Unit –I

Introduction to Human resource management: context and concept of people management in a systems perspective- organization and functions of the HR and Personnel department- HR Structure and strategy; Role of Government and personnel Environment including that of MNCs.

Meaning of HRM:

Human Resource Management is a process of bringing together people of an organization to achieve the goal of the organization.

Definition of Human Resource Management:

According to Flippo "Human Resource Management is a process of planning, organizing, controlling and directing of the procurement, development, compensation, integration and maintenance and reproduction of Human Resource activity to attain individual, organization and societal objectives".

Features/Nature of Human Resource Management:

➢ It is people oriented.
➢ It is action oriented.
➢ It is a continuous function.
➢ It is pervasive function.
➢ It is an inter disciplinary action.
➢ It is individual oriented.
➢ It is a future oriented.
➢ It is a Science as well as art
➢ It is a challenging function.

Objectives of HRM:

• To help the organization attain its goals by providing well-trained and well-motivated employees.

• To employ the skills and knowledge of employees efficiently and effectively, i.e., to utilize human resources effectively.

• To enhance job satisfaction and self-actualization of employees by encouraging and assisting every employee to realize his/her full potential.

• To establish and maintain productive, self-respecting and internally satisfying working relationships among all the members of the organization.

- To bring about maximum individual development of members of the organization by providing opportunities for training and advancement.

- To secure the integration of all the individuals and groups with the organization by reconciling individual/group goals with those of an organization.

- To develop and maintain a quality life which makes employment in the organization a desirable personal and social situation.

- To maintain high morale and good human relations within the organization.

- To help maintain ethical policies and behavior inside and outside the organization.

- To manage change to the mutual advantage of individuals, groups, the organization and the society.

- To recognize and satisfy individual needs and group goals by offering appropriate monetary and non-monetary incentives.

History of Human Resource Management:

Modern Human resource management has emerged through many stages which may be summarized as follows:

1. **The Industrial Revolution**: Industrial revolution consisted mainly of the development of machinery , linking of power to machines and establishment of factory system and mass production

2. **Trade Unionism**: workers formed their unions to improve their lot. The basic philosophy underlying trade unionism was that through collective support, the management could be forced to redress their grievances.

3. **Scientific Management**: It has a great impact on management, particularly on employer employee relations. It led to professionalism of management, human engineering etc.,

4. **Industrial psychology**: It stressed matching of employee skills with jobs. Hugo Munsterberg contributed significantly to analysis of jobs in terms of their mental and emotional requirements.

5. **Human Relations Movement:** Hawthorne experiment and subsequent research focused attention on the attitudes and feelings of workers and their influence on productivity.

6. **Behavioral sciences:** Research in behavioral sciences like anthropology, sociology, psychology etc. has provided the subject matter for human resource management.

7. **Human resource specialist and employee welfare:** with the existence of welfare era, the scope of human resource management has increased.
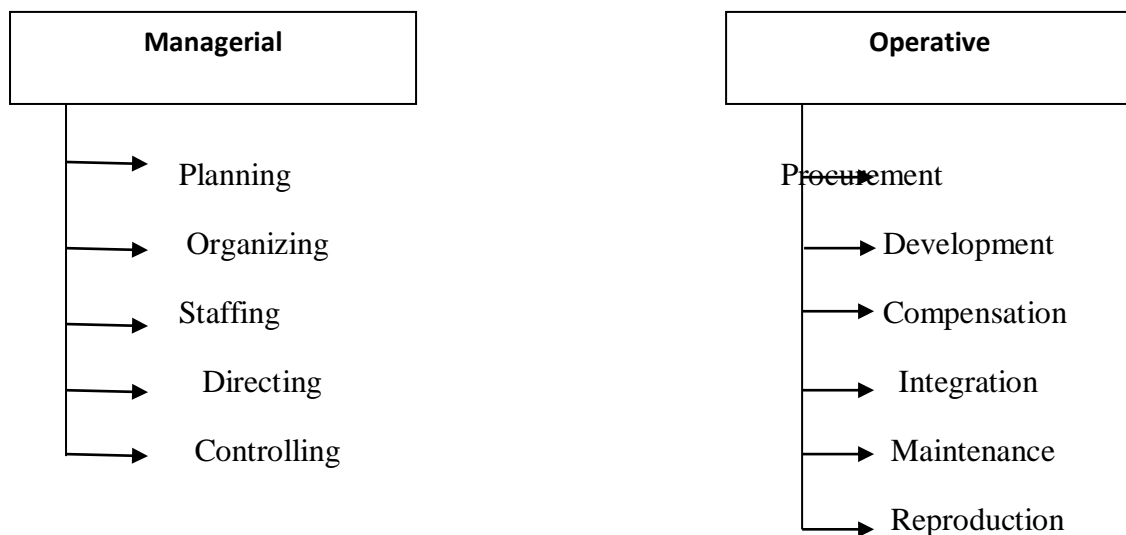
Evolution of Concepts of Human Resource Management:

Modern concept of Human resource Management has developed through the following stages;

1. **The Commodity Concept:** Before the Industrial revolution, the guild system was the beginning of human resource management. Due to the separation of owners from managers, close relationships between owners and employees were broken. Labour began to be considered a commodity to be bought and sold.

2. **The Factor of Production Concept:** under this concept, employees were considered a factor of production just like land, materials and machinery.

3. **The paternalistic Concept:** Employees organized together on the basis of their common interest and formed trade unions to improve their lot. Employers and employees both began to realize that they cannot survive and prosper to each other.

4. **The Humanitarian Concept:** This approach is based on the belief that employees have certain rights as human beings and it was the duty of the employer to protect these rights.

5. **The Human Resource Concept:** Several studies were conducted to analyze and understand human resource behavior in organizations. These studies led to the application of behavioral sciences on the problems of individuals and group behavior at work.

Functions of Human Resource Management:

It can be broadly classified into two types:

Managerial	Operative
Planning	Procurement
Organizing	Development
Staffing	Compensation
Directing	Integration
Controlling	Maintenance
	Reproduction

I. Planning:

Planning is the process of deciding the goals and formulating policies and programmmes to achieve the goals. In the area of human resources management. Planning involves deciding human resource goals, formulating human resource policies and programmes, preparing the human resources budget.

II. Organizing:

In order to implement the plans, a sound organization structure is required. Organizing is the process of allocating tasks among the members of the group, establishing authority-responsibility relationships among them and integrating their activities towards the common objectives. In this way, a structure of relationships among jobs, personnel and physical factors is developed.

III. Staffing:

Staffing is the process of recruiting the right person for the right job at the right time in order to achieve the organization.

IV. Directing:

Directing is the process of motivating, activating, leading and supervising people. Directing includes all those activities by which a manager influences the actions of subordinates. Directing also helps in building sound individual and human relations in the organization.

V. Controlling:

It implies checking, verifying and regulating to ensure that everything occurs in conformity with the plans adopted and the instructions issued. Controlling the management of human resources involves auditing training programmes, analyzing labour turnover records, directing morale surveys, conducting separation interviews and such other means.

I. Procurement function:

It is concerned with securing and employing the right kind and proper number of people required accomplishing the organizational objectives. It consists of the following activities.

(a) Job Analysis:

It is the process of studying in details the operations and responsibilities involved in a job so as to identity the nature and level of human resources required to perform the job effectively. Job descriptions and

job specifications are prepared with the help of information provided by job analysis.

(b) Human Resource Planning:

It is the process of estimating the present and future manpower requirements of the organization, preparing inventory of present manpower and formulating action programmes to bridge the gaps in manpower.

(c) Recruitment:

It is the process of searching for required human resources and stimulating them to apply for jobs in the organization.

(d) Selection:

It implies judging the suitability of different candidates for jobs in the organization and choosing the most appropriate people.

(e) Placement:

It means assigning suitable jobs to the selected candidates so as to match employee qualifications with job requirements.

(f) Induction or Orientation:

It involves familiarizing the new employees with the company, the work environment and the existing employees so that the new people feel at home and can start work confidently.

II. Development function:

Human resource development is the process of improving the knowledge, skills, aptitudes and values of employees so that they can perform the present and future jobs more effectively. This function comprises the following activities.

(a) Performance and Potential Appraisal:

It implies systematic evaluation of employees with respect to their performance on the job and their potential for development.

(b) Training:

It is the process by which employees learn knowledge, skills and attitudes to further organizational and personal goals.

(c) Executive Development:-

It is the process of developing managerial talent through appropriate programmes.

(d) Career Planning and Development:

It involves planning the career of employees and implementing career plans so as to fulfill the career aspirations of people.

III. Compensation function:

It refers to providing equitable and fair remuneration to employees for their contribution to the attainment of organizational objectives. It consist of the following activities.

(a) Job Evaluation:

It is the process of determining the relative worth of a job.

(b) Wage and Salary Administration:

It implies developing and operating a suitable wage and salary programme.

(c) Bonus:

It involves payment of bonus under Payment of Bonus Act, 1965 as well as non-statutory bonus and other incentives.

IV. Integration function:

It is the process of reconciling the goals of the organization with those of its members. Integration involves motivating employees through various financial and non-financial incentives, providing job satisfaction, handling employee grievances through formal grievance procedures, collective bargaining, workers' participation in management, conflict resolution, developing sound human relations, employee counseling, improving quality of work life, etc.

V. Maintenance function:

It is concerned with protecting and promoting the physical and mental health of employees. For this purpose, several types of fringe benefits such a housing, medical aid, educational facilities, conveyance facilities, etc. are provided to employees. Social security measures like provident funds, pension

gratuity, maternity benefits, injury/disablement allowance, group insurance, etc. are also arranged. Health, safety and welfare measures are designed to preserve the human resources of the organization.

EMERGING TRENDS:

1. Human Resource Accounting
2. Human Resource Audit
3. International Human Resource Management.
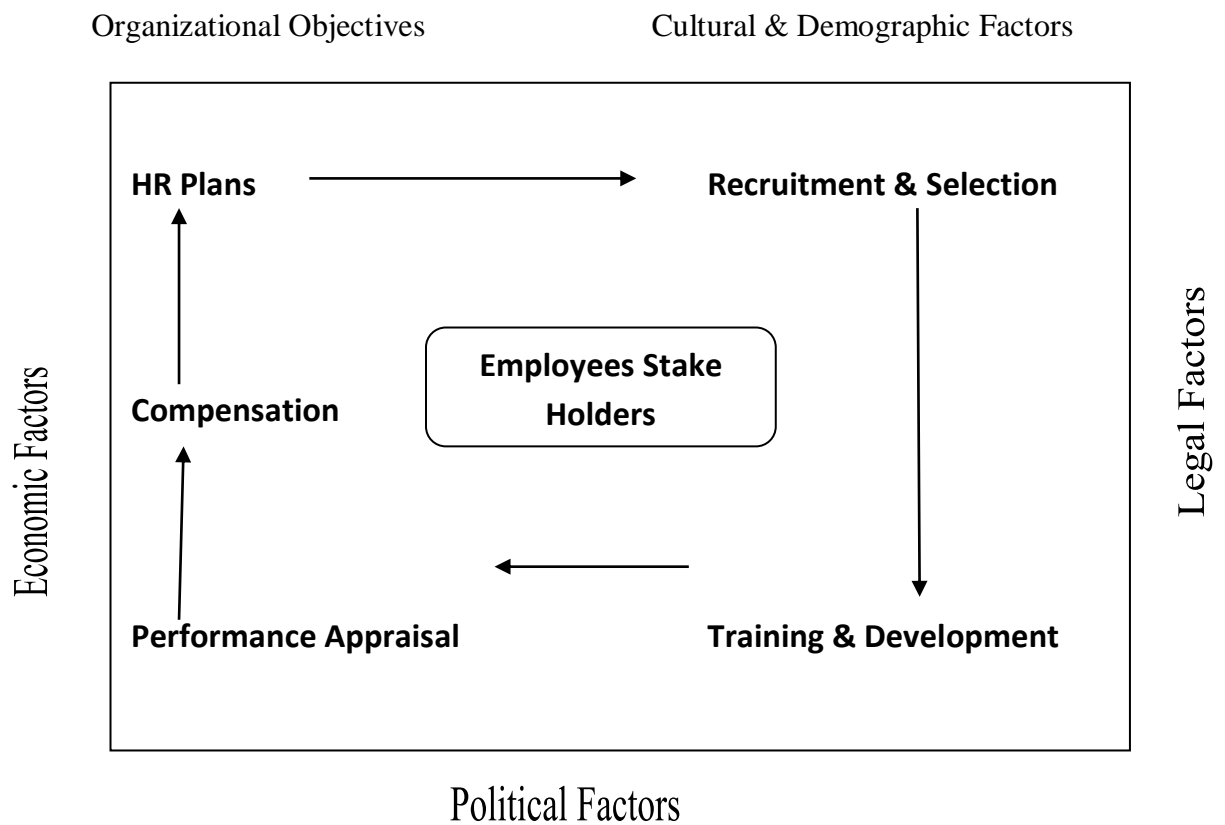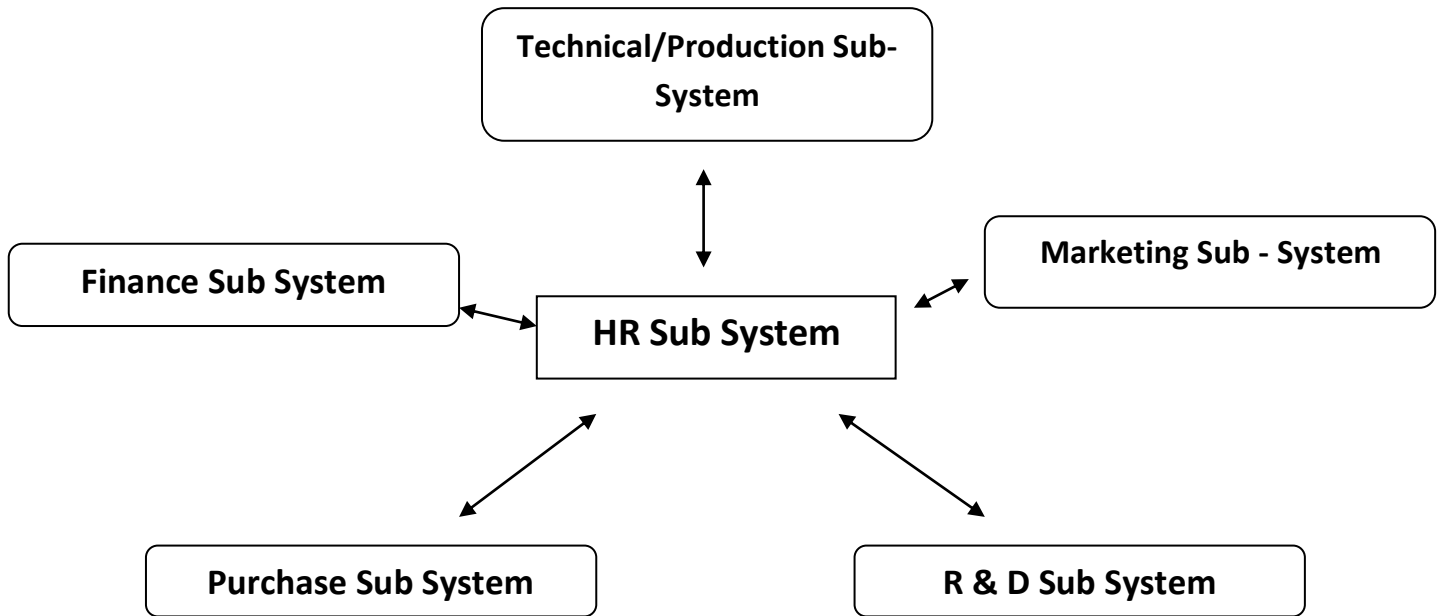
Role of Human Resource Manager:

