be useful. Practically it may suffer if the costs of test development or administration are high.

### **Annual Confidential Report**

ACR is mostly used in government departments, for example ITI, military organizations, etc., it has 12 items namely – attendance, self-expression, ability to work with others, leadership, initiative, technical ability, ability to reason, name, to a few.

Twelve of these are filled on a four-point grade scale (excellent, good, fair, poor). Justification is required for outstanding or poor ratings. Overall rating on a five-point scale was separately given (Outstanding, Very good, Good, Average, Poor). A recommendation for performance was also given.

### **Cost Accounting Approach**

This method evaluates performance from the monetary returns the employee yields to his or her organization. The performance of the employee is evaluated based on the established relationship between the cost and the benefit.

### **Comparative Evaluation Approach**

These are a collection of different methods that compare one worker's performance with that of his/her co-workers.

They are useful in deciding merit-pay increases, promotions and organizational rewards. The usual comparative forms are ranking method and the paired comparison method.

### **Future-oriented Appraisal Management by Objective**

It was **Peter F Drucker** who gave the concept of MBO way back in 1954 when his *The Practice of Management* was first published. There are four steps:

1. In some organizations, superior and subordinates work together to establish goals. These goals can then be used to evaluate employee performance.
2. It involves setting the performance standard for the subordinates in a previously arranged time period. As subordinates perform, they know fairly well what there is to do, what has been done, and what remains to be done.

3. The actual level of goal attainment is compared with the goals agreed upon. This step helps determine possible training needs.

4. It involves establishing new goals and possibly, new strategies for goals not previously attained. The process is repeated.

The disadvantage is that it is not applicable to all jobs in all organizations. Jobs with little or no flexibility, such as assembly-line work, are not compatible with MBO.

### **Psychological Appraisal**

The appraisal normally consists of in-depth interviews, psychological tests, discussions with supervisors and a review of other evaluations. The psychologist then writes about an employee's intellectual, emotional, motivational and other-related characteristics that suggest individual potential and may predict future performance.

Since the quality of the appraisal depends largely on the skills of the psychologists, some employees object to this type of evaluation, especially if cross-cultural differences exist.

### **Assessment Centers Notes**

This method of appraising was first applied in the German Army in 1930. In fact, it is a system or organization, where the assessment of several individuals is done by various experts using various techniques. These techniques include in-basket, role-playing, case studies, and simulation exercise, transactional analysis.

In this individuals are brought together to spend two or three days working on an individual or group assignment similar to the ones they would be handling when promoted. Observers rank the performance of each and every participant in order of merit. All assesses get an equal opportunity to show their talents and capabilities and secure promotion based on merit.

### **360-degree Feedback**

Where multiple raters are involved in evaluating performance, the technique is called 360-degree appraisal. The 360-degree technique is understood as a systematic collection of performance data on an individual or group, derived from a number of stakeholders include immediate supervisors, team members, customers, peers, and self.

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## Objectives of Performance Appraisal

According to Lockett (1992), **objectives of performance appraisal** management aims at developing individuals with the required commitment and competencies for working towards shared meaningful objectives within an organizational framework. Objectives of Performance Appraisal are:

1. **Pay Rise**
2. **Promotions**
3. **Feedback System**
4. **Training and Development Program**
5. **Improves Supervision**
6. **Career Planning**
7. **Healthy and Productive Work Environment**
8. **Improves Communication**

Objectives of Performance Appraisal

Below are the main **Objectives of Performance Appraisal:**

### **Pay Rise**

Performance appraisal can be used as a yardstick to decide upon the pay raises and other benefits to be given to an employee. It should be based on employee performance and merit rather than seniority. This keeps the employee motivated.

### **Promotions**

Since it evaluates the employees on the basis of their merit and performance quality it helps in taking decisions regarding the promotions and job change of the employees.

### **Feedback System**

It acts as a feedback platform where the employee can be made aware of how well he is performing the job, his strengths and weaknesses can be discussed.

### **Training and Development Program**

After performance appraisals, gaps between the standards achieved by the employees can be measured. Employees can be informed about the skills they need to develop for improving their current performance or for further promotion or pay raise.

### **Improves Supervision**

Since performance appraisal happens periodically it becomes important for the supervisor to observe their subordinates closely and continuously so as to give clear and proper feedback at the time of performance appraisal.

### **Career Planning**

Performance appraisal facilitates career planning for the employees. Their strengths and weaknesses are analyzed and discussed. The areas where they have the potential to grow are identified which helps the management in human resource planning.

### **Healthy and Productive Work Environment**

Since the achievements and hard work of the employees are identified and awarded there is a sense of satisfaction amongst the workers. They are motivated to achieve higher standards and quality of output in order to gain more appreciation, incentives and bonuses, etc.

### **Improves Communication**

Performance appraisal is a continuous process. It timely provides a format for dialogue between the supervisor and the subordinate. It gives a platform where they can freely talk about their personal goals and concerns. It helps in improving the relationship and trust between the supervisor and the subordinate.

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### **Basis of Performance Appraisal**

**Basis of Performance Appraisal**– The performance appraisal is based on the scrutiny of certain factors. The basis of Performance appraisal standards may include the following:

1. Knowledge about the job
2. Quantum of work
3. Quality of work
4. Ability to plan, organize, delegate and control
5. Cost consciousness
6. Use of discretion and judgement
7. Initiative
8. Leadership skills
9. Power of expression and communication- written or verbal
10. Personality traits
  - « Integrity

- « Adaptability
  - « Dependability
  - « Loyalty
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### **Problems in Performance Appraisal**

There are various problems and challenges faced in Performance appraisal.

Broadly, **problems in performance appraisal** are categorized into 4 types:

1. Judgment Error:
    - a. Halo effect
    - b. Horn effect
    - c. Influence of first impression
    - d. Leniency
    - e. Central tendency
    - f. Stereotyping
    - g. Recency effect
    - h. Consequence of appraisal
  2. Inappropriate appraisal methods and forms
  3. Lack of training
  4. Ineffective implementation of performance appraisal
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### **Essentials of Performance Appraisal**

These are essentials of performance appraisal which given below:

1. **Reliable Measures**
2. **Standardization**
3. **Just and Fair**
4. **Viability**
5. **Clear Objective**
6. **Trained Appraisers**
7. **Feedback and Participation**
8. **Confidential**

Essentials of Performance Appraisal

### **Reliable Measures**

In order to achieve consistent and valid results and information from a performance appraisal system it is important to use reliable measures to quantify all observations and reports to rate an employee's performance.

### **Standardization**

There should be well-defined criteria, appraisal procedures and rating systems to appraise the employees.

### **Just and Fair**

Employee performance appraisal is done on objective and subjective measures. It should be made sure that there is no bias or favouritism while ratings are decided by the supervisor.

### **Viability**

The technique should be realistic in terms of its implementation and cost involved.

### **Clear Objective**

The key to an effective appraisal is the establishment of appraisal objectives behind the performance appraisal being undertaken.

### **Trained Appraisers**

An effective outcome of the performance appraisal process highly depends on how well is the evaluator or the appraiser is trained in conducting a performance appraisal in an efficient manner.

### **Feedback and Participation**

The main purpose of performance appraisal is to make the employee aware of his performance levels, strengths and weaknesses, and areas that require improvement.

### **Confidential**

Appraisal results should be handled as private and confidential information. In order to maintain a healthy competitive atmosphere in the organization, only people with an approved need to know should have access to an employee's performance appraisal results.

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## **Performance Management System**

**Performance management system** is a process for setting goals and monitoring progress toward achieving those goals. It is just like other systems where achieved results are continually measured and compared with the desired goals or outputs. Any discrepancy or gap is recognized and fed back into changing the inputs of the process, so as to achieve the desired goals.

Simply put, performance management includes activities to ensure that goals are consistently being met in an effective and efficient manner.

Performance management focuses on the performance of the organization, a department, processes to build a product or service, employees, etc.

**The performance management system comprises:**

- Identifying and stating the parameters of performance
- Setting performance standards
- Planning in participation with employees
- Identifying competencies and competency gaps that contribute hinder to performance
- Planning performance development activities.

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## Limitations of Performance Appraisal

Limitations of Performance Appraisal are:

1. **Judgment Errors**
2. **Poor Appraisal Forms**
3. **Lack of Rater Preparedness**
4. **Ineffective Organizational Policies and Practices**

Limitations of Performance Appraisal

### Judgment Errors

People commit mistakes while evaluating people and their performance. Biases and judgment errors of various kinds may spoil the show. The bias here refers to the distortion of a measurement.

These are of various types:

1. **Primacy Effect:** The appraiser's first impression of a candidate may color his evaluation of all subsequent behavior. In the case of a negative primacy effect, the employee may seem to do nothing right; in the case of a positive primacy effect, the employee can do no wrong (Harris, p.192).
2. **Halo:** The Halo error occurs when one aspect of the subordinate's performance affects the rater's evaluation of other performance dimensions. If a worker has few absences, his supervisor might give the worker a high rating in all other areas of work. Similarly, an employee might be rated high on performance simply because he has a good dress sense and comes to the office punctually!
3. **Horn effect:** The rater's bias is in the other direction, where one negative quality of the employee is being rated harshly. For example, the rates rarely smile, so he cannot get along with people!
4. **Leniency:** Depending on the rater's own mental make-up at the time of appraisal, raters may be rated very strictly or very leniently. Appraisers generally find evaluating others difficult, especially where negative ratings have to be given.

A professor might hesitate to fail a candidate when all other students have cleared the examination. The leniency error can render an appraisal system ineffective. If everyone is to be rated high, the system has not done anything to differentiate among employees.

5. **Central tendency:** An alternative to the leniency effect is the central tendency, which occurs when appraisers rate all employees as average performers. For example, a professor, with a view to playing it safe, might give class grades nearly equal to B, regardless of the differences in individual performance.
6. **Stereotyping:** Stereotyping is a mental picture that an individual holds about a person because of that person's sex, age, religion, caste, etc. By generalizing behavior on the basis of such blurred images, the rater grossly overestimates or underestimates a person's performance.

For example, employees from rural areas might be rated poorly by raters having a sophisticated urban background, if they view rural background negatively.



7. **Recency effect:** In this case, the rater gives greater weightage to recent occurrences than earlier performance.

For example, an excellent performance that maybe six or seven months old is conveniently forgotten while giving a poor rating to an employee's performance which is not so good in recent weeks.

Alternatively, the appraisal process may suffer due to a 'spillover effect' which takes place when past performance influences present ratings.

### **Poor Appraisal Forms**

The appraisal process might also be influenced by the following factors relating to the forms that are used by raters:

1. The rating scale may be quite vague and unclear.
2. The rating form may ignore important aspects of job performance.
3. The rating form may contain additional, irrelevant performance dimensions.
4. The forms may be too long and complex.