- As a leader
- Figurehead
- As a controller
- As a Liaison officer
- As a disseminator
- As a resource allocator
- As a negotiator
- As a spokes person
- As a initiator
- As a communicator
- As a change agent
- As a Housekeeper
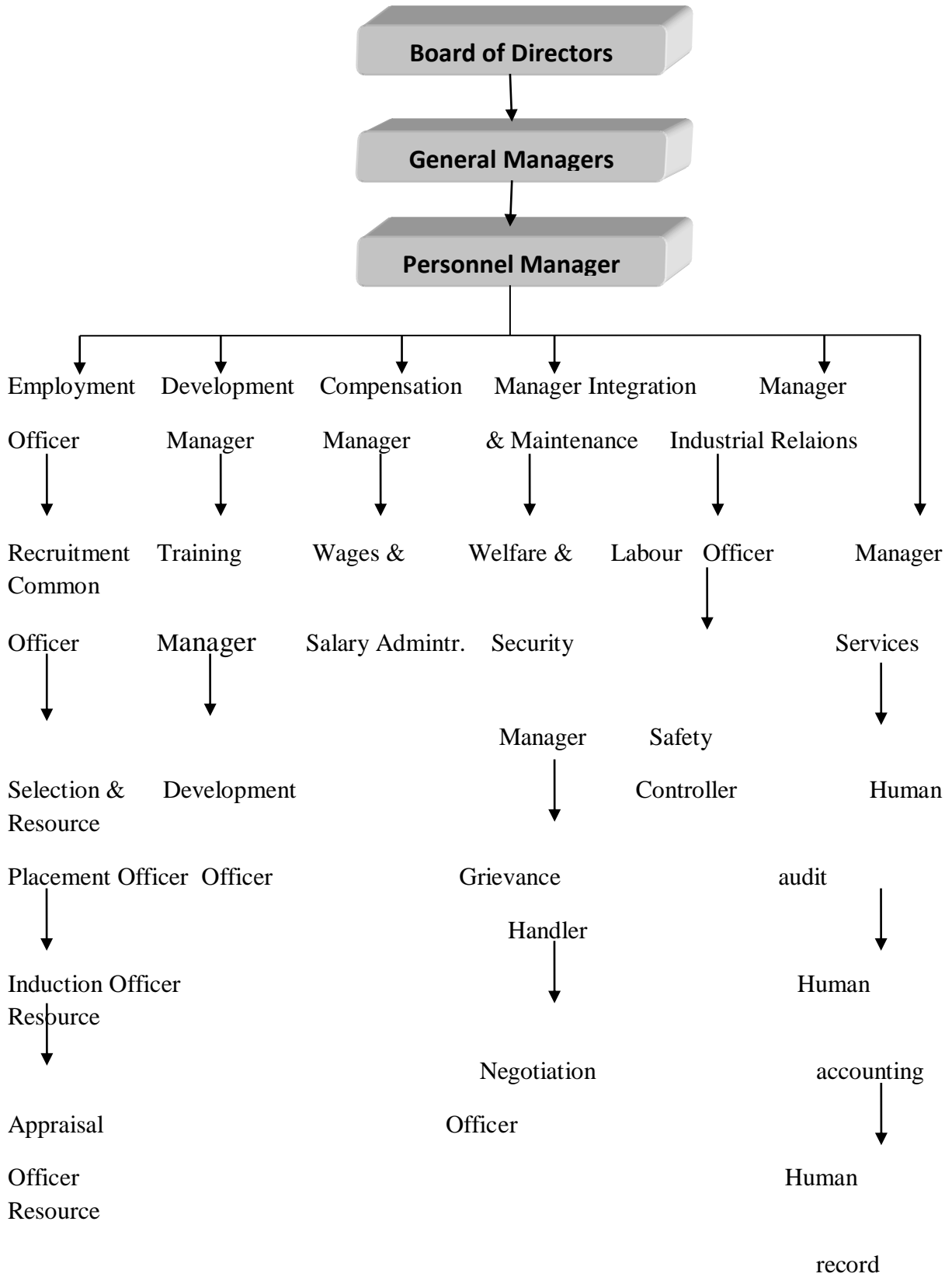- As a fire fighter

Qualities of a Human Resource Manger:

- Communication skill
- Required in knowledge
- Human and conceptual skills
- Emotional stability
- Patience and perseverance
- Technical skill
- Negotiator
- Problem solving
- Decision making

Human Resource as a Sub system:

A system is an interrelated activity of all sub system of an organization. Human resource management is considering one of the sub system which supports all other sub system to manage the information source of an organization.

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        │ Purchase Sub System  │        │   R & D Sub System   │
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Organizational Objectives   Cultural & Demographic Factors

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Economic Factors                                                    Legal Factors

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        │  Performance Appraisal              Training & Development    │
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Political Factors

Human Resource Structure:

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                        │   Personnel Manager │
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Employment Officer	Development Manager	Compensation Manager	Manager Integration & Maintenance	Manager Industrial Relaions	Manager
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Recruitment Common	Training	Wages &	Welfare &	Labour Officer	Manager
Officer	Manager	Salary Admintr.	Security	↓	Services
↓	↓				↓
Selection & Resource	Development		Manager	Safety	Human
Placement Officer	Officer		↓	Controller	audit
↓			Grievance		↓
Induction Officer Resource			Handler		Human
↓			↓		↓
Appraisal			Negotiation		accounting
Officer Resource			Officer		↓
					Human
					record

Human Resource Strategy:

Human resource strategy is a long term comprehensive and integrated plan to gain strategic advantage of an organization with the utilization of available man power.

Functions of Personnel/HR Department: (Note: Points to be explained)

1. Formulation of polices
2. Assistance and Guidance
3. Advisory role
4. Social security and welfare activities
5. Controlling and monitoring activities

Steps in Human Resource Strategy: (Note: Points to be explained)

1. Formulation of business strategy
2. Framing the human resource strategy
3. Identifying the deliverables
4. Constructing human resource architecture and comparing the deliverables.
5. Implementation of human resources strategy
6. Monitoring and receiving feedback.

Steps in Designing Human Resources Policies:

1. Identification of the needs:

First of all, the areas requiring human resources policy are identified. Policies are required in various areas of human resource management such as hiring, training, compensation, industrial relations, etc. Need for a new policy or revision of an existing policy may be voiced by the company's staff or by a trade union.

2. Gathering Information:

Once the need for a policy has been accepted, the next step is to collect necessary facts for its formulation. A committee or a specialist may be assigned the task of collecting the required information from inside and outside the organization. Widespread consultation and discussions at this stage are helpful in developing sound human resource policies.

3. **Examining the policy alternatives:**

   On the basis of data collected, alternatives are appraised in terms of their contributions to organizational objectives. It is necessary to secure active participation of those who are to use and live with the policies. The chosen policy is then put in writing in appropriate form.

4. **Getting Approval:**

   The human resources department will sent the policy draft at right time to top management for its approval. To management has the final authority to decide whether a policy adequately represents the organization's objectives.

5. **Communicating the policies:**

   The approval policy needs to be communicated throughout the organization. Policy manual, house journals, meetings and other methods may be employed for this purpose. In addition, an educational programme may be arranged to teach people how to apply the enunciated policy.

6. **Implementation of the policies:**

   In this process, the management should implement the policies in an organization, after communicating to every one.

7. **Evaluating the policy:**

   From time to time the policy should be evaluated in terms of experiences of those who use it and of those who are affected by it. Environmental changes should also be considered. Any serious difficulty with a policy along with suggestions should be reported to the top management. Such knowledge will enable the management to decide whether there is need to restate or reformulate the policy.

MULTINATIONAL CORPORATION

A multinational corporation is a company which as its parent company in the home country and its branches in the host countries.

Human Resource practices in Multinational Corporation:

The following are the major factors which has a greater impact of human resources in global perspective.

- Cultural factors
- Labour relation
- Human Resource policies
- Individualism
- Communication skill
- Taxation

Major factors in Personnel/HR management:

1. Concern for privacy
2. Change in attitude towards work
3. Balancing family and work
4. Quality of work life
5. Organizational development

Factors under the role of government in MNC's:

1. Tax benefits
2. Relaxation of rules and regulation
3. Special brands
4. Labour unions

UNIT-II

HR planning and Selection: Human resource Information System (HRIS), Manpower Planning-Selection system including Induction- Performance and Potential appraisal; Coaching and Mentoring; HRM issues and practices in the context of outsourcing as a strategy and MNCs

Human Resource Information System (HRIS)

Meaning:

Human Resource Information System is a collection of information which has been stored maintained retrieved and valuated with respect to an organization policies and details of the employees.

Components of Human Resources Information System:

1. Input
2. Data maintenance
3. Output

Input ⟶ Data maintenance ⟶ Output

Information required for HRIS:

1. Recruitment information
2. Manpower planning information
3. Training information
4. Appraisal information
5. Compensation details
6. Career planning information

Steps in HRIS: (Note: Points to be explained)

1. Preliminary system analysis
2. System designing
3. System engineering
4. System testing an implementation
5. System evaluation

HR Inventory

Human resource inventory is a collection of raw details with respect to an individual employees data base. It includes the following:

- The data of joining a employee
- The individual employees performance
- The training provided to the employee
- HR policies in other details pre training to an individual employee

Benefits/importance of HRIS:

1. It provides a well define information system
2. It helps to access data readily with required information.
3. It provides good record maintenance of employees job details
4. It anticipates the requirements that have to be fulfilled with a stipulated time.
5. A collection of define information can be accumulated using this database.

MAN POWER/HUMAN RESOURCE PLANNING:

Meaning:

Human resource planning is a strategy for acquisition, utilization, improvement and reservation of an organization human resources for a accomplishing the goals to be achieved.

Definition:

Human resources planning is a process by which the management determines how and organizations should move its current employees position to the desired position.

Steps in HR/Manpower planning:

1. Analyzing organizational plans:

First of all, the objectives and strategic plans of the company are analyzed. Plans concerning technology, production, marketing, finance, expansion and diversification give an idea about the volume of future work activity. It is also necessary to decide the time horizon for which human resource plans are to be prepared.

2.   **Forecasting the demands of manpower:**

On the basis of corporate and functional plans, and future activity levels, the future needs for human resources in the organization are anticipated. The number of people and the skill levels needed in future depend on the production and sales budget in a manufacturing enterprise.

In order to forecast the demand of manpower, the following technique should be used.
(a) Managerial Judgement
(b) Work-study method
(c) Ratio-Trend Analysis
(d) Mathematical Models

3.   **Forecasting the supply of manpower:**

Every organization has two sources of supply of human resources—internal and external. Internally, human resources can be obtained for certain posts through promotions and transfers. On the other hand, the human resources can be obtained through institution, employment exchange, campus interview etc.

4.   **Estimating the gaps:**

Net human resources requirements or manpower gaps can be identified by comparing demand forecasts and supply forecasts, such comparison will reveal either deficit or surplus or human resources in future. Deficits suggest the number of persons to be recruited form outside whereas surplus implies redundant to be redeployed or terminated.

Similarly, gaps may occur in terms of knowledge, skills and aptitudes. Employees estimated to be deficient can be trained whereas employees with higher skills may be given more enriched jobs.

5.   **Action planning:**

Once the manpower gaps are identified, plans are prepared to bridge these gaps. Plans to meet the surplus manpower may be redeployed in other departments/units and retrenchment in consultation with the trade unions. People may be persuaded to quit voluntarily through golden handshake. Deficit can be met through recruitment, selection, transfer, promotion and training plans.

6. Monitoring and Control:

Once the action plans are implemented, the human resources structure and system need to be reviewed and regulated. Zero-base budgeting may be used to encourage managers to justify their action plans. An organization operating on a five-year planning cycle may record human resource levels in such a way that it is easy to monitor progress and hold managers responsible.

Methods of analyzing Manpower planning:

Qualitative Analysis	Quantitative Analysis

Qualitative Analysis:
→ Managerial judgement
→ Skills and Knowledge identification
→ Confidential reports

Quantitative Analysis:
→ Mathematical Models
→ Work Force Analysis
→ Work Study
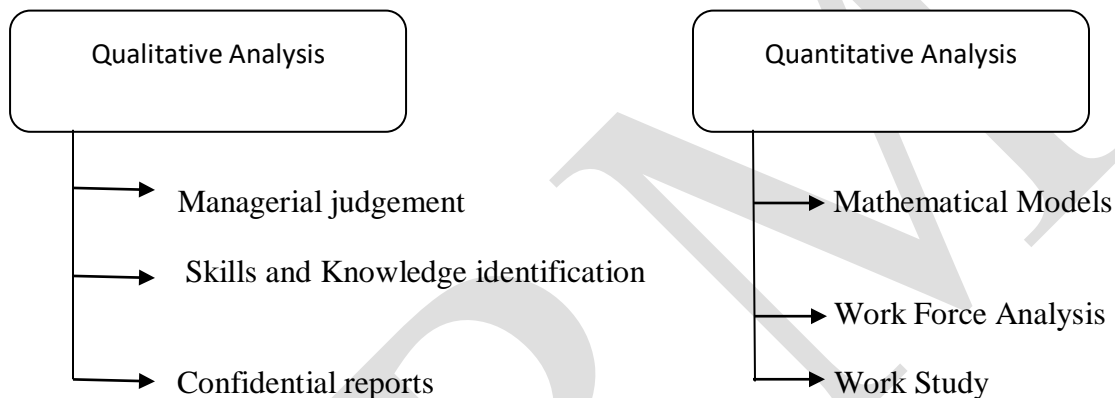
Objectives of Manpower/HR Planning:

1. To ensure maximum utilization of existing manpower
2. To forecast demand and supply of labours
3. To anticipate future requirement of manpower
4. To link and manpower planning with the organizational planning
5. To identify the levels of recruitment and training
6. To sustain an improve the growth of the organization
7. To estimate the effectiveness of existing manpower with the appraisal process
8. To empower the optimum utilization of available manpower with monetary and non-monetary
9. To provide assistance to other functional areas with initial support and adequate requirements.