### **Lack of Rater Preparedness**

The raters may not be adequately trained to carry out performance management activities. This becomes a serious limitation when the technical competence of a ratee is going to be evaluated by a rater who has limited functional specialization in that area.

### **Ineffective Organizational Policies and Practices**

If the sincere appraisal effort put in by a rater is not suitably rewarded, the motivation to do the job thoroughly finishes off. Sometimes, low ratings given by raters are viewed negatively by management – as a sign of failure on the part of the rater or as an indication of employee discontent.

If the sincere appraisal effort put in by a rater is not suitably rewarded, the motivation to do the job thoroughly finishes off. Sometimes, low ratings given by raters are viewed negatively by management – as a sign of failure on the part of the rater or as an indication of employee discontent.

So, most employees receive satisfactory ratings, despite poor performance. Normally, the rater's immediate supervisor must approve the ratings. However, in

actual practice, this does not happen. As a result, the rater ‘goes off the hook’ and causes considerable damage to the rating process.

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### **Challenges of Performance Appraisal**

In present-day organizations, the twin principles of motivating employees are common at all levels: acknowledge unique contributions and alleviate personal concerns that impact professional performance.

#### **To get the best out of people, the CEOs should:**

- Create a culture of excellence that motivates employees at all levels.
  - Match organizational objectives with individual aspirations.
  - Equip people with requisite skills to discharge their duties well.
  - Clear growth paths for talented employees.
  - Provide new challenges to rejuvenate flattening corners.
  - Empower employees to make decisions without fear of failing.
  - Encourage teamwork and team spirit and open communication.
- 

### **Performance Appraisal Process**

Below are the **performance appraisal process** steps that are generally followed which results in an effective performance appraisal.

1. **Objectives of performance appraisal**
  2. **Job analysis and Job description**
  3. **Communicate performance standards to the employees**
  4. **Measuring actual performance**
  5. **Discussing the appraisal**
  6. **Taking Corrective Actions**
-

## Approaches of Performance Appraisal

George Odiorne has identified four basic approaches to performance appraisal which can be defined as follows:

- **Personality Based Systems**
- **Generalized Descriptive Systems**
- **Behavioural descriptive systems**
- **Result Centered systems**

Approaches of Performance Appraisal

### Personality Based Systems

In personality-based systems the appraisal form consists of a list of personality traits that presumably are significant in the jobs of the individuals being appraised. Such traits as initiative, drive, intelligence, ingenuity, creativity, loyalty and trustworthiness appear on most such lists.

### Generalized Descriptive Systems

It is similar to a personality-based system but they differ in the type of descriptive term used. Often they include qualities or actions of presumably good managers: “organizes, plans, controls, motivate others, delegates, communicates, makes things happen,” and so on.

Such a system, like the personality-based system, might be useful if meticulous care were taken to define the meaning of each term in respect to actual results.

### Behavioural descriptive systems

The key feature of this system is detailed job analysis and job descriptions, including specific statements of the actual behaviour required from successful employees.

### Result Centered systems

These appraisal systems (sometimes called work centred or job-centred systems) are directly job-related which requires that manager and subordinate sit down at the start of each work evaluation period and determine the work to be done in all areas of responsibility and functions, and the specific standards of performance to be used in each area.

When introducing performance appraisal in the system, a job description in the form of a questionnaire has to be preferred. A typical questionnaire addressed to an individual would cover the following points which are mentioned below:

- What is your job title?
  - To whom are you responsible?
  - Who is responsible to you?
  - What is the main purpose?
  - What are your main areas of responsibility?
  - What is the size of your job in such terms of output or sales targets, number of items processed, number of people managed, number of customers?
  - What targets or standards of performance have been assigned for your job?
  - Are there any other ways in which it would be possible to measure the effectiveness with which you carry out your job?
  - Is there any other information you can provide about your job?
- 

### Newer Rating Methods

There are several inadequacies in the traditional rating scale; therefore, attempts have been made to devise new procedures which are less susceptible to the above weaknesses. Among all these included rank orders, paired comparison forced distribution forced choice, critical incident and field review.

These methods are discussed below for proper understanding:

- **Rank-order Procedure**
- **Paired-comparison System**
- **Forced Distribution Procedure**
- **Forced Choice Technique**
- **Critical Incident Method**
- **Field Review**

Newer Rating Methods

### Rank-order Procedure

This method is effective where ten or lesser number of individuals are to be evaluated. According to this procedure, each individual is assigned such ranks as first, second, third and so on and if the evaluation process involves several traits, the ranking is made separately for each trait.

This method is simple to understand and easy to apply but this technique becomes cumbersome and difficult when a large number of employees are to be evaluated in the organization. For smaller organizations, it would be relevant.

### **Paired-comparison System**

Under this system, each individual is compared with every other individual and the appraiser is required to put a tick-mark against the name of the individual whom he considers better on the trait in question.

The final ranking is determined by the number of times he is judged better than the other but this method becomes complicated when the number of individuals for evaluation is large.

### **Forced Distribution Procedure**

It is a form of comparative evaluation of an employee's performance. In this, an evaluator rate subordinates according to a specified distribution. Here in this method, judgments are made on a relative basis i.e., a person is assessed relative to his performance in the group he works with. This procedure can be used for numerous traits if required by evaluating the individuals separately on each trait.

The forced distribution method is primarily used to eliminate rating errors such as leniency and central tendency due to which result is not justifying the purpose.

### **Forced Choice Technique**

Under this method, it forces to select from a series of several statements or traits, the one which best fits the individual and one which least fits, and each of these statements is assigned a score.

In this, the appraiser does not know the score value of statements; this method prevents the rater from deliberately checking only the most favourable trait. Moreover, the appraiser is unable to introduce personal bias into the evaluation process.

The reason is he does not know which of the statements is indicative of effective performance which enhances the overall objectivity of this procedure.

## Critical Incident Method

This technique of performance appraisal was developed by Flanagan and Burns and under this procedure; attempts are made to devise for each job a list of critical job requirements. The superiors are trained to be on the lookout for critical incidents on the part of the subordinates in accomplishing the job requirements.

The superiors enlist the incidents as they happen and in the process. It tends to build up a record of each subordinate with debit on the minus side and credit on the plus side. The merit of this procedure is that all evaluations are based on objective evidence instead of subjective rating which presents real picture.

## Field Review

It is an appraisal by someone outside the employee's own department. It is usually someone from the corporate office or from the employee's own human resources department. This process involves a review of employee records, an interview with the employee, and sometimes with the employee's superior.

Field review as an appraisal method is used primarily in making promotion decisions at the managerial level; and is also useful when comparable information is needed from employees in the different units or locations.

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## Common Rating Errors

When there is a difference in perception and value systems, it influences evaluations. For instance, if two raters observe an employee disagreeing with a supervisor and then one perceives this as insubordination, but the other sees it as a willingness to stand up to for what he believes in. Some of the common syndromes are:

- **Halo Effect**
- **Horns Effect**
- **Leniency or Constant Error**
- **Central Tendency**
- **Spill-over Effect**
- **Personal Bias**

## Halo Effect

This is a tendency of the rater in which the assessment of a single trait influences the evaluation of the individual on other traits too.

### **Horns Effect**

This is a tendency to allow one negative trait of the employee to color the entire appraisal which results in an overall lower rating than may be warranted.

### **Leniency or Constant Error**

It is completely depending upon the appraiser's own value system which acts as standard, employees may be rated leniently or strictly. Such a rating does not carry any reference to actual performance of the employees because some appraisers consistently assign high values to all employees, regardless of merit and this is a leniency error.

The strictness tendency is a reverse situation, where all individuals are rated too severely and performance is understated.

### **Central Tendency**

This is the most common error that occurs when a rater assigns most middle range scores or values to all individuals under appraisal that is extremely high or extremely low evaluations are avoided by assigning 'average ratings' to all.

### **Spill-over Effect**

This refers to allowing past performance to influence the evaluation of present performance and this is again a bias.

### **Personal Bias**

Perhaps the most important error of all arises from the fact that, very few people are capable of objective judgments. It is entirely independent of their values and prejudices.

The above errors have suggested concerns about performance appraisal and in this regard McGregor (1960), with his concern for the human side of the enterprise; appraisal represented a judgment and demotivating process. Similar Deming (1982) also suggested that appraisal was 'a deadly disease which blamed individuals for problems systematic to organizations..

### **What is Management by Objectives?**

**Management by Objectives (MBO)** is a strategic management technique in which measurable goals are set by a joint effort of seniors and subordinates and the contribution of each individual is measured in terms of their accomplishment of the goals.

The goals set in MBO are not unilaterally set by the superior or imposed on the subordinates. These identified goals are set in close consultation with subordinates.

In 1954, Peter Drucker coined the term Management By Objective in his book, *The Practice of Management*.

MBO is an autonomous and participative style of management. The concept has become popular these days as a rewarding style of management. It focuses concentration on the achievement of objectives through partaking and involvement of all concerned persons.

### **Process of Management by Objectives**

The basic assumption behind such a philosophy is that when people are aware of the expectation from them they align their personal goal with the organizational goal and can perform better.

**Steps of the MBO process are:**

1. **Preliminary Goal Settings**
2. **Setting Subordinate Objectives**
3. **Action Planning**
4. **Periodic Performance review**
5. **Final appraisal**

### **Preliminary goal settings**

The initial stage in the process of MBO is to identify the organizational objectives. The top management generally in consultation with other managers determines it.

### **Setting specific performance objectives**

The organization goals can only be achieved if they are divided amongst the individuals and every individual performs the given task. Therefore every individual should be informed about the task that is expected from them.

### **Development of Action Plans**

After the goals are set, action plans are developed to bring the things into force. Procedures are formed for achievement of set goals.

Under MBO the subordinates and superior jointly and interactively perform a given task. The superior gives suggestion and the subordinates perform. The



objectives are so formed that every objective accomplished at lower level contributes to the fulfilment of the greater goal.

### **Periodic performance review**

At specified time interval evaluation of the work is done with joint participation to identify shortcomings or deviations if any. Subordinate and superior sit and discuss the problems area identified. Feedbacks and suggestions are made available for the potential development.

The main purpose is to improve the quality instead of focusing on criticism.

### **Final appraisal**

At the end of the year, the performance of the individual is evaluated on the basis of the task completed.

The standards which are set are compared with the actual. The actual work is evaluated based on which the appraisal or rewards of the subordinate is decided.

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## **Advantages of Management by Objectives**

Advantages of Management by Objectives

1. Helps in **reducing wastage of resources** as the resources are provided in proportion to goals set.
2. Helps in **making planning effective** with the help of action plans and result oriented planning.
3. The subordinate is able to **relate his goals with organizational objectives** and feels proud of his contribution towards the organizational objectives
4. **Induces team spirit** with a democratic and participative style of work.
5. It **gives subordinate valuable feedback** through the system of periodic evaluation. The employee becomes aware of his progress and can take timely corrective action if he is lacking somewhere.