Recruitment:

It is a process of searching for prospective candidates and encouraging them to apply for jobs in an organization.

Process of Recruitment:

1. Forecasting the demand and supply of manpower which is otherwise termed as manpower requisition.
2. Identifying and developing sources of recruitments for the required number of persons
3. Searching for the prospective candidate with required qualifications to meet the manpower requirement.
4. Communicating the basic information about the organization and motivating them to apply for the jobs.
5. Evaluating the effectiveness of recruitment process.

Sources of Recruitment:

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    │   Internal   │              │   External   │
    │   Sources    │              │   Sources    │
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1. Promotion

2. Transfer

1. Press advertisements

2. Educational institutions

3. Employment Exchange

4. Labour Contractors

5. Unsolicited Applicants

6. Employee Recommendations

7. Recruitment at Factory Gate.

8. Placement Agencies
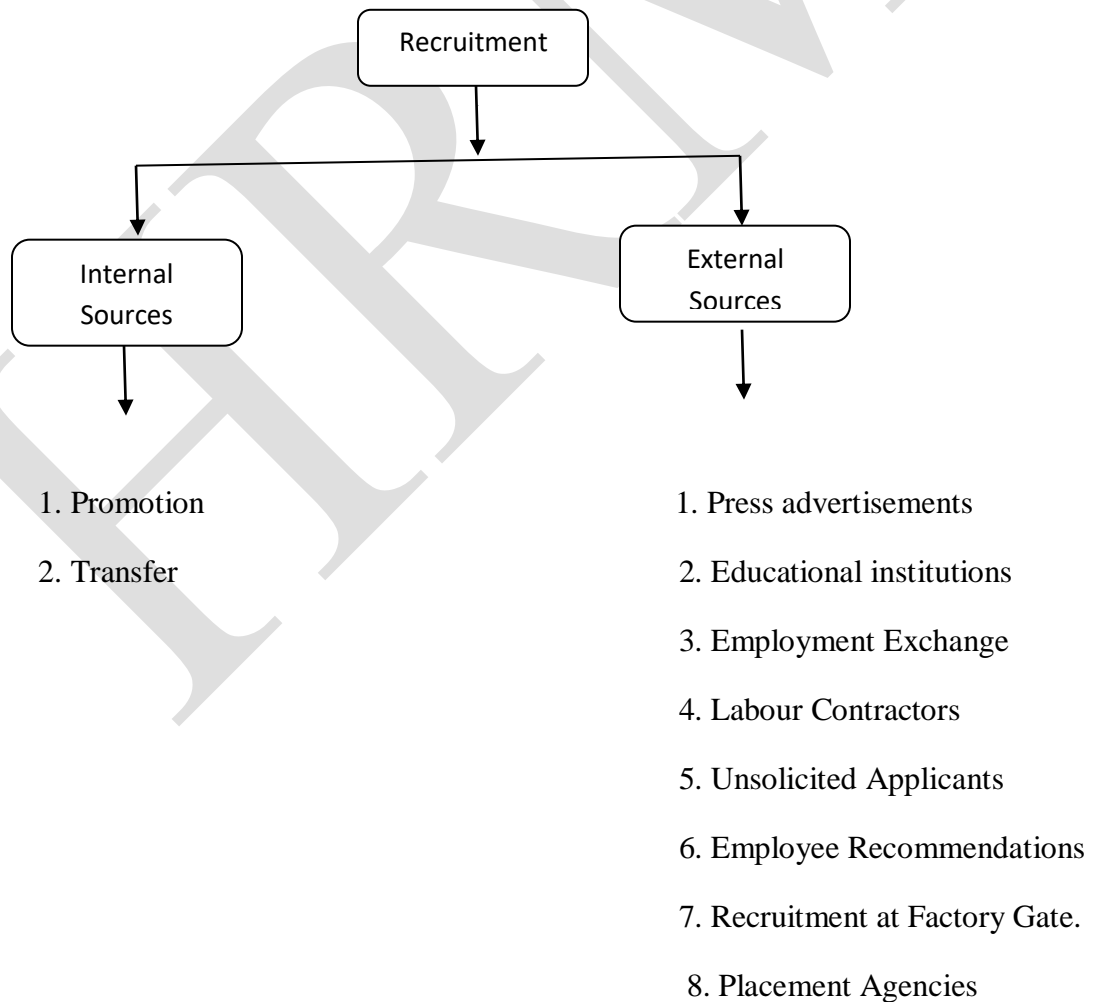
Methods of Recruitment:

1. Direct method
2. Indirect method
3. Third party involvement
4. Internet recruitment

Placement:

It is a process of inviting and individual or an employee in to organization with describe a job profile to continue his/her service for certain period of time.

Induction:

It is otherwise called as Orientation/Probation. It is a process welcoming a new employee into an organization and supportive to get used with the describe job profile which will make him comfortable with the nature of task to be completed. Normally to the induction process the following basic information about the

- History of the company
- Nature of the department
- Vision and mission statement
- Organization short term & long term objectives
- Policy and regulation
- Training and development activity
- Grievance planning and procedure

Selection:

Selection is the process of choosing he most suitable candidates among the applications. It is otherwise, matching the qualifications of an individual with the job requirements.

Selection is the process of eliminating the unwanted candidates in a recruitment process.

Steps in Selection: (Note: Points to be explained)

1. Receiving application form
2. Scrutinizing/Examining the application form
3. Preliminary test (aptitude test)
4. Other test (Analytical reasoning, Communication test, Psychological test)
5. Medical fitness/physical examination
6. Checking for references

7. Offering the job

8. Induction

9. Confirmation of the job

Coaching:

Coaching is a process where in a superior guides and inspect his subordinates with a set of mutually agreed upon instruction s and provides him valuable suggestion by rating his performance towards a particular job. The person who gives such instruction and guidance is called coaching.

Advantage of Coaching:

1. It develops better relationship between the superior and the subordinates by good understanding and relationship.
2. It is a process of learning by doing.
3. It helps to have better understanding towards existing job profile.
4. It enhances morale of the employees towards the organization growth.
5. It helps to enrich the knowledge and skills of the employees thereby increasing the productivity level.

Disadvantage of Coaching:

1. Lack of coordination
2. Lack of communication
3. Lack of knowledge
4. Time consuming

Mentoring:

A mentor is a person who systematically develops other person's abilities to intensive coaching and guiding. It is a one to one relationship where in a mentor develops a relationship with other person through his guidance and counseling.

Process of Mentoring:

1. **Initiation:** The mentoring process begins with a meeting between the mentor and the mentee. The first meeting breaks the ice and facilitates the cultural transition of the mentee.
2. **Progression**: As the mentor-mentee relationship begins to crystallize, the mentor provide coaching and counseling. Regular meetings help to forge relationships.

3. **Assimilation:** The mentor goes on to build close ties with her mentee. The latter may even discuss her personal problems and receive help on how to solve them and to integrate better into the organization.

4. **Integration**: Buddies are attached to the mentees. Drawn from peer groups, they act as communication bridges whenever there are gaps because of age differences between the mentor and mentees.

Training and Development – Meaning

Training and Development is the continuous process of improving skills, gaining knowledge, clarifying concepts and changing attitude through structured and planned education by which the productivity and performance of the employees can be enhanced.

Good & efficient training of employees helps in their skills & knowledge development, which eventually helps a company improve its productivity leading to overall growth.

Training is about knowing where you are in the present and after some time where will you reach with your abilities. By training, people can learn new information, new methodology and refresh their existing knowledge and skills.

Training and Development Process

Training and development is a continuous process as the skills, knowledge and quality of work needs constant improvement. Steps for training and development processes are:

1. Determine the need of training and development for individuals or teams

First of all the need has to be seen for training and development. it has to align with the company's goals and objectives. If a company is trying to start a new department or strengthen existing sales team in new products, then an appropriate training is needed.

2. Establish specific objectives & goals need to be achieved

The goals and objectives of the training and development have to be established. Whether the goal is awareness about new products or even installation is required to be learnt.

3. Select the methods of training

Next, methods have to be defined. The training can be done as a :

a. Classroom Training

b. Online Self paced courses

c. Course with certification

d. Instructor led online training

4. Conduct and implement the programs for employees

After the plan and methods are finalized, the training and development programs have to be executed where courses, instructions are taught to the employees, partners or vendors.

5. Evaluate the output and performance post the training and development sessions

Training and Development is incomplete without proper monitoring. Monitoring can be done through evaluation of the instructor as well as attendees. Instructor evaluation can be done through feedback or ratings but attendees can be evaluated through internal or external certifications or scores.

6. Keep monitoring and evaluating the performances

Based on the evaluation results in the previous step, management needs to ascertain that if the training and development program was sufficient for now or more training and enablement would be required. Also, if future trainings are to be planned.

Importance of Training and Development

1. Optimum utilization of resources

2. Development of skills like time management, leadership, team management etc.

3. To increase the performance, productivity and motivation

4. To imbibe the team spirit

5. For improvement of organization culture

6. To improve quality

7. To increase profitability and bottom line by acquiring new skills

8. Improving brand image by having well trained employees

DIFFERENCE BETWEEN TRAINING AND DEVELOPMENT

Training is the process of teaching them the fundamental skills they need to do their jobs whereas, development is the process of training managers and professionals on how to improve their knowledge, abilities, and attitudes in order to be better prepared for future positions.

Training	Development
Employees are given the opportunity to acquire skills, competencies, and learning in accordance with post-duty obligations through training.	Development is a term used to describe a procedure that aids in the understanding of an employee's overall growth and improvement of abilities.
Training is provided to employees to improve their work performances.	It is done to prepare employees for future challenges.

It is short-term.	It is long-term.
Only technical and mechanical operations are covered through training.	Philosophical, theoretical, and educational notions are all included in the term "development."
It changes the skill level.	It changes behavioral skills.
Generally, training entails acquiring new skills and updating existing ones.	Development mostly relates to the implementation of previously taught sessions as well as the discovery of new ones.

NEED FOR TRAINING AND DEVELOPMENT

1. Improvement

When management thinks that there is a need to improve the performances of employees

2. Benchmarking

To set up the benchmark of improvement so far in the performance improvement effort

3. Specific Role Requirement

To train about the specific job responsibility and skills like communication management, team management etc.

4. Testing

To test the new methodology for increasing the productivity

Types/Methods of Training and Development Methods

There are several training and development methods available. The use of a particular method depends upon the criteria which accomplishes training needs and objectives.

There are various training and development programs which are held in the organization to train the employees according to nature of their jobs. Training and development methods are classified into two categories;

I. On-the-job Methods

It is traditional mode of training which is designed to enhance the knowledge and learning of employees to perform their job properly under the guidance and supervision of trained instructor.

Job instruction training;

This technique of training was developed during the world war II. It is basically used to teach the workers how to perform their current jobs. A trainer, supervisor and co-worker can act as a coach.

Coaching;

It is continuous learning process by doing. Coaching involves direct instruction, guidance, extensive demonstration and continuous critical evaluation and correction.

It is a kind of the daily training and feedback is given to employees immediately by their coach or supervisor.

Mentoring;

In this method, a senior person in the organization takes the responsibility of training as well as grooming of a junior.

A mentor acts as a teacher, guide, counselor, philosopher, and facilitator of the juniors.

Whenever any problem arises to juniors to perform their work than mentor helps them to overcome to that problem through his experience and fine sense of opinion.

Job Rotation;

Position rotations training is broadening of the background of the trainees in the organization.

Through job rotation method a employee understand the larger perspective and different functional areas of the organization.

Special Projects;

This method of training give the chance to the trainees to work on some projects related with departmental objectives.

Through this method the trainees will acquire the knowledge about the assigned work and also learn how to work with others.

Committee Assignment;

In this, the trainees become the members of the committee in the organization. The committee assigned a problem to discuss and make recommendations according to that.

II. Off-the-job Methods

Another part of training and development methods is off the job method. In this method the trainees have to leave their jobs and workplaces to learn and acquire knowledge related to their work which will enhance their working abilities.

Special courses and lectures;

Being a traditional method it is most popular method of developing personnel even today. These types of courses and lectures are designed to enhance and improve the knowledge of the trainees.

These courses and lectures are designed by any management or professional school.

Companies sponsor their trainees to attend these courses or lectures. This the most easy and quick way to provide knowledge to a large group of trainees.

Conferences and Seminars;

In this method, the participants have to share their ideas, suggestions, thoughts, viewpoints and recommendations.

When the trainees attend conference and seminars, they will observe a problem from different angles because the participants are from different fields and sectors.

Selected Reading;

This is the self improvement training technique. The Trainees obtain required knowledge and awareness by reading various business journals and magazines.

Most of the companies have their own libraries. The employees become the members of the professional associations to have awareness of latest development in their respective fields.

Case study method;

In this method, trainees used to analyze the situation/problem faced by a company in the past. Companies have the record of these situation and their solution in a written form.

These types of cases are provided to the trainees where they analyze and discuss the situations/problems and their solution.

The main aim of this method is to identify and diagnose the problem. The participants can suggest the alternate course of action according to them.

Programmed instruction/learning;

This is step by step self learning method where the medium may be a text book, computer or the internet.

This is a systematic method for teaching job skills involving presenting questions or facts, allowing the person to respond and giving the immediate feedback to his/her answers.

Brainstorming;

This is creativity training technique, it helps people to solve problems in new and different ways.

In this technique, the trainees are given the opportunity to generate ideas openly and without any fear of judgment.

Once a lot ideas are generated then they are evaluated for their cost and feasibility.

Role Playing;

In this method, a role of is assigned to the trainees in which they have to play a role of another person in an artificially created situation.

For example, a trainee is asked to play the role of a trade union leader and another trainee is required to perform a role of a HR manager.

Through this technique the trainees can understanding each other's situation in better way by analyzing their work and problems faced by them.

Vestibule Schools;

Well established organization provide training center to the trainees within the organization in which the trainees are given some particular training according to the nature of their job.

A vestibule school is a training center operated by the personnel department. It is a training center produced to deliver the training to new employees in the organization according to the job requirements which are assigned to them.

Apprenticeship Training;

This is a saying that this type of training method started in the middle ages. That time, the people used to work under the guidance of a master craftsman in order to learn and enhance the trade skills.

In apprenticeship training the people improve the skills and become skilled workers through training and classroom instructions given to them.

In-basket Exercise;

In this technique, some memos, directives, e-mails, requests, reports, messages, hand written notes, etc., are given to the trainees by the management, staff members, supervisors and other stakeholders.

Then the trainee task is to review these in basket items, analyze the problem and then take action according to the situation. After taking the action a final report is made in the form of record notes, comments and responses.

Business Games;

Business games involves teams of trainees. The teams discuss and analyze the problem and arrive at decision. In this method, the issues which are related to the sales, inventories, research & development, production, etc are taken up for consideration.

Behavior Modelling;

This is a approach where trainee used to learn special supervisory skill. This is based on the social learning theory in which the trainee can learn new behavior by observing.