6. **Induces employee morale** as their participation is given due consideration. Also, the rewards are according to the contribution which raises their morale.
  7. It acts as an **effective tool of self-control** as every individual knows what is expected out of him, which helps in self-regulation.
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### **Limitations of Management by Objectives**

These are limitations of management by objectives:

1. Rigidity
2. Goal Setting
3. Time Consuming
4. Unhealthy Environment
5. Participation Problem
6. Managerial Skill

Limitations of Management by Objectives

#### **Rigidity**

The problem is that it sometimes fails to incorporate prevailing trends and the current scenario of the organization.

#### **Goal Setting**

Which criteria should be given more preference quantity or quality? The goal should be long term or short term, these are various issues confronted while setting goals. Sometimes overemphasis on measurable goals can neglect crucial qualitative goals like job satisfaction.

#### **Time Consuming**

Setting up of goal that are measurable and that too in participative style requires a lot of time. Instilling confidence, deciding on tasks all these require a lot of time. The process of evaluation and performance appraisal involves considerable paperwork and time.

#### **Unhealthy Environment**

Sometimes more emphasis is laid on work rather than improving the quality which produces a lot of pressure and unhealthy competition between workgroup.

## Participation Problem

At times to avoid wastage of time, superior do not consult subordinates and set the goals authoritatively which loses the essence of the process.

## Managerial Skill

Some managers may not be very good at human skills. They may not be effective in motivating and leading people towards the work.

## Recruitment and Selection

**A process of actively searching and hiring applicants for a job role is known as recruitment. A process of choosing suitable applicants from the shortlisted candidates is known as selection.**

1. Receive a job order
2. Source candidates
3. Screen applicants
4. [Shortlist candidates](#)
5. Interview candidates
6. Conduct testing
7. Extend a job offer

### 1. Receive a job order

When you receive a job order from your client, you can get the recruitment process rolling. A job order should include information about the position you're filling and a [well-written job description](#).

### 2. Source candidates

Once you fully understand the open position, the next step of the recruitment and selection process is to [source candidates](#).

There are many ways you can [source passive candidates](#) and active candidates.

Active candidates are those actively looking for work while passive candidates are not. Successful recruiters are able to source both types of candidates.

You can source candidates using the following tools and [sources of recruitment](#):

- Social media

- Online job boards
- Your recruiting database
- Referrals

### **3. Screen applicants**

Screening applicants is a vital step in the recruitment and selection process. This is where you can learn more about each applicant, which helps you narrow down your pool.

You can conduct telephone screenings and include a variety of [pre-screening interview questions](#). During screenings, ask [behavioral interview questions](#) that allow you to learn more about the candidate's personality and how they would function in the open position.

### **4. Shortlist candidates**

[Recruitment shortlisting](#) is the process of advancing a few candidates from your pool. Your shortlist of candidates should be around three people.

These are the candidates you want to invite for a face-to-face interview with your client. Your client does not have time for one-hour interviews with 20+ people.

### **5. Interview candidates**

After you have narrowed down your candidates, you need to pass along their information to your client. Then, your client will interview the candidates.

Typically, you should be present during interviews to take notes, ask questions, and give your opinion afterward.

The face-to-face interview helps you and your client really get to know the candidates. You can study their body language and ask more behavioral interview questions. The interview process helps you and your client get a feel for the candidate's work ethic.

### **6. Conduct testing**

To further test a candidate's skills, you and your client might consider conducting job-fit tests. A [job-fit assessment test](#) helps you and your client determine how the candidate would mesh with the company.

A job-fit test can take anywhere from 30 minutes to one hour. It asks a series of questions candidates must answer honestly.

## **7. Extend a job offer**

The final stage of the selection process is actually selecting a candidate. Extend the job offer to the candidate your client wants to hire.

The candidate might try to negotiate the salary your client offers. Talk with your client to see whether the requested salary is possible.

## **Quality of work life**

Quality of work life is a process (QWL) of work organisations which enables its members at all levels to participate actively and efficiently in shaping the organisation's environment, methods and outcomes.

Quality of Work-Life is a value based process, which is aimed towards meeting the twin goals of enhanced effectiveness of the organisation and improved quality of life at work for the employees.”

## **Techniques to improve the quality of work life at your business, experts suggest these tips:**

- Acknowledge hard work. Supervisors should ensure that their employees feel appreciated, McGonagle says. ...
- Invest in their development. ...
- Find ways to limit hours. ...
- Schedule regular get-togethers. ...
- Re-energize the workplace.

## **Job Enrichment:**

Under traditional management, the principle of division of work and specialisation was applied so that an individual could do a particular work more efficiently.

## **2. Job Rotation:**

A vertical job rotation means promotion whereas a horizontal job rotation means transfer to some other job. Job rotation makes an employee to learn the new job at the new seat thereby creating interest in the new job.

### **3. Quality Circles (or Self-managed Work Teams):**

The concept of Quality Circles was made popular in Japan in 1960 by K. Ishikawa. Japan has gained a lot by applying the Statistical Quality Control (SQC) techniques for production.

Quality circles can be defined as a small group of some people (may be 3 to 12) who meet for an hour every week to identify, analyse and solve the problems related to their work. The solutions are sent to the management for implementation.

Quality Circles develop a culture of participation among the workers. It also reflects the democratic set up where the management keeps full faith in the employees and also there is a complete understanding between the management and workers.

### **Industrial Relations**

“Industrial Relations” refers to all types of relations between employers and workers, be they at national, regional or company level; and to all dealings with social and economic issues, such as wage setting, working time and working conditions.