In this method the trainee is provided with a special model of behavior and also informed in advance of the consequences of engaging in that type of behavior.

Sensitivity (T-group) Training;

In this type of training, a small group of trainees consisting 10 to 12 persons is formed which meets in an unstructured situation. There is no set agenda or plan.

The main objective of this training are openness with each other, enhance listening skills, trust, support, tolerance, concern and help for others. The trainers serve a catalytic role.

The group formed in this method meets in segregation without any formal agenda. And there is a great focus on inter personal behavior. And then trainers provide honest feedback to members about their interaction with each other.

Multiple Management;

McCormick, president of McCormick & co. of Baltimore introduced the multiple management method of training in 1932. He presented the thought of organize a junior board of directors.

Authority is given to the junior board members to discuss any problem that could be discuss in senior board and give recommendations to senior board. Innovative and productive ideas became available for senior board.

Process of designing a Training Program/ Training Program Framework Development
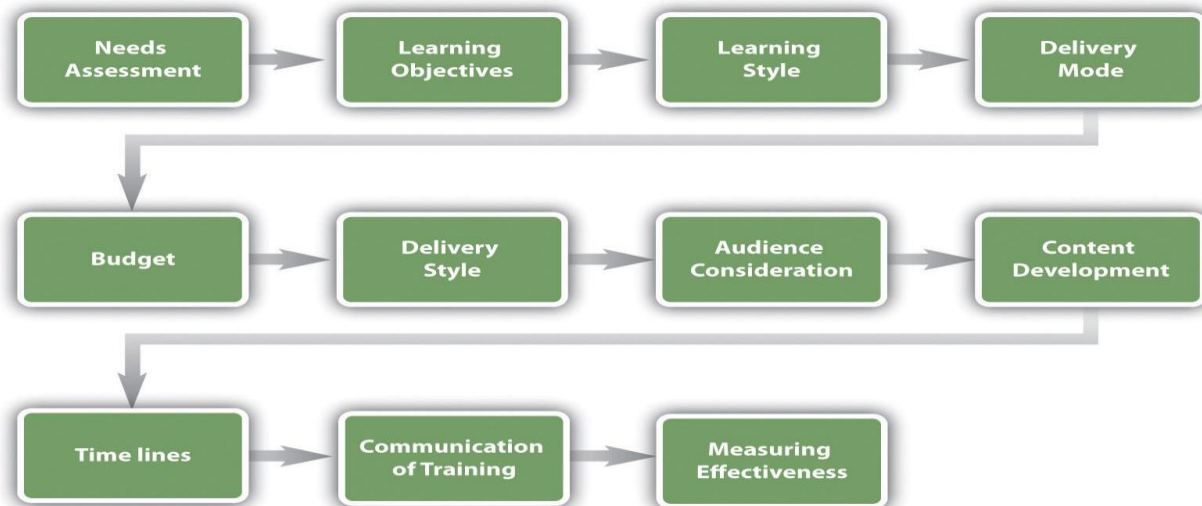
1. **Needs assessment and learning objectives.** This part of the framework development asks you to consider what kind of training is needed in your organization. Once you have determined the training needed, you can set learning objectives to measure at the end of the training.

2. **Consideration of learning styles.** Making sure to teach to a variety of learning styles is important to development of training programs.

3. **Delivery mode.** What is the best way to get your message across? Is web-based training more appropriate, or should mentoring be used? Can vestibule training be used for a portion of the training while job shadowing be used for some of the training, too? Most training programs will include a variety of delivery methods.

4. **Budget.** How much money do you have to spend on this training?

5. **Delivery style.** Will the training be self-paced or instructor led? What kinds of discussions and interactivity can be developed in conjunction with this training?

6. **Audience.** Who will be part of this training? Do you have a mix of roles, such as accounting people and marketing people? What are the job responsibilities of these individuals, and how can you make the training relevant to their individual jobs?

7. **Content.** What needs to be taught? How will you sequence the information?

8. **Timelines.** How long will it take to develop the training? Is there a deadline for training to be completed?

9. **Communication.** How will employees know the training is available to them?

10. **Measuring effectiveness of training.** How will you know if your training worked? What ways will you use to measure this?

EVALUATION OF TRAINING:

1. Reaction:
It refers to the attitude of employees about the training, whether the employee considers training to be positive or negative. If the reaction is positive, people accept the program, and changes will be possible.

2. Learning:
Another method of judging effectiveness is identifying learning levels, i.e., how much the people have learned during the training. This can be found in the trainers' mark sheet, the report submitted by the employee, and actual performance.

3. Behavior:
The HR department needs to understand the employees' behavior and the effectiveness of training. The behavioral change can be seen in how the person interacts with juniors, peer groups, and seniors.

4. Impact:
The employee's monetary results also determine the effectiveness of the training program, i.e., employee success in handling the project, the group performance before and after training, etc.

Career Development

What is Career Development?

Career development is the series of activities in an on-going/lifelong process of developing one's career which includes defining new goals regularly and acquiring skills to achieve them.

It involves training on new skills, moving to higher job responsibilities, making a career change within the same organization, moving to a different organization or starting one's own business.

Career development helps an individual grow not only professionally but also personally. Learning new skills like leadership, time management, good governance, communication management, team management etc. also help an employee develop and shape their career.

5 Steps of Career Development

There are various steps or stages in a person's overall career development:

1. Self Assessment

The first step in career development is the self assessment which means that the individual has to assess oneself on the kind of career and growth one wants and what kind of skills and interests are there.

2. Career Awareness

This stage is when an individual explores various career paths which align with the self assessment done in the first step. Career awareness can be how a person can explore various domains and types of jobs/work available

3. Goal Setting

This is the most important step in career development because this is where one defines clear short term and long term goals to meet the career one aspires. Both short term and long term goals need to be defined to begin with.

Short team goals would be more actionable but long term goals can be changed or tweaked as per the growth.

4. Skill Training

Once the career and goals are set, one needs to acquire the right skills to achieve the growth. Skill training can be done through self training or joining a structured training program online or offline. Once the right skills are acquired, one can start the final stage.

5. Performing

With all the right knowledge and skills, the important part is to perform the tasks and jobs in the career successfully to grow in the career path.

The 5 steps are part of an ongoing process. Many times in a career, the person would need to revisit the cycle to get the right career growth.

Career Development Strategies

1. By Companies

Training and development by companies can help in employees learn new skills. Companies help in providing leadership development, management development etc. This is all done through employee training sessions or developmental counseling. Employee development in the long run helps in career development.

2. By Employees

Individuals can themselves boost their own career. This is done through constant evaluation of their skills using techniques like continuing professional development.

Continuous and repetitive efforts can help in the career development for an employee.

The 5 stages in a Career

Let us look at the five main career stages for an employee, professional or even an entrepreneur:

1. Exploration-25yrs to 35yrs

A career stage that generally ends in the mid-twenties when one makes transition from formal education to job. We start exploring about different career opportunities. Our decision for career gets influenced by parents, peers and the financial resources.

It is a time when a number of expectations about one's career are developed, many of which are unrealistic.

2. Establishment-35yrs to 45 yrs

This period begins when we start the search of work and also includes accepting the first job, acceptance by peers, learning about the job and gaining the first taste of success or failure in the real world.

Problems in exploration period

- Finding a niche
- Making your mark
- Characterized by making mistakes.

3. Mid-Career-45yrs to 55 yrs

A stage marked by:-

- Continuous improvement in the performance
- Leveling off in the performance
- Beginning of deterioration process

4. Late Career Stage-55yrs to 65 yrs

A career stage in which neither the person is learning about their jobs nor they are expected to outdo their level of performance from previous years. It also has two affects on:

- Individuals who have grown in mid career stage
- Individuals who have stagnated or deteriorated

5. Decline (Late Stage)- After 65yrs

This the final stage in one's career which is usually marked by retirement. This is the difficult stage for everyone but hardest for those who have had continued successes in the earlier stages and then comes the time has come for retirement.
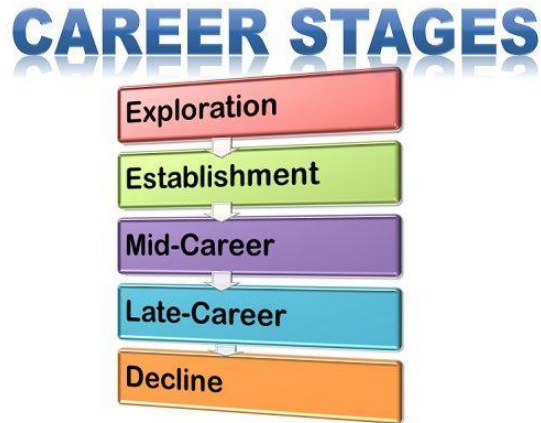
PROMOTION

Promotion refers to the upward movement of an employee from a current job to another that is higher in pay, responsibility, status, and organizational level. A mere shifting of an employee to a different job that has better working hours, better location, and more pleasant working conditions does not imply promotion. The new job will be promoted only if it entails increased responsibilities and enhanced pay.

Types of promotion:
1. Seniority
2. Merit-Based Promotion
3. Seniority-cum-merit Basis
4. Multiple Chain Promotion
5. Up or Out Promotion
6. Dry Promotion.

1. Seniority:

Seniority of an employee refers to the relative length of service in an organization. When seniority is considered as the basis of promotion, the rule is to promote the employee having the longest length of service, irrespective of the employee is competent to occupy a higher post or not.

2. Competence/Merit:

In this case an employee is promoted on the basis of excellent and superior performance in the current job. This is known through performance appraisal done by the organization. Merit indicates an employee's knowledge, skills, abilities and efficiency measured from the employee's educational qualifications, experience, and job performance and training records.

3. Seniority-Cum-Merit/Merit-Cum-Seniority:

Managements mostly prefer merit as the basis of promotion as they are interested in enriching organizational effectiveness by enriching its human resources. But trade unions favour seniority as the sole basis for promotion in order to satisfy the interests of majority of their members.

4. Multiple Chain Promotion
Multiple chain promotion provides a systematic linkage of each position to several others. It provides multi-promotional opportunities through clearly defined avenues of approach to and exit from each position in the organization.

5. Up or Out Promotion
In this case, an employee either earns a promotion or seeks employment elsewhere. Out promotion usually leads to the termination of employment and joining some other organization in a better position.

6. Dry Promotion
In this type, promotion is given in lieu of an increase in salary. For example, when a university professor is made Head of the Department, there is no increase in salary.

TRANSFERS

Transfer is another form of internal mobility of human resources which involves movement of an employee from one section to another section of the same department, one department to another department, one unit to another unit, one place to another place, or one function to another function in the form of job rotation without any change in the employee's status, responsibilities, and pay.

Causes of Transfer in HRM

1. Meeting Organizational Needs
2. Meeting Employee's Requests
3. Better Utilization of the Employees
4. Developing All-Rounder
5. Manpower Adjustment
6. Avoidance of Conflicts
7. Punishing the Employees
8. Relief to Employees
9. Tenure System

Types of transfers
1. On the Basis of Purpose:
Production Transfers
A shortage or surplus of the workforce is common in different departments in a plant or several plants in an organization. Surplus employees in a department have to be laid off unless they are transferred to another department. Transfers affected to avoid such inevitable layoffs are called production transfers.

Replacement Transfers
A replacement transfer is the transfer of a senior employee to replace the junior employee or a new employee, when the latter is laid off or shifted to another job, Sometimes, it is a temporary arrangement to make use of the services of the senior personnel.

Versatility Transfers
Versatility transfers are effected to make employees versatile and competent in more than one skill. It aims at giving training to the employees of various jobs of similar nature having

different operations. It helps the employees to get them prepared for promotions and also helps the employer in developing the effective manpower prepared to handle the higher openings.

Shift Transfers

When the unit runs in shifts, employees are transferred from one shift to another on similar jobs. In some undertakings, where shifts are operated regularly, employees may be recruited permanently for the shift, but in some cases, they are rotated from one shift to another as a matter of practice because many employees dislike second or third shift assignment as it interferes with their social or family engagements.

Remedial Transfers

Remedial transfers are effected at the request of the employees and are, therefore, called personal transfers. Personal transfers take place because the initial placement of an employee may have been faulty or the worker may not get along with his supervisor or with other workers in the department.

He may be getting too old to continue his regular job or working conditions may not be well adapted to his personal health. If the job is repetitive, the employee may stagnate and would benefit by transferring to a different kind of work.

Precautionary Transfers

Such transfers are made as a precautionary measure to avoid the misuse of office or misappropriation of funds by the employees. In some undertakings, there are more chances of misuse of office or misappropriation of funds than in others. Generally, it is mentioned in the transfer policy of the organization that an employee cannot stay at one post for more than 3 years or so.

On the Basis of Unit

Sectional Transfers

These transfers are made within the department from one section to another. The main purpose of such transfers may be to train the workers and prepare them to handle the operations of different sections of the department.

Departmental Transfers

Transfers from one department to another department within the plant is called departmental transfer. Such transfers are made if the nature of work is the same or substantially the same in both the departments such as clerical or routine jobs.

Inter-Plant Transfers

If there is more than one plant under the control of the same management, the transfer may be made from one plant to another for varied reasons. Such transfers are called inter-plant transfers.

UNIT-IV FINANCIAL COMPENSATION, PRODUCTIVITY AND MORALE -

Principal Compensation Issues & Management – Job Evaluation – Productivity, Employee Morale and Motivation; Stress Management and Quality of Work Life.

COMPENSATION MANAGEMENT

Meaning of compensation management

Compensation management, also known as wage and salary administration, remuneration management, or reward management, is concerned with designing and implementing a total compensation package.

Definition of compensation management

"Compensation includes direct cash payments, indirect payments in the form of employee benefits, and incentives to motivate employees to strive for higher levels of productivity." "Wage and salary administration refers to establishing and implementing sound policies and practices of employee compensation.

Different Types of Compensation

There are different types of compensation. Schuler identified three major types of compensation, which are mentioned below;

1. Non-monetary Compensation.
2. Direct Compensation.
3. Indirect Compensation.

1. Non-monetary Compensation: The non-monetary compensation includes any benefit that an employee receives from an employer or a job that does not involve tangible value. Examples are career development and advancement opportunities, opportunities for recognition, and work environment and conditions.

2. Direct Compensation: Direct compensation comprises the salary that is paid to the employees along with the other health benefits.

Money is included under direct compensation. An employee's base wage can be an annual salary or hourly wage and any performance-based pay that an employee receives.

Direct compensation consists of pay received in wages, salaries, bonuses, and commissions provided at regular and consistent intervals.

These include the basic salary, house rent allowances, medical benefits, city allowances, conveyance, provident funds, etc. It also includes bonuses, payments for holidays, etc.

3. Indirect Compensation: Indirect compensation can be thought of as the non•monetary benefits an employee gets from the organization.

It includes everything from legally required public protection programs such as Social Security *to health insurance, retirement programs, paid leave, childcare, or moving expenses.*

While benefits come under indirect compensation and may consist of life, accident, health insurance, the employer's contribution to retirement, pay for a vacation, and employers' required payment for employee welfare as social security.

Rewards and recognitions, promotions, responsibility, etc., are factors that induce confidence in the employees and motivate them to perform better. It also instills the faith in them that their good work is being recognized, and they can boost their career opportunities if they continue to work harder.

Objectives of Compensation Management
1. Acquire qualified personnel.
2. Retain current employees.
3. Ensure equity.
4. Reward desired behavior.
5. Control costs.
6. Comply with legal regulations.
7. Facilitate understanding.
8. Further administrative efficiency.
9. Motivating Personnel.
10. Consistency in Compensation.

11. To be adequate.

1. Acquire qualified personnel

Compensation needs to be high enough to attract applicants. Pay levels must respond to the supply and demand of workers in the labor market since employees compare for workers. Premium wages are sometimes needed to attract applicants working for others.

2. Retain current employees: Employees may quit when compensation levels are not competitive, resulting in higher turnover. Employees serve organizations in exchange for a reward. If pay levels are not competitive, some employees quit the firm. To retain these employees, pay levels must be competitive with that of other employers.

3. Ensure equity: To retain and motivate employees, employee compensation must be fair. Fairness requires wage and salary administration to be directed to achieving equity. Compensation management strives for internal and external equity.

Internal equity requires that pay be related to the relative worth of a job so that similar jobs get similar pay.

External equity means paying workers what other firms in the labor market pay comparable workers.

4. Reward desired behavior: Pay should reinforce desired behaviors and act as an incentive for those behaviors to occur in the future. Effective compensation plans reward performance, loyalty, experience, responsibility, and other behaviors. Good performance, experience, loyalty, new responsibilities, and other behaviors can be rewarded through an effective compensation plan.

5. Control costs: A rational compensation system helps the organization obtain and retain workers' reasonable costs. Without effective compensation management, workers could be overpaid or underpaid.

6. Comply with legal regulations: A sound wage and salary system considers the legal challenges imposed by the government and ensures employers comply.

7. Facilitate understanding: The compensation management system should be easily understood by human resource specialists, operating managers, and employees.

8. Further administrative efficiency: Wage and salary programs should be managed efficiently, making optimal use of the HRIS, although this objective should be a secondary consideration with other objectives.

9. Motivating Personnel: Compensation management aims at motivating personnel for higher productivity.

Monetary compensation has its own limitations in motivating people for superior performance. Besides money, people also want praise, promotion, recognition, acceptance, status, etc., for motivation.

10. Consistency in Compensation: Compensation management tries to achieve consistency-both internal and external in compensating employees. Internal consistency involves a payment based on the criticality of jobs and employees' performance on jobs.

Thus, higher compensation is attached to higher-level jobs. Similarly, higher compensation is attached to higher performers in the same job.

11. To be adequate: Compensation must be sufficient so that the needs of the employee are fulfilled substantially.

Pre-requisites for Effective Compensation Management

1. Adequate: The compensation system must meet minimum governmental, union, and managerial pay level positions.

2. Equitable: Care should be taken so that each employee is paid fairly, in line with his/her abilities, efforts, education, training, experiences, competencies, and so on.

3. Balanced: Pay, benefits, and other rewards must provide a reasonable compensation package.

4. Secure: The compensation package must adequately cover employees' security needs.

5. Cost-Effective: Pay must be neither excessive nor inadequate, considering what the enterprise can afford to pay.

6. Incentive Providing: The compensation package should be such that it generates motivation for effective and productive work.

7. Acceptable to all Employees: All employees understand the pay system well and feel it is reasonable for the enterprise and the individual.

Challenges or Problems (Issues) of Compensation Management

1. Strategic Objectives.
2. Prevailing Wage Rates.
3. Union Power.
4. Government Constraints.
5. Comparable Worth and Equal Pay.
6. Compensation Strategies and Adjustments.
7. International Compensation Challenges.

▢ Productivity and costs.

1. Strategic Objectives: Compensation management is not limited to internal and external equity. It also can be used to further an employer's strategy. Employee compensation might have been initially anchored by the relative worth of jobs and the prevailing wage rates in the local market.

2. Prevailing Wage Rates: Market forces may cause some jobs to be paid more than their relative worth. Demographic shifts and relative supply and demand relationships affect compensation.

3. Union Power: When unions represent a portion of the workforce, they may obtain wage rates that are out of proportion to the relative worth of the jobs.

Unions may also limit management's flexibility in administering merit increases since unions often argue for raises based on seniority and are applied across the board equally.

4. Government Constraints: The government sets minimum wage, overtime pay, equal pay, child labor, and record-keeping requirements. The minimum- wage and overtime provisions require employers to pay at least a minimum hourly rate regardless of the job's worth.

5. Comparable Worth and Equal Pay: Beyond "equal pay for equal work" is the idea of "comparable pay for comparable work" called comparable worth. It requires employers to pay equal wages for jobs of comparable values.

Comparable worth is used to eliminate the historical gap between the incomes of men and women.

6. Compensation Strategies and Adjustments: Most organizations have compensation strategies and policies that cause wages and salaries to be adjusted.

A common strategy is to give nonunion workers the same raises given to unionized employees; this is often done to prevent further unionization.

7. International Compensation Challenges: The globalization of business affects compensation management.

Compensation analysts must focus not only on equity but on competitiveness too. The growing globalization of business also means a greater movement of employees among countries.

As employees are relocated, compensation specialists are challenged to make fair adjustments to the employee and the company while keeping competitiveness in mind Monetary.

8. Productivity and costs: Regardless of the company or social policies, employers must make a profit to survive. Without profits, they cannot attract enough investors to remain competitive.

Therefore, a company cannot pay its workers more than the workers give back to the firm through their productivity. The company needs some creative techniques for compensation.

JOB EVALUATION

Definitions of job evaluation

- International Labor Organization (ILO) has defined a job evaluation as: "Job evaluation is an attempt to determine and compare demands which the normal

performance of a particular job makes on normal workers without taking into account the individual performance of the workers concerned".

- According to Alford and Beatty, "Job Evaluation is the application of the Job Analysis technique to the qualitative measurement of relative job worth, for the purpose of establishing consistent wage rate differentials by objective means. It measures the differences between jobs on the job requirements, and establishes the differential numerically (job rating), so that it can be converted to wage rate after the wage level is determined".

- According to Kimball and Kimball Jr., "Job Evaluation represents an effort to determine the relative value of every job in a plant and to determine what the fair basic wage for such a job should be."

- According to Bethel, Atwater and Smith, "Job Evaluation as a personal term has both a specific and genetic meaning specifically, it means job

- rating or the grading of occupations in terms of duties, generally it means the entire field of wages and salary administration along modern lines".

- Edwin B. Flippo defines. "Job Evaluation is a systematic and orderly process of determining the worth of a job in relation to other jobs."

- In the words of Maurice B. Cumming, "Job Evaluation is a technique of assessing the worth of a job in comparison with all other jobs throughout an organisation".

- According to Scott, Clothier and Spriegel, "Job Evaluation or job rating is the operation of evaluating a particular job in relation to other jobs either within or outside the organisation."

- In the words of Dale Yoder, "Job Evaluation is a practice which seeks to provide a degree of objectivity in measuring the comparative value of jobs within an organisation and among similar organisations."

- In the words of John A. Shubin, "Job Evaluation is a systematic procedure for measuring the relative value and importance of an occupation on the basis of their common factor (skill, training, efforts) for the purpose of determining wages and salary differentials."

- According to Bureau of Labor Statistics, "Job Evaluation is the evaluation or rating of job to determine their position in job hierarchy. The evaluation may be achievement through assignment of points or the use of some other systematic rating method for essential job requirements such as skill, experience and responsibility".

Features of Job Evaluation

The primary objective of job Evaluation is to find out the value of work, but this is a value which varies from time to time and from place to place under the influence of certain economic pressure. The main features of job Evaluations are as follows:

- It attempts to assess jobs, not people.
- Job Evaluation is the output provided by job Analysis.
- It provides bases for wage negotiation founded on facts.

- Job Evaluation does not design wage structure, it helps in rationalizing the system by reducing number of separate and different rates.
- Job Evaluation is done by group of experts.
- Job Evaluation determines the value of job and the value of each of the aspects of job such as skill and responsibility levels are also related and studied in connection with the job.
- Job Evaluation helps the management to maintain high levels of employee productivity and employee satisfaction.

Objectives of Job Evaluation

The basic objective of job evaluation is to determine the relative contributions that the performance of different jobs makes towards the realization of organizational objectives. This basic objective of job evaluation serves a number of purposes which may be grouped into three categories: wage and salary fixation, restructuring job hierarchy and overcoming anomalies.

1. **Wage and Salary Fixation:** The basic principle of wage and salary fixation is that it should be based on the relative contributions of different jobs and not on the basis of who

the job holders are. If this principle is adopted, the first requirement is to identify the likely contributions of different jobs. This is what job evaluation precisely does. It provides the information about what is the worth of a job in terms of its contributions to the achievement of the organizational effectiveness. From equity point of view, this method is more appropriate.

2. **Restructuring Job Hierarchy:** Job evaluation helps in restructuring job hierarchy. Job hierarchy refers to arranging various types of jobs in the order of their importance wither on ascending basis or descending basis. Sometimes, job hierarchy becomes too lengthy creating administrative problems and creating organizational problems by increasing the number of levels in the organization. In today's context, more emphasis is being put on flat structure instead of tall one. Job evaluation exercise can be undertaken to reduce the number of job levels by merging closely related jobs together.

3. **Overcoming Anomalies:** Job evaluation, if carried on periodically and objectively, helps in overcoming various anomalies which may develop in an organization over the period of time with regard to compensation management. Knowles and Thompson have identified that there are following anomalies and evils which may develop in an organization and may be overcome by job evaluation.

- Payment of high wages and salaries to persons who hold jobs and positions not requiring great skill, effort and responsibility;
- Paying beginners less than that they are entitled to receive in terms of what is required of them;
- Giving a raise to persons whose performance does not justify the raise;
- Deciding rates of pay on the basis of seniority rather than ability;
- Payment of widely varied wages and salaries for the same or closely related jobs and positions; and
- Payment of unequal wages and salaries on the basis of race, sex, religion, or political differences.

Steps in the Job Evaluation Process

- Review the choices of job evaluation methods such as job ranking, classification, factor comparison and point factor analysis and select the method most appropriate to meet the organization's needs.

- Gather information on each job within the organization, analyzing job content to make sure it is clear and understandable; job content can be revealed utilizing job questionnaires, job descriptions, interviews and/or work site visits.

- Ensure that each job description lists pertinent accountabilities and responsibilities; revise or expand job descriptions using the information collected.

- Evaluate each position utilizing the chosen method and link the ranked job to the organization's existing compensation system or to a newly developed pay structure. The point system evaluates the skill, effort, responsibility and working conditions involved in the job; here, each of these factors is subdivided into sub factors to provide standards against which each job is rated to determine its relative worth.

- Create the appropriate pay grades and pay ranges in the pay structure and along with policies and procedures setting out employee progress within the range.

- Periodically review the job evaluation system itself, developing procedures for evaluating and modifying the system and the resulting compensation decisions.

Advantages of Job Evaluation

Job Evaluation is advantageous to management, workers, trade unions and organizations as well. Management has the advantage of greater order in its pay arrangement and more stable wage structure. Unions benefit from a greater sense of fairness and reasons in pay matters. Union can play a more important role in determining the relation between different levels of pay and in the joint regulation of work place conditions. Employees benefit because job evaluation provides an agreed framework for setting questions affecting jobs and so helps to prevent arbitrary decisions. It also helps to ensure that differences in skill and responsibility are properly recognized. Everyone benefits from a system which enables the pay for new and revised jobs to be settled in the same way as for existing job by preventing anomalies.

Problems in Job Evaluation

Like any other technique of human resource management, job evaluation is not free from certain shortcomings and limitations. Various problems involved in job evaluation may be grouped into two categories: technical and operational.

1. Technical Problems: There are some technical problems involved in effective job evaluation, which are of the following nature.

Job evaluation establishes hierarchy of jobs based on their worth. Though there are various methods developed for this purpose, these are not completely objective. For example, often the question is asked: 'Should grass- cutters (gardeners) get more than gas-cutters (welders)'? Similar such questions may be raised if there is lack of objectivity.

Another problem in establishing job hierarchy through job evaluation comes in the form of changing profile of job factors because of changes in environmental variables such as technology, social structure and processes, and international impact. Therefore, a job hierarchy, which may be workable at one point of time, may not work at another point of time. Thus, in order to make job evaluation effective, it should be undertaken at regular intervals.

Job evaluation is a costly and technical exercise. Therefore, many organizations do not prefer to take it in a formal way. Rather, they prefer to go through prevailing practices.

2. Operational Problems: Besides the technical problems, there are some operational problems too in job evaluation. These are of the following types:

Linking jobs, based on job evaluation, and wages and salaries is not completely possible because of the operation of several forces in the environment. There are substantial differences between job factors and the factors emphasized by the human resource market. Often it has been observed that these external factors change with the time, e.g., previously, engineers were the highest earners but now the sequence is followed by medicos, MBAs and now information technology professionals in ascending order through over the period of time, their job factors have remained the same.

Job hierarchy created through job evaluation may create human problems in an organization particularly if it has been taken for the first time and results into fundamental

differences as compared to the existing system. In such a situation, job evaluation may face resistance from the employees.

Job evaluation is, generally, suited to large organizations where human resource management system has been formalized. In comparatively smaller organizations, this may not result in much advantage.

Principles of job evaluation

1. Definition: Jobs must be clearly defined such that they are identifiable and easily distinguishable. These jobs must then be part of the job description.

2. Evaluation: A job evaluation scheme must be arrived upon and used as a standard and all jobs in the organization must be evaluated as per that scheme only.

3. Job Understanding: Job evaluators need to have deep insights into the job design process. They must have a methodical understanding of various tasks involved.

4. Concern: Job evaluation must be concerned with the job and not with the person. I.e. it is the job that has to be evaluated and not the person.

5. Assessment: The assessment has to be carried out in an acceptable manner and by competent people. Further, it is based on judgment and is not scientific but can however be used to make objective judgments if used correctly.

Job Evaluation Methods

Definition of job analysis- The Job Evaluation is the process of assessing the relative worth of the jobs in an organization. The jobs are evaluated on the basis of its content and the complexity involved in its operations and thus, positioned according to its importance.

I. Non-analytical Job Evaluation Methods

A) Ranking Method: This is the simplest and an inexpensive job evaluation method, wherein the jobs are ranked from he highest to the lowest on the basis of their importance in the organization. In this method, the overall job is compared with the other set of jobs and then is given a rank on the basis of its content and complexity in performing it.