# **What are the Objectives of Industrial Relations and Why are Industrial Relations important?**

## **1. Continuity of Production**

The most vital function of industrial relations is ensuring uninterrupted production.

This means that all positions of employment, from managers to workers, are always filled so that full-scale production is ongoing.

It also means a steady income stream for all involved.

Industries rely on one another.

The goals of industrial relations then is to ensure that there is never a breakdown in communication or degradation of an industrial relationship leading to a stall in productivity and thus a stall in economic gain.

This leads us to the second reason good industrial relations are vital.

## **2. Minimize the occurrence of Industrial Disputes**

Good industrial relations aim to minimize, if not eradicate, the occurrence of strikes, go-slows, lockouts and grievances which hamper industrial activity.

## **3. Minimize Wastage**

Good industrial relations help increase and ensure continuous production.

Good industrial relations thus help minimize wastage of labour and material resources.

## **Industrial Relation from The Employee's Perspective**

# Industrial Relations

## The Employee's Perspective



**How does “Industrial Relations” benefit the employee?**

### **Union Representatives**

Trade and/or labour unions resist the exploitation of employees by employers through equal bargaining power, and represent workers’ interests in the employment relationship.

It is the union (rep), on behalf of the worker, who ensures that the employee benefits from Industrial Relations and aim to secure the workers by helping them to have:

- Better wages that is sustainable for the future of the employee.
- Improved working conditions so that the employee can be productive, safe and happy.
- Mutual respect by ongoing conversation between the employer and their employees to keep the work relationship healthy.



- The proper **Training and Skills Development** to keep up with trends in the workplace so the employee will be able to progress within their career.

Union reps then ensure that the process of Industrial Relations benefits the employee, and protects the interests of the employee during negotiations and similar relations with the employer.

## **How do Unions help employees benefit from Industrial Relations?**

### **1 – Collective Bargaining**

Ever heard the saying “there’s strength in numbers”?

Labour unions represent the interests of a body of employees by means of a united front.

This allows the employees’ voices to be heard more effectively than if employees made the same requests or voiced the same concerns one by one in their individual capacity.

Unions have the power to organize strikes, boycotts, go-slows, sit-ins and formal protests in order to get the employers’ attention and urge them to consider matters from the perspective of the employees that the trade unions represent.

### **2 – Employee Welfare**

Unions look out for the best interests of their members.

Unionized workers, for example, earn higher wages than their non-unionized counterparts, and they automatically have an intermediary who will step in for them during negotiations with employers about work schedules, income, safety etc.

Unions also exist in order to protect employees’ basic rights such as the right to access healthcare and be protected from accident and injury in the workplace.

## **How does “Industrial Relations” benefit the employer?**

### **Union Reps**

Trade and/or labour unions represent the employees in negotiations with the employer.

Because the union rep represents the multitudinous voices of the employees, it allows the employer to hear only one clear and concise argument on behalf of the workers instead of having to field the same comments/concerns from hundreds of employees who are all saying the same thing.

Union reps save the employer time and thus money in this way.

While the interest of the union rep lies with the worker; his/her existence ultimately serves to benefit both parties; both employee *and* employer.

Union reps then ensure that the process of Industrial Relations benefits the employee, and protects the interests of the employee during negotiations and similar relations with the employer.

It also saves the employer man-hours and communication struggles by creating a platform for two-way communication between a large group of employees and a usually smaller group of employers.

### **Collective Bargaining**

Collective bargaining is a voluntary process used to determine terms and conditions of work and regulate relations between employers, workers and their organisations, leading to the conclusion of a collective agreement.

Collective bargaining consists of negotiations between an employer and a group of employees in order to determine the conditions of employment. The result of collective bargaining procedure is a collective agreement. Employees are often represented in bargaining by a union or labour organization. It is a process of negotiation between representatives of workers (usually labour union officials) and the management of an organisation to determine the conditions of employment.

The agreement reached may cover not only wages, but hiring practices, layoffs, promotions, working conditions and hours, and benefit programs.

objectives of collective bargaining include:

1. Maintaining cordial relations between management & the workers
2. Settling disputes/conflicts relating to working conditions & wages
3. Protecting the interest of workers through collective action.
4. Ensuring the participation of trade unions
5. Resolving the differences between workers and management.

### **Principles of Collective Bargaining:**

Principles for Trade Unions:

1. They should have open minds on various issues.
2. There should not be any room for confusion & misunderstanding.
3. Trade Unions should fully support management.
4. Strike calls should be the last resort.

Principles for Management:

1. Management should give proper recognition to trade unions.
2. Rules governing labour should be periodically examined.
3. All the clauses of agreements should be accepted in true spirit.

Principles for both Union & Management:

1. Both the parties should have faith in each other.
2. Both the parties should have positive views of the whole process rather thinking of it as formality.
3. Both the parties should adhere to all laws applicable to collective bargaining.

The process of collective bargaining includes identification of the problem, preparation for negotiations, negotiation procedure, and implementation of contract. In the same vein, the essentials of successful collective bargaining includes favourable political climate, strong and stable unions, recognition of unions, willingness to give and take, negotiator's authority, fair practices and positive attitudes.

All over the world we have certain factors inhibiting collective bargaining and these includes; employer's reluctance, multiple unions, non-recognition, weak unions, political interference, inadequate interventions.

There are different points of view on the advantages or disadvantages of collective bargaining in the workplace. Here is a brief listing for some of them.

#### Advantages:

1. Collective bargaining agreements or contracts help to guide standards.
2. It opens participation in decision-making process.
3. All union members and management must conform to terms of contract without exception.
4. Process exists to question manager's authority if members feel something was done unjustly.
5. It can lead to high-performance workplace where labour and management jointly engage in problem solving and addressing issues on an equal standing.
6. Promotes fairness and consistency in employment policies and personnel decisions within different organizations.

#### Disadvantages:

1. It reduces individuality.
2. All union members and management must conform to terms of contract without exception.
3. Everyone involved must pay union dues even if they do not support unionization.
4. Creates significant potential for polarization between employees and managers.
5. Increased wages and improved facilities for workers can indirectly result in high prices for goods and services.
6. Restricts management's ability to deal effectively with a troubled employee individually.

Above all, the importance of collectively bargaining work conditions cannot be over emphasized. It is the life wire of industrial democracy. Particularly in Africa, we see that industrial unrest continues to persist in the public sector as a result of not properly and effectively applying the use of this platform. Over the years, industrial actions on the continent have greatly hampered performance and productivity and this has not helped in fast tracking expected socio-economic

development. The issue has become the bane of the public sector in many African countries. This has therefore made it difficult for governments to implement laudable policies and programmes to raise the standard of living of the citizens and this in turn has also affected the private sector. Thus creating an economic environment determined by market forces and a liberal political system is a prerequisite for African countries if there is to be an enabling environment for sound industrial relations to thrive as this would positively impact the continent's economy.

## **1. PREPARING FOR BARGAINING**

The union's bargaining team is usually selected through a process outlined in the union's constitution and by-laws, while the employer designates the management team.

Each team analyzes the current collective bargaining agreement to identify areas they want to improve.

## **2. CONDUCTING NEGOTIATIONS**

Negotiations usually take several rounds of bargaining. The union and management sides express the rationale behind their proposals.

## **3. RATIFYING THE CONTRACT**

When the union and employer teams reach a tentative contract agreement, they review the proposed contract with their respective constituency groups.

## **4. RESOLVING A CONTRACT DISPUTE.**

If the parties cannot reach an agreement, state law generally specifies how the dispute can be resolved.

## **5. CHANGING OR CLARIFYING THE CONTRACT.**

With the agreement of both parties, any section of a ratified contract can be revised during the term of the contract. In many districts, labor and management representatives meet regularly during the term of the contract to talk about and resolve issues of mutual concern, often through an established joint labor-management committee.

In addition, either at the bargaining table or during the life of a contract, the parties can bargain a memorandum of understanding (MOU) related to a specific issue. The benefit of an MOU is that it allows the parties to reach an agreement on a new or unforeseen issue that is important to both the union and the employer.

## Grievance handling

Grievance handling is **the management of employee dissatisfaction or complaints** (e.g. favouritism, workplace harassment, or wage cuts). By establishing formal grievance handling procedures, you provide a safe environment for your employees to raise their concerns.

### Steps for Grievance Handling

1. Informal. ...
2. Formal meeting with concerned parties. ...
3. Grievance investigation. ...
4. Grievance result or action. ...
5. A mediator or legal representative can be looped in. ...
6. Grievance appeal.

### Step 1 – Informal approach

Wherever possible an employer should make an initial attempt to resolve a grievance informally.

This can include speaking to the employee who has made the complaint in order to understand how they would like the matter to be resolved.

The aim of the informal approach is to try to prevent the matter from escalating and to settle the problem early on.

It is important during this stage to listen and take account of what the employee has to say, to reassure them that the complaint is being taken seriously and that it will be addressed.

## **Step 2 – A formal meeting with the employee**

This will involve holding a grievance hearing with an employee. The employee has a statutory right to be accompanied at a grievance hearing by a trade union representative or work colleague (4).

The meeting is an opportunity for the employee to explain the grievance and provide details, information or evidence to support the complaint. The employer should aim to establish the facts such as who, what, where, when, why and how the issue came to being.

## **Step 3 – Grievance investigation**

If there is a need to conduct a grievance investigation it will include speaking to witnesses and any individuals implicated in the matter. This will help to shed light on the grievance and to establish the facts of the case.

## **Step 4 - Grievance outcome**

Once the investigation has concluded and all of the facts established and considered a decision will then be made about whether to uphold all or part of the grievance or if to reject it. The decision should be communicated to the employee.

If the grievance is upheld, it may be resolved at this stage. However, if it is part upheld or rejected or the employee remains aggrieved, the process may move on to the next stage.

## **Step 5 – Grievance appeal**

The grievance outcome should notify the individual of their right to appeal. The appeal hearing chair should then establish why the employee is appealing the decision and what resolution the employee is seeking.

The case should be reviewed, the grounds for appeal investigated and fairly considered before an appeal outcome is reached. The appeal is usually the final stage of the grievance process.

## HRIS

HRIS, or human resources information system, is [software](#) designed to help businesses meet [core HR needs](#) and improve the productivity of both managers and employees. This is in large part possible because of automation and synchronized data, which may reduce costly redundancies and provide a trusted source of decision-making, respectively.

### **What does HRIS stand for?**

HRIS stands for [human resources information system](#). It's related to human resources management system (HRMS) and human capital management (HCM), but there are some [subtle differences](#) among the three.

### **What are the benefits of HRIS?**

In addition to improved workforce productivity, employers may find that HRIS helps them:

#### **Make data-driven decisions**

Some systems have predictive analytics, including forecasting and modeling, which can help HR professionals make more informed decisions.

#### **Enhance user experiences**



HRIS with user-friendly interfaces and mobile apps may make it easier to complete job applications, enroll in benefits and perform other HR tasks.