Here the job is not broken into the factors; an overall analysis of the job is done. The main advantage of the ranking method is, it is very easy to understand and is least expensive. But

however it is not free from the limitations, it is subjective in nature due to which employees may feel offended, and also, it may not be fruitful in the case of big organizations.

B) Job Grading Method: Also known as Job-Classification Method. Under this method the job grades or classes are predetermined and then each job is assigned to these and is evaluated accordingly.

For Example Class, I, comprise of the managerial level people under which sub-classification is done on the basis of the job roles such as office manager, department managers, departmental supervisor, etc.

The advantage of this method is that it is less subjective as compared to the raking method and is acceptable to the employees. And also, the entire job is compared against the other jobs and is not broken into factors. The major limitation of this method is that the jobs may differ with respect to their content and the complexity and by placing all under one category the results may be overestimated or underestimated.

II. Analytical Job Evaluation Methods

A) Factor-Comparison Method: Under this method, the job is evaluated, and the ranks are given on the basis of a series of factors Viz. Mental effort, physical effort, skills required supervisory responsibilities, working conditions, and other relevant factors. These factors are assumed to be constant for each set of jobs. Thus, each job is compared against each other on this basis and is ranked accordingly. The advantage of this method is that it is consistent and less subjective, thus appreciable by all. But however it is the most complex and an expensive method.

B) Point-Ranking Method: Under this method, each job's key factor is identified and then the sub factors are determined. These sub-factors are then assigned the points by its importance.

For example, the key factor to perform a job is skills, and then it can be further classified into sub-factors such as training required, communication skills, social skills, persuasion skills, etc.

The point ranking method is less subjective and is an error free as the rater sees the job from all the perspectives. But however it is a complex method and is time-consuming since the points and wage scale has to be decided for each factor and the sub factors.

Procedure of Job evaluation

1. Preliminary Stage: It requires information obtained about present arrangements, decisions are made in the need for a new programme or revision of an existing one and a clear cut choice is made of the type of programme is to be used by the organization.

2. Planning Stage: Arrangements are made for setting up joint working portion and the sample of jobs to be evaluated is selected.

3. Analysis Stage: Required information is collected and serves as a basis for the internal and external evaluation of jobs.

4. Internal Evaluation Stage:

- Sample of Benchmark jobs are ranked by means of the chosen evaluation scheme.
- Jobs are then graded on the basis of data pending the collection of market rate data.
- Relative worth of jobs is ascertained by comparing grades between the jobs.
- **External Evaluation Stage:** Information is collected on market rate at that time.

6. Design Stage: Salary structure is designed in this stage.

7. Grading Stage: Different jobs are slotted into the salary structure as designed I the preceding stage.

8. Developing and maintaining Stage:

- Procedures for maintaining the salary structure are developed with a view to accommodate inflationary pressure in the salary levels.
- Grading new jobs into the structure and regarding the existing jobs in the light of changes in their responsibilities and market rates.

EMPLOYEE MORALE

Meaning: Morale is a collection of employee's feelings, attitudes and sentiments towards their jobs, superiors and organization. It reflects a state of mind of people. Mayo defined morale as – 'the maintenance of cooperative living.'

Definition: In the words of Theo Haimann, "Morale is the state of mind and emotions affecting the attitude and willingness to work, which, in turn affect individual and organizational objectives."

Mooney states, "Morale is the sum total of several psychic qualities which include courage, fortitude, resolution and above all, confidence."

Davis states, "Organizational morale is basically a mental condition of groups and individuals which determines their attitude."

Guion defines morale as "The extent to which an individual's needs are satisfied and the extent to which individual perceives that satisfaction as stemming from his total job satisfaction."

Dr Leighton defined morale as "Capacity of a group of people to pull together persistently and consistently in pursuit of a common purpose."

Determinants of Morale

1. Confidence in leadership: If the leader of the organization is able to win the confidence of the employees, morale will be high. For employees, the leader being mentioned is the immediate supervisor/superior. If the leader is systematic, fair, honest, helpful and friendly, he may win over the confidence of his subordinates and boost their morale.

2. Job Satisfaction: The morale of the employee would be high if he is satisfied with his job. Hence right men should be placed in the right job to boost up their morale in their jobs.

3. Confidence in co-workers: Mani is a social being and he finds himself more enthusiastic in the company of others. If he finds that his companions or fellow workers are co-operating with him, his morale would be high.

4. Sound and efficient organization: Sound and effective organization is an important factor affecting the employee's morale. At the same time, the chance of communication should be effective and the personal problems of the employee should be heard and redressed as quickly as possible.

5. Fair remuneration: Fair and reasonable remuneration is essential to secure enthusiasm and willingness of the workers to do the job. The wages should be comparable with those paid in similar concerns. Besides, monetary incentives should be provided to them as and when necessary and possible.

6. Security of job: If the employee feels secured, they will be willing and co- operative to do the job allotted to them.

7. Opportunity to rise: The employees should also be made to realize that if they work properly, they will be promoted and adequately rewarded. This feeling of recognition will definitely boost their morale.

8. Working conditions: The conditions of work at which the employees are required to work also affect their morale. Providing safety measures, hygienic facilities, clean workplace etc. give them satisfaction and boost their morale.

9. Physical & mental health: An employee with weak health cannot be co- operative and willing to work. Similarly his mental strain shall also reduce his motivation of morale. Both physical and mental illness are detrimental to an individual's work and thereby the organizational output.

Measurements of morale

1. Company record and report:

- Rate of absenteeism
- Frequency of leave availed
- Participation in strikes organized by employee unions
- Complaints made against superiors and fellow-employees
- Remarks of superiors about subordinates
- Output produced
- Target attainment
- Loss to the organisation due to the negligence of employees

2. Observation:

- lag behind in their duties

- find their targets unattainable

- complain about the fellow-employees often

- blame the tools and equipment

- find fault with the management's policies

- show arrogance

3. Attitude survey: Attitude surveys are often conducted in workplaces to ascertain the job attitudes of employees. Such surveys may be conduction with the help of a questionnaire. The questionnaire contains certain number of statements relating to the job of an employee. Every employee is given a copy of the questionnaire and is required to fill it up. All that the employee has to do is to indicate his agreement or disagreement with the statements by writing "yes" or "No" against each. Sometimes, the employee is given five options instead of two to make his job easy. The five options are:

- Strongly agree

- Agree

- Undecided

- Disagree

- Strongly disagree

Steps to improve employee morale

The following measures are necessary to improve the morale of employees:

1. Selection of right man for the right job-Proper care must take while recruiting persons for various jobs. Persons without attitude and aptitude for work should not be selected. When it comes to placement of workers, they should be given jobs in tune with their educational qualifications, skills, attitudes and abilities.

2. Satisfactory conditions of service- All those who have been appointed in the organisation should be provided with job security. They should be given decent pay. Social security benefits like provident fund, insurance etc., should be provided to employees as per the rules.

3. Conducive working environment- The working environment should be made informal. Undue importance need not be given to hierarchy. The organisation should make use of both formal and informal channels of communication. The bureaucratic approach of the management should go.

4. Conducive physical conditions-The place of work should be neat and tidy. There should be free flow of natural light and air in any workroom. There should be proper provision for canteen, lunchroom, toilet etc.

5. Better work method- Conventional work methods and age-old practices should be given up. The enterprise should come forward to adopt the latest technology. The employees may be trained to make use of the various electronic devices in their day-to-day work. This not only simplifies their work but also makes it more interesting.

6. Proper superior-subordinate relationship- The relationship between the superior and the subordinate should be cordial. The superior's style of functioning must be democratic. He should not make an attempt to impose his ideas on his subordinates. Wherever necessary and possible, he can seek his subordinates' viewpoints. Likewise, the subordinates, on their part, must repose faith in their superiors and come forward to accept responsibilities.

7. Good inter-personal relationship- The relationships between the employees should also be proper. The work done in any organisation is teamwork. In the absence of proper understanding between the employees, teamwork is not possible. The employees should not give scope for their personal interests to clash with those of the organisation.

8. Provision of suitable incentives- Only human resources can be induced to work. Inanimate objects like machines cannot be motivated to work. The management, therefore, should offer suitable incentives to motivate employees to perform better. Incentives need not be in the form of money payments. There are also non-monetary incentives. Further, these incentives may be given for individual performance or group performance.

9. Evaluation of employee performance- The performance of employees needs to be assessed at regular intervals. Such an assessment will reveal their level of efficiency. Such of those employees who are found to be highly efficient may be given suitable rewards. Those employees who are less efficient may be made to undergo training to acquire better

skills. If some employees are found to be highly inefficient, such people need not be retained. It is only these people who spoil the work atmosphere in any organisation.

10. Job rotation- If certain jobs are, by nature, dull and monotonous, job rotation may help to break the monotony of workers, i.e., such jobs may be assigned to workers operating at a certain level by rotation.

11. Sound promotion and transfer policy- The organization should follow a sound promotion and transfer policy. No employees should be made to serve in the same job for an indefinite period. Employees should have enough scope to move to higher level jobs.

12. Grievances redressal machinery- Employee is bound to have certain grievances over the work environment; physical condition .proper machinery shall be established in the organization for the redressal of all such grievances.

13. Workers participation in management- Bothe the works and the management these days, are considered as equal partner in business. If the management contribution is equal, a worker provides the required labor.

14. Counseling- employees do undergo stress owing to domestic and work- related problems. The human resource management should provide what is called counseling to enable the employees get rid of their stress. A specialist may also be employed for the purpose of providing counseling to employees**.**

Types of morale

1. Individual Morale: The abstract quality represented by enthusiasm and zeal towards either job or organization by an individual in solitude is known as individual morale.

2. Group Morale: Human is a social animal. Every human likes to be a part of a section or group of persons and ultimately the society. It is not true every time that the persons comprising a group may have same attitude. But we know that birds of same feathers flock together.

Thus, the group members generally have maximum equal qualities. This is truer when the group is of workers working on a job. If all the members of group are co-operative there is always congenial relationship between them. Secondly such a group when undertakes any

job they show collective enthusiasm and zeal (either high or low) towards the job. Such abstract quality demonstrated by a group collectively is known as group morale.

3. Morale towards Job: This is behavioral attitude of an individual or a group of individuals demonstrated by them towards performing a job entrusted to them. This is known as morale towards job.

4. Morale towards Organization: When we think of morale of employees, the organization for which they work becomes centre point. All loyalties and performances are directed to the wellbeing of the organization. Secondly, the

organization through its politics and points of view towards the workers affect the morale of the employees. No doubt the employees work for organization but what is important is the enthusiasm, zeal and loyalty with which they work. Thus, their attitude is known as morale forwards organization.

5. High Morale: The more the enthusiasm and zeal demonstrated by workers the more degree of existence of morale. If the factors affecting the attitude of employees are dealt with positive approach by the organization i.e. the management, they bring satisfaction, security, self-respect and so on. All these contribute to high degree of morale.

Morale cannot be measured quantitatively; the degree or level of morale is assessed from the performance and productivity of the employees. If these two are achieved one can say that these exists high morale.

But then one should not forget that high productivity can also be achieved by force and coercion. If it so such a productivity is not stable. Thus high productivity and better performance demonstrated consistently can be taken as a measure of high morale.

6. Low Morale: It is just the opposite of a high morale.

Employee indices or indicator low morale

1. Employee Unrest: Unrest may appear in different forms and influence both the individual and the group. It may be in 'inarticulate' form where the worker does not recognize that he is restless and dissatisfied. However, he may indulge in daydreams, be late for work, be absent or change jobs frequently and thus present a disciplinary problem.

The unrest may be in 'articulate' form where the worker tends to express his unrest openly and enter formal grievances. This individual form of unrest may take the group form and cause collective action which has been termed as 'crowd behavior'. Such situations may lead to strikes, work stoppages, and allied group activities. Although these activities are temporary, they may sometimes continue longer and result in permanent unrest called 'mass movements'. A great deal of unrest results from the workers' feelings of inadequacy and insecurity.

2. Absenteeism and Tardiness: When employees of an organization suffer from low morale, they tend to express their dissatisfaction by being absent and tardy. This poses problems to production schedules, especially where line and group production methods are involved. A great deal of absenteeism is caused by non-occupational illness.

Mental health problems also contribute markedly towards total absences. Absenteeism among manufacturing workers, shop workers and nightshift workers is higher than among non-manufacturing workers, office workers and dayshift workers respectively. Job satisfaction is found to be negatively related to absenteeism and vice versa.

3. Employee Turnover: The biggest indication of low morale in a company is a high rate of employee turnover. Workers may respond to severe unrest, discontentment and morale problems by deserting their jobs. Employee turnover up to a certain level is normal for any organization, but an exceptionally high rate of turnover indicates low morale and job dissatisfaction among workers.

The primary concern in turnover from a morale standpoint relates to workers who leave voluntarily for avoidable reasons. Employees may leave their jobs due to improper supervision, stressful relationship with co-workers, personnel policies, dissatisfaction with compensation, poor working conditions, insecurity, etc.

4. Grievances: Grievances lead to lower levels of morale and may cause severe forms of unrest through social contagion. Grievances may be real or imaginary and may result from numerous reasons. Both management and labor may have grievances, and unrest on any side can lower the morale.

Typical examples are increase in demand for wages, complaints against a particular boss, objections regarding not getting a promotion, protests against implementation of certain rules and regulations, etc. The grievances may reveal more deep- rooted difficulties and problems than what appears on the surface.

5. Need for More Discipline: If there is a need to impose more discipline than is normally required, it could point towards issues of low morale. Under ideal conditions, workers would understand the rationale of rules and regulations; discipline should be self-imposed. If the management feels a need to impose discipline, it points towards poor morale.

The need for discipline may be related to different fields such as attendance, punctuality, smoking, tardiness, etc. The major kinds of disciplinary actions include correction, oral reprimand, written reprimand, fines or discharge in case of severe indiscipline.

6. Fatigue and Monotony: Fatigue has been defined as a reduction in ability to do work because of the pace of the preceding work. The rates of fatigue vary with the intensity of the motivation. Fatigue is not merely physical. Variables involved in this respect are length of work, speed of work and the extent of physical labor.

Repetition and lack of variety in a job make it monotonous and routine. Monotony depends upon an individual rather than on the job. One individual may find a job interesting while other may find it monotonous. If a person is placed on an unsuitable job that fails to interest him, it gives rise to monotony.

Benefits of high morale

1. The employees extend co-operation in achieving the goals of organization that too willingly.

2. High morale generates loyalty towards the organization through leaderships.

3. Employees follow the rules and regulations and thus behave in disciplined way.

4. It generates high interest in the employees towards the jobs and ultimately towards organization.

5. The employees feel pride to be the part of organization.

6. Rate of absenteeism is reduced.

7. Discipline is maintained highly.

Consequences of low morale

1. Lack of enthusiasm: employees with a low morale lack enthusiasm. They do their work unwillingly.

2. Low performance level: The level of efficiency of employees will be low when their level of morale is low.

3. Poor quality of work: as a result of low morale the quality of work done may be poor.

4. High rate of absenteeism: If rate of absenteeism in the work place is bound to be high when the level of employee morale is low.