### **Reduce time-intensive labor**

Common HRIS features – such as automation, analytics and artificial intelligence – may help cut the labor costs associated with payroll, time and attendance, and other manual administrative work.

### **Accommodate business growth**

Cloud-based technology is often capable of handling increasing numbers of employees, transactions and data volume, as well as expansions to new locations.

### **Maintain compliance**

Some HRIS providers have monitoring capabilities to stay current with changing regulations and data security measures to help prevent incidents.

The uninterrupted efficiency and success of a company depend a lot on employee well-being. This is why employers try their best to maintain their workforce's health. But, most employers mainly check up on physical health and fail to address the issues affecting mental health.

For corrective measures to address this mental health issue, employee counseling is the need of the hour.

It helps employers understand the unique issues affecting their workers. While doing so, it also helps build a better **employer of choice** image, employee performance, reduced absenteeism, **reduce turnover**, etc, to name a few.

If appropriately utilized, **employee counseling or employee assistance program** can be a great asset in the workplace.

To understand this better, let's get into the topic starting with the basic definition.

## **What is Employee Counselling?**

It is a means of learning about your employee's problems and helping solve them. Such problems are generally caused by one's work, emotional stance, mental health, etc.

Employee Counseling is the answer to combat stress, [mental health](#), etc.

Employee Counseling is the answer to combat stress, [workplace depression](#), anxiety, and declining productivity in an office. The main objective here is to support your employees through suitable guidance.

## **Situations for Employee Counseling**

There are many situations where a counseling session is justified. In this respect, it is mainly on four occasions.

The first is performance counseling. If you notice an employee having inconsistent performance issues, counseling is a must to know the reasons behind it.

Secondly, [disciplinary](#) counseling comes in handy when an employee fails to maintain proper [work ethics](#) and etiquette. These can be [employee absenteeism](#), irritable behavior, constant arguments, etc.

Third comes personal counseling. Sometimes an employee may be disturbed by personal issues. These can be related to family, relationships, etc. Though this may not be of your concern directly, it does affect that individual's work-life.

Fourth comes stress management in the workplace. With constant competition and deadlines comes stress in the workplace. Ultimately, this stress will negatively impact an employees' overall health too. Thus, counseling sessions to address this issue are paramount.

These are four situations wherein counseling is needed, and the following are the reasons why.

## **Importance of Employee Counseling**

Effective employee counseling helps tackle problems efficiently. It also helps in elevating productivity levels. This results in better operational results with a clear-

headed task force. By doing this, it helps reduce absenteeism in the workplace as well.

Also, proper counseling brings in a different perspective. It helps your employees get a different view of their problems. This ultimately helps them understand things better and resolve issues quickly.

Besides these, it also helps in better decision-making by employees, reduces attrition, and bring better employee engagement and experience.

But, the key thing to remember here is this. These attributes are only attainable through proper employee counseling. You must be able to do it well and do it right.

Here's how you can implement a proper employee counseling program in your organization.

## **How to Conduct Proper Employee Counseling in the Workplace**

### **1. Addressing Issues**

The first step here is the acceptance of a problem and then addressing them. Next, you must sit down with your employees and discuss things out. Here, you can set a day and time in advance to let the individual prepare. If they feel they need a person to support them, they may bring them along as well.

In this meeting, it's essential to be non-judgmental. Make it a point to listen first and discuss later. Be friendly and approachable in this aspect. Sometimes, talking about your problems and how you overcome them helps employees open up too.

Get to know about their problems and what they think is affecting them and approach accordingly.

### **2. Type of Counseling**

The type of counseling is also essential to note here. There are three types of counseling. These are directive, non-directive, and participative counseling. After the first session of hearing your employees, you must decide on one of these.

In directive counseling, the appointed counselor plays a significant role here. He/she is actively taking part in the process with guidance and action plans.

In non-directive, there is a significant absence of the counselor in this matter. Here, the employees are allowed to deal with their problems themselves.

Participative counseling is a mix of the other two. This type helps the counselor and employee function together and work things out.

### **3. AI**

Due to its vast applicability, [AI in HR](#) is also helping in employee counseling. This is mainly achieved through AI Psychologists. One such application is Ginger.io which delivers emotional counseling to employees. It does this through AI Pattern Recognition Platforms.

These [employee recognition tools](#) work on pre-determined design aspects to help people solve problems by guiding them on the best way forward. Based on its applicability and usability, AI can help companies determine [employee behavior](#) by examining various points. These can be employee stress level, burnout, moods, etc.

### **4. Feedback**

After going through the above steps comes the turn of feedback. The appointed counselor must give [effective feedback](#) on how employees can overcome their troubles. List out the things they are doing well in and where they are falling behind.

It is essential not to be harsh. Give your employees the [appreciation](#) for things done right and motivation for things needing improvement.

### **5. Follow-Up**

After feedback comes the turn to follow up on the plan and its results. You should make sure they are following the decided corrective action in counseling. A follow-up session must also be there to see how the employee is doing.

These are the five steps for proper employee counseling in the workplace.

### **Conclusion**

Today's workforce is more inclined towards a company that cares about its workers besides its brand. The feeling that a company cares about its employees attracts the best around. To achieve this, you must do everything you can.

In the current market, the Employee Counseling or an Employee Assistance Program is a brilliant way of doing so. And it is not only beneficial for your employees but also productivity. This is what makes these sessions such a sweet deal for both parties.

Be sure to make the best of this growing concept in the HR field today.

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