5. High rate of labor turnover: if the morale of employees continues to be low and the management is different towards it, it may result in a high rate of labor turnover employees leaving the organization. This disturbs stability and increases cost.

6. Excessive complaint and grievances': With the level of morale being low employees tend to make frequent complaints about each other, their superiors, the working conditions and so on.

7. Increase in conflicts in the work places: As the employees tack attitude for work they quarrel frequently with each other and their superiors. This further affects work.

8. Loss due to mishandling of tools and machines: when workers do their work without a positive attitude, they may not be careful in handling tools and machines. As a result, there may be loss due to breakage and excessive wear and tear.

9. Scope for industrial accident: In the case of production work ,low morale on the part of the workers may result in accidents due to careless handling of machines . As a result, workers sustain injuries and some of them may even become disabled.

10. Loss of goodwill: The employees of an organisation in general and some like the Public Relations Officers in particular will have to maintain good report with the different sections

of the society –the shareholders, the customers, the creditors and so on. If they do their work without any interest, it will affect the image of the organisation.

Characteristics of morale

1. It denotes group attitudes: Morale indicates the collective attitudes of the employees of an organisation rather than individual attitudes. The work done in any organisation is teamwork and therefore, the management should have knowledge of group attitudes.

2. It is a psychological concept: Morale is determined by the mental conditions of individuals. The employees should be mentally satisfied with their jobs, the management policies, and the work environment and so on.

3. It may be high or low: The morale of employees may be high or low. If it is high, the employees have a positive attitude towards their jobs, the work environment and so on. On the hand, if the level of morale is low, the employees may have a negative attitude towards their jobs and may often find fault with something or the other.

4. It is intangible: The existence of a high or low morale among the employees will not be directly visible. There are certain indicators through which the management can know the attitudes of employees e.g., rate of absenteeism, labor turnover etc.

5. It has relevance only for the human resource: The concept of morale is relevant only for the human resource of the organisation. It has nothing to do with the physical resources of a concern like materials and machines, as these are inanimate.

EMPLOYEE MORALE AND PRODUCTIVITY

Morale Productivity Matrix

1. High Morale – High Productivity — High morale will lead to High Productivity if proper leadership is provided. This situation is likely to occur when employees are motivated to achieve high performance standards.

2. High Morale – Low Productivity — The situation arises when employees spend their time and energy in satisfying their personal objectives unrelated to the company's goals. Faulty machinery, lack of training, ineffective supervision and restrictive norms of informal groups can also lead to low productivity.

3. Low Morale – High Productivity — Low morale cannot result in high productivity for a long period. This situation occurs for a temporary period due to fear of loss of job, exceptionally good supervision and machine paced Work.

4. Low Morale – Low productivity — If a person has low morale it will positively lead to low productivity.

Ways to Improve Employee Morale

The balance or enhancement in morale can be accomplished through numerous ways. Companies can improve morale through concentrating on employee appreciation, employee involvement, management concern and accountability and working environment.

Good moral is prompted by Optimism, Encouragement, affirmation, interest, motivation, planning, caring, concern, team work, Respect, recognition, trust and fairness. Some important ways to improve morale among workers in an organization are mentioned below:

1. Organizational Transparency: Employees are quite smart to feel any trouble they face in workplace. Transparency in an organization is very important whether it is good news such a recent success, troubling news such as an upcoming merger or bad news such as personnel layoffs.

2. Feedback: Employers need to give positive feedback to employees. This should be regarded narrowly. A positively oriented meeting to analyse a current success what have they done right is also important and contributes to morale in the organization. Feedback should be implemented regularly and constantly.

3. Milestone parties: It is important to have a record of significant mile stones achieved. It is important to dwell on success as well as on failure

4. Take time off to think about organizational surroundings: Company must organize workshops to train employees. Let employees express feelings, opinions and thoughts.

5. Hire solution over problem oriented employees: Problem oriented employees is just that, problem oriented. These employees taint organizations with almost negative energies.

6. Make horizontal movement possible: It is recommended to permit employees to move horizontally in organization. It is very significant to explain employees that there are other ways open to them.

7. Adjust decision taking strategy to the organization: It is suggested to discuss with employees and listen whenever possible but not always.

8. Create organization fidelity: High organizational and management credibility are highly important as employees can be reassured and can trust management.

9. Working environment: Working environment must be improved as much as possible. From office design to office supplies.

What causes low employee morale?

1. **Poor leadership**. While it's difficult to accept that you might be the problem, often, issues start at the top. Nearly 1/3 of employees think their current boss is a lousy manager, and roughly half have left a job because of a bad boss.

2. **Unclear expectations.** If employees aren't sure that they're doing what is expected of them, it will hurt morale. Sadly, only half of employees report that they know what's expected of them at work.

3. **Lack of rewards.** Employees want to be rewarded for their work. When there are no rewards or incentives, they can feel their effort isn't being recognized, which will kill their morale.

4. **Criticisms and punishments.** If employees are punished for mistakes, or even if they fear retribution for potential errors, it can ruin their confidence. Keep in mind that taking away a previous benefit, like canceling casual Fridays, can also feel like a punishment.

5. **Negative coworkers.** Unfortunately, one negative team member can quickly drag down the rest. If someone is frequently worrying or complaining, their low morale can rub off on the other employees.

6. **Fear of the unknown.** As we discussed early, morale encompasses an employee's outlook of the future. If they have reason to worry that their future isn't secure, it will erode their morale. For instance, office gossip about the company losing money or potential layoffs will often damage morale.

How to improve employee morale

1. **Touch base regularly.** Showing you care about your employee's mental state can help improve morale. Regular one-on-ones can not only help you assess morale, but they can also help your employees feel like you're interested in their well-being and development.

2. **Be transparent.** Reports show that 70% of employees say they're most engaged when senior leadership continually updates and communicates company strategy. Using objectives and key results (OKRs) can help your team see the larger picture and how their work fits into it.

3. **Celebrate.** Celebrating big and small accomplishments helps your team feel recognized and appreciated for their hard work. Celebrating non- work events like birthdays can also help promote team bonding and make employees happier.

4. **Emphasize work-life balance.** Less time spent at work can make employees feel happier and more relaxed. It can also boost their productivity.

5. **Include your team in decisions.** If employees don't feel that they're being considered in the decision-making process, it will make them feel undervalued and powerless.

6. **Reward employees.** Teams and individuals should be rewarded for their hard work and commitment. Whether the reward is public recognition of work well done or a gift card to their favorite restaurant, regularly rewarding employees helps increase morale.

7. **Encourage feedback.** Asking for honest feedback, responding positively, and addressing issues will increase your team's happiness and their faith that you're in their corner and want to help them succeed.

8. **Promote team bonding.** Planning team events outside of work hours can help build a sense of belonging and unity that can, in turn, boost morale. Even remote teams can use tools like Zoom to participate in virtual team building activities.

EMPLOYEES MOTIVATION

Definition for Motivation:

According to Encyclopedia of management, "Motivation refers to the degree of readiness of an organization to pursue some designated goal and implies the determination of the nature and locus of the force, including the degree of readiness."

According to Likert, "it is the core of management which shows that every human being
gives him a sense of worth in face-to-face groups which are most

Need of Self-

Esteem Needs

Affiliation or Acceptance

Security or safety needs

Physiological needs

important to him. A supervisor should strive to treat individuals with dignity and
recognition of their personal worth."

Theories of Motivation

1. Maslow's Theory of hierarchy needs

2. Hezberg's Two factor Theory

3. Vroom's Expectancy Theory of Motivation.

4. Alderfer's ERG Theory

5. McCielland's theory of motivation.

6. The Porter and Lawler Model Expectancy Theory

7. Equity theory of work Motivation.

1. Maslow's Theory of Hierarchy needs:

➢ **Physiological Needs:**

🕐   Food, water, warmth, shelter, sleeps.

🕐 Maslow says that until these satisfied to required level man does not aim for satisfaction
of next level needs.

🕐 In organization these needs are like pay, allowance, incentives, benefits

➢ **Safety:**

🕐   Need to be free of physical danger or feeling of loss of food, job or shelter.

- Security need spring up with the moment he makes an effort in the direction.
- In organization conformity, security plan, membership in unions, severance pay, etc.

➢ Social:

🕐   It is exactly why he looks for the association of other human being & strives hard to be accepted by its group.

▯ Social needs in organization are human relation, formal & informal work groups.

➢ Esteem:

🕐   These needs are power, prestige, status & self-confidence

▯ In organization status symbol, awards, promotion, titles, etc.

➢ Self – Actualization:

🕐   Highest need in hierarchy

▯ Refers to desire to become what one is capable of becoming.

2. Herzberg's two Factor:

➢ Two groups or factors(Hygiene factors):

According to Herzberg, Hygiene factors do not actually motivate a person but their absence will lead to dissatisfaction. These factors are also known as extrinsic factors or maintenance factors.

HUMAN RESOURCES MANAGEMENT

UNIT-V BUILDING RELATIONSHIPS AND FACILITATING LEGISLATIVE FRAMEWORK: Trade Unions – Managing Conflicts – Disciplinary Process- Collective Bargaining – Workers and Managerial Decision Making – A Discussion on Concept, Mechanics and Experience.

TRADE UNION

Definition: According to Sale Yoder a trade union is a continued long term association of employees formed and maintained for specific purpose of protecting the interest of members in their working relationship.

According to British Trade Union Act' 1953 – Trade Union is an association of workers formed with the main objective of the regulation of relation between workmen and masters for imposing of restrictive conditions on the conduct of any trade or business and also provision of benefits to members.

Dale Yoder- "A trade union as a continuing long term association of employees formed and maintained for the specific purpose of advancing and protecting th`e interest of the members in their working relationship."

S.D. Punekar- "A trade union is a continuous association of persons in the industry-whether employer or independent workers-formed primarily for the purpose of the pursuit of the interests of its members of the trade they represent."

G.D.H. Cole- "A trade union means an association of workers in one or more professions-an association is carried on mainly for the purpose of protecting and advancing the members' economic interest in connection with their daily work"

Objectives of trade unions

1. To Preserve Physical Security: Trade unions preserve the health and safety of the employees by asking the employers to provide suitable physical work environment and by insisting on their adherence to safety policies and machinery.

2. To Maintain Job Security: Trade union protects the jobs of the employees. Whenever the employees face a threat of elimination from the employers, in any form like dismissal,

discharge, layoff, retrenchment or compulsory retirement, trade unions resist strongly such designs of the employers to terminate the employees' services.

3. To Provide Income Security: Trade unions strive to improve the economic life of the employees they do so by getting better wage deals from the employers along with a collective action.

4. Procuring Political Powers: To improve the bargaining power of the employees the Trade Unions work closely with the political parties of the country. In our country, the inter-relations and interactions between trade unions and political parties are quite common. In fact, trade unions may even function as wings or affiliates of political parties. Obviously, the political power of the union is used to safeguard the employees' interests.

5. To Foster Industrial Democracy and Equity: Trade unions attempt to promote democratic values by holding elections at the periodic intervals with the purpose to choose their leaders. The democratic exercise empowers the grass-roots workers to participate in the organisational decision-making process indirectly by choosing their own leaders.

It enables even the lowest-cadre employee to become an office-bearer of a union and participate in collective bargaining at the highest levels of the management. In this way a trade union ends in achieving industrial democracy, peace and equity.

6. To Provide Social Security: Trade unions Endeavour to provide a calm retired life to the employees by asking the employers to provide them with adequate retirement and other various kinds of benefits for them.

They may ensure that the employers contribute adequately and regularly to the statutory funds that are meant to protect the future well-being of the employees. They may also insist on the employers offering organizational- level schemes for improving the employees' retirement benefits.

7. To Provide Emotional Security: Trade unions aim to improve the employer-employee relationship they do so by constantly engaging in negotiations with the management. A systematic way is applied to improve the superior-subordinate relationship by resolving the workplace grievances of the workers from a very suitable means. Thus, the trade

unions, by ensuring peace and harmony at the workplace, provide emotional security to the employees.

Types and structure of trade union

1. Craft Unions: If the workers of the same craft or category of the job form into a union, that union is called 'craft union'. These unions are called as – 'horizontal unions'. The basic logic behind the formation of such unions is that the workers belonging to the same craft do face similar problems-mostly non- managerial personnel form such unions.

Examples of such unions are Drivers' Associations, Signaling Staff Union in Indian Railways, etc.

2. General Unions: If the workers of any industry, any region and of any job or occupation form into one union in order to protect the overall interests of the workers, such unions are called general unions.

3. Industrial Unions: If the workers of different categories form into a union, that union is called industrial union. These unions are also called "vertical" unions. The logic behind the formation of these unions is that workers of the same industry have the common bend and they are governed by same rules and regulations, and are administered by same management

Moreover, the problems of all the same industry are more or less common. The importance of these unions has been increasing in recent times.

4. Federation and Confederation: Industrial unions, either of same industry or of the different industry may form into an association in order to improve trade union unity/strength. Such unions of unions are called Federations. During the critical situations, unions/federations in different industries may resort to concerted action without losing their individuality.

In such situations, the federations form into an Association and such an association is called confederation. For example, Federation of Indian Railways, P&T, Central Government Employees may form into a confederation.

Methods of trade union

1. Collective Bargaining: The collective bargaining as a trade union method has been widely resorted to in almost all industrialized countries of the world, particularly the USA, the UK and most other European countries where strong well-organized unions with large membership have been firmly entrenched. The method usually involves the following – (i) presentation of demands to the employer; (ii) negotiations over the demands; (iii) contracting of written agreement or mutual understanding over the terms agreed upon; (iv) implementation of the contract with a provision of settlement of grievances, if any and (v) freedom of the parties to resort to industrial action in the event of failure of negotiations.

Collective bargaining without the right to strike by workers in the last resort has little significance. Similarly, the employers retain the right to declare lock- out when they find that the union's stand or action is intolerable.

2. Political Action: The political action as a trade union method is generally in the forms of exerting pressure on the government for enacting pro-labour laws and for the adoption of welfare and social security measures for the benefit of workers; setting up a separate political party under unions' dominance and control and developing allegiance to a political party pursuing pro-labour policy and programme.

The political action method is intended to benefit workers in general or a substantial portion of the working class rather than protecting the interests of the members only. In quite a number of cases, different trade unions combine to form a common platform to pressurize the government to refrain from or withdraw such economic, industrial or labor policies and programmes which are detrimental to the interests of workers. There are also instances where trade unions have utilized the services of eminent political personalities in getting specific industrial disputes settled in favor of union members.

Exerting pressure on the government for enacting protective and pro-labor laws has been the most widely used method adopted by early trade unions. The demand for such legislation related mainly to regulation of hours of work, protection of wages against malpractices in the mode and manner of wage- payment, safety, protection of child and women labor and improvement in certain other terms and conditions of employment.

Although with the growth of collective bargaining, the demand for protective labor laws faded away a little in the organized sector, trade unions continued to demand legislation on many other issues such as right to organize and bargain collectively, recognition of representative union, restrictions on employers in regard to unfair labor practices, improved form of social security measures, job security and prohibition of discrimination in employment based on race, religion, sex, color and so on.

In some countries, trade unions have been making efforts and in quite a few cases have succeeded in forming separate political parties under their dominance. For example, in the UK, the Trades Union Congress had succeeded in its efforts, along with the initiatives of others, in establishing the Labour Party in 1906. The Labour Party, which came to power at intervals, initiated a number of programmes on the advice of the TUC. Even today, there is a close relationship between the two in various ways.

However, with the advent of globalisation and increasing competition in international markets, there have been major changes in their relationships. The Labour government in power has often been adopting economic and labour policies which are not to the liking of the Trades Union Congress. Similarly, trade unions in quite a number of developing countries, particularly those more recently becoming independent from colonial rule, have succeeded in forming political parties of their own.

The trade unions often also organise the votes of union-members to favour candidates or political parties pursuing pro-labour policy in political elections with a view to "reward friends and punish the enemies." Such a practice has been a usual phenomenon in the USA and the UK.

In India, trade unions did not make efforts to establish a separate political party under their control. A number of trade unions are, however, affiliated to one political party or the other. For example, the Indian National Trade Union Congress (INTUC) is affiliated to the Indian National Congress, the Bharatiya Mazdoor Sangh (BMS) to Bharatiya Janata Party and the Centre of Indian Trade Unions (CITU) to the Communist Party (Marxist).

3. Welfare Measures: Many trade unions with sound financial conditions, particularly the craft unions, provided certain welfare measures for the benefit of their members. The benefits more usually provided financial assistance in the event of sickness and

disablement of the members and in the event of death of the members, assistance including funeral expenses to the family.

Some trade unions also provided tramp benefit to members moving in search of jobs in order to enable them to meet travelling expenses. Subsequently, many big unions with sound financial conditions started an improved form of welfare amenities and social security benefits to the members out of their own funds. With the adoption of comprehensive social security and welfare measures by the government and their enlargement at regular intervals, the role of trade unions in making provision of these benefits gradually declined.

In India, majority of the unions including the big ones are not in a position to arrange for these benefits out of their funds. Only a few unions such as the Textile Labour Association, Ahmedabad and Tata Workers' Union, Jamshedpur have been engaged in providing some measure of welfare

amenities to their members. These benefits are merely in the form of educational, recreational, cultural and limited medical facilities.

4. Industrial Action: Trade unions generally consider the right to strike as one of their basic rights. They contend that collective bargaining without the right to strike has no significance. Trade unions, no doubt, consider strike as the most powerful weapon in their armoury, they also resort to some other forms of industrial action to pressurise the employers and the government for the fulfilment of their objectives.

The more common of these are demonstration, picketing and boycott. In many cases, these supplement strike action, but in some cases these are resorted to independently. Strikes and other forms of industrial action are organised not only in the situation of industrial disputes, but also against government's anti- labour policies and programmes. In India, general strikes or bandhs organised by central unions, mostly in combination, against government's liberalised economic and industrial policies and measures initiated in 1991, became a regular feature during subsequent years.

With the advent of globalisation, such strikes have also been resorted to in many Latin American and European countries. In India, gherao had also been a regular feature of trade

union action in West Bengal and Kerala during 1960s and 1970s under united front governments. Gherao is the practice which involves confinement of authorities, mostly managerial personnel, in their offices by agitated workers for hours in connection with their demands and not allowing them to leave.

The practice was, however, outlawed, but still continues in isolated cases. Although the frequency of wider forms of industrial action, particularly general strikes and bandhs, has increased during more recent years; their effectiveness in exerting pressure on the government has materially declined especially in view of the compulsions of the government not to go back from needed measures of economic reforms, which often necessitate putting curbs on strikes and other forms of industrial action in national interests.

Theories of trade union

1. Political Revolutionary Theory of Labour Movement of Marx and Engels: This theory is based on Adam Smith's theory of labour value. Its short run purpose is to eliminate competition among labour, and the ultimate purpose is to overthrow capitalist businessman. Trade union is pure simple a class struggle, and proletarians have nothing to lose but their chains and they a world to win.

2. Webb's Theory of Industrial Democracy: Webb's book 'Industrial democracy' is the Bible of trade unionism. According to Webb, trade unionism is an extension of democracy from political sphere to industrial sphere. Webb agreed with Marx that trade unionism is a class struggle and modern capitalist state is a transitional phase which will lead to democratic socialism. He considered collective bargaining as the process which strengthens labour.

3. Cole's Theory of Union Control of Industry: Cole's views are given in his book "World of Labour" 1913. His views are somewhere in between Webb and Marx. He agrees that unionism is class struggle and the ultimate is the control of industry by labour and not revolution as predicted by Marx.

4. Common's Environment Theory: He was skeptical of generalizations and believed only that which could be proved by evidence. He agreed that collective bargaining was an

instrument of class struggle, but he summarized that ultimately there will be partnership between employers and employees.

5. Mitchell's Economic Protection Theory of Trade Unionism: Mitchell, a labour leader, completely rejected individual bargaining. According to him unions afford economic protection to.

6. Simons Theory of Monopolistic, Anti-Democratic Trade Unionism: He denounced trade unionism as monopoly founded on violence. And he claimed monopoly power has no use save abuse.

7. Perlman's Theory of the "Scarcity Consciousness" of Manual Workers:
He rejected the idea of class consciousness as an explanation for the origin of the trade union movement but substituted it with what he called job
consciousness. According to him, 'working people in reality felt an urge towards collective control of their employment opportunities, but hardly towards similar control of industry.' Perlman observed that three dominant factors emerged from the rich historical data- the capacity or incapacity of the capitalist system to survive as a ruling group in the face of revolutionary attacks (e.g., failure in Russia) the source of the anti-capitalist influences being primarily from among the intellectuals in any society.
The most vital factor in the labour situation was the trade union movement. Trade unionism, which is essentially pragmatic, struggles constantly not only against the employers for an enlarged opportunity measure in income, security and liberty in the shop and industry, but struggles also, whether consciously or unconsciously, actively or passively, against the intellectual who would frame its programmes and shape its policies. But Perlman also felt that a theory of the labour movement should include a theory of the psychology of the labouring man. For instance, there was a historical continuity between the guilds and trade unions, through their common fundamental psychology; the psychology of seeking a livelihood in the face of limited economic opportunity.
It was when manual workers became aware of a scarcity of opportunity, that they banded together into unions for the purpose of protecting their jobs and distributing employment opportunities among themselves equitably, and to subordinate the interests of the

individual to the whole labour organism. Unionism was ruled thus by this fundamental scarcity consciousness.

8. Hoxies Functional Classification of Unionism: He classified Unionism on the basis of their functions. His classification were Business Unionism for protecting the interest of various craftsmen, "Uplift unionism" for the purpose of contributing better life such as association of sales engineers etc. "Revolutionary Unionism" which is eager to replace existing social order, "Predatory Unionism" which rests on these support of others.

9. Tannenbaum's Theory of Man vs. Machine: According to him Union is formed in reaction to alienation and loss of community in an individualistic and unfeeling society. In his words, the union returns to the workers his society, which he left behind him when he migrated from a rural background to the anonymity of an urban industrial location.

The union gives the worker a fellowship and a value system that he shares with others like him. Institutionally, the trade union movement is an unconscious effort to harness the drift of our time and reorganise it around the cohesive identity that men working together always achieve.

Suggestion for strengthening trade union

(a) Internal Leadership – This is the need of the hour. These unions should be run by internal leaders only. The outsiders and more particularly politicians should not be allowed their internal labour leadership must be developed. They must be educated and trained in labour leadership techniques and labour welfare activities.

(b) A way from Political Influence – Workers and trade unions must be kept away from political influence. According to Kith the famous trade union leader of USA – "Trade unions should be kept a wary from politics and inception of trade union should be done on the basis of specific industries. Constructive co- operation of all classes can direct properly the trade union movement." Though labour will be at liberty to participate in the politics but politicians should not use them to serve their purposes.

(c) Education and Training to Workers – The obstacles in the development of trade unions lie in the illiteracy and ignorance of the workers should be provided education so that they can understand their own interest and extend their cooperation. Education will

bring new awakening in them and they will not only think of their interest but of the industry as well Training for the organisation of trade unions can also be given to them.

(d) Sufficient Finance – Worker's financial status is not good. They cannot contribute much to the unions. Hence their financial status may be improved. In this respect national workers policy Minimum Wages Act should be obeyed. **(e) One Industry One Union –** According to Short, V.V. Giri one industry should give recognition to one union only so that workers problems can have quite and satisfactory solution. Indian government is considering over this needs amendment in the Trade Union Act.

(f) Constructive Aspect – Trade union should the finances for contractive work, i.e., for the welfare of the workers. Trade union should change their attitude towards employers. They should be treated as cooperating and not opposing and should work for the benefit of the industry. This will change the attitude of employers to employees.

(g) Change in the Employer's View – Generally employers opposes trade unions. This attitude should be changed. They should think labor is cooperative and so they should be educated as such. By this workers will cooperate with them and their expectations will be fulfilled

(h) Welfare Measures – Trade unions should extend welfare measures to the members and actively render social responsibilities.

(i) Avoid Unnecessary Interference – Trade unions should not unnecessarily interfere in the management decisions. Their interference may reduce the organizational effectiveness.

(j) Formation of a Labor Party – Trade unions should form a labour party and trade union in the country should be affiliated to it will provide adequate strength to the trade unions both in the industry and parliament.

On the basis of above suggestions if trade unions are recognized they will certainly prove successful and both will cooperate. Workers will be developed economically, socially, politically and mentally we can sum-up this discussion by a statement of Planning Commission of India.

"Trade unions should be accepted as a necessary part of the economic and industrial organisation and they should be awakened and activated to fulfill their responsibilities."

Problems and Weaknesses of Trade Unions in India

1. Uneven Growth: Trade unions are concentrated in large scale industry sector and in big industrial centers. There is very little trade union activity in small sector, agricultural labor and domestic sector. Trade unionism has touched only a portion of the working class in India.

2. Small Size: Most of the unions have low membership though the number of unions and union membership are increasing; average membership is inadequate to be effective.

3. Weak Financial Position: The average yearly income of unions is very low and inadequate. The subscription rates are low and many members do not pay the subscription in time. Due to their financial weakness, most of the unions are not in a position to undertake welfare programmes for workers.

4. Political Leadership: Trade unions are under the leadership and control of political parties and outsiders. Politicians exploit unions and workers for their personal and political gains. Thus, this sort of leadership is very harmful to the trade union movement in India.

5. Multiplicity of Unions: There exist several unions in the same establishment or industry. The existence of rival unions with conflicting ideology is greatly responsible for unhealthy growth of trade union movement in India. In some cases, employers encourage split in unions to undermine their bargaining power.

6. Problem of Recognition: Employers are under no obligation to give recognition to any union.

7. Absence of Paid Office-Bearers: Most of the unions do not have paid office-bearers. Union activists working on honorary basis devote only limited time and energy to union activities. Union officers lack adequate knowledge and skill due to lack of proper training, weak financial position and political leadership are the main reasons for this state of affairs.

8. Apathy of Members: Majority of workers do not take keen interest in union activities. The attendance at the general meetings of unions is very poor.

9. Opposition from Employers: Trade unions in India have to face opposition from employers. Many employers try to intimidate or victimize labor leaders, start rival unions and bribe union officials; thus, defeating the very objectives of their formation.

10. Inter-Union Rivalry: Multiple unions create rivalry. Unions try to play down each other in order to gain greater influence among workers. Employers take advantage of infighting. Interunion rivalry weakens the power of collective bargaining and reduces the effectiveness of workers in securing their legitimate rights.

Characteristics of Trade Unions

1. Association of employees: A trade union is essentially an association of employees belonging to a particular class of employment, profession, trade or industry. For example, there are unions for teachers, doctors, film, artistes, weavers, mine workers and so on.

2. Voluntary Association: An employee joins the trade union out of his free will. A person cannot be compelled to join a union.

3. Permanent Body: A trade union is usually a permanent body. Members may come and go but the trade union remains.

4. Common Interest: The member of a trade union have certain matters of common interest-job security, better pay and working conditions and so on, which bring them together.

5. Collective Action: Even when an individual employee has any grievance over certain management decisions, the matter is sorted out by the intervention of the trade union Employees are able to initiate collective action to solve any problem concerning any particular employee or all the employees.

6. Rapport with the Management: The trade union seeks to improve relations between the employees and employers. The officials of the trade union hold talks with the members of the management concerning the problems of the employees in order to find an amicable solution. It is thus possible for the employees to have better rapport with the management.

Important of trade union

1. Increase in Bargaining Power: Leaving of the job impose a great financial and emotional burden upon the worker. The better course for him is to join a union that can take concerted action against the employer. The threat or actuality of a strike by a union is a powerful tool that often causes the employer to accede to the demands of the workers for better conditions of employment.

2. Helps in Decreasing Discrimination: The personal relationships existing between the supervisor and each of his subordinates may influence the management's decision regarding pay, work, transfer, promotion, etc. Thus, there are chances of favoritisms' and discriminations.

A trade union can compel the management to formulate personnel policies that press for equality of treatment to the workers. All the labor decisions of the management are taken under close scrutiny of the labor union. This results in minimizing favoritism and discrimination.

3. Sense of Participation: With the help of trade union, its member employees can participate in management of the matters that affect their interests only in case they have joined trade unions. They can influence the decisions that are taken as a result of collective bargaining between the union and the management.

4. Platform for Self-Expression: A trade union provides such a platform where the feelings, ideas and opinions of the workers can be discussed. There is a transmissible of the feelings, ideas, opinions and complaints of the workers to the management. The collective voice of the workers is heard by the management and given due consideration while taking policy decisions by the management.

5. Betterment of Relationships: It is the belief of employees that unions can fulfill the important need for adequate machinery for proper maintenance of employer-employee relations. Unions help in betterment of employee relations among management and workers by solving the problems peacefully.

6. Sense of Security: Trade union is an effective way to secure for them adequate protection from various types of hazards and income insecurity such as accident, injury, illness, unemployment, etc. The trade union also secures retirement benefits of the workers and compel the management to invest in welfare services for the betterment of the workers.

Feature of trade union

1. Dealing with Collective Action: By means of collective action, trade unions attempt to match the power and resources of the employers. This collective nature of activities alone

helps the trade unions to establish equality with the employers. It also facilitates better bargaining with the employers on matters relating to the interests and rights of the employees. It is not possible by individual actions.

2. Acts as a Mediator: The trade unions play the role of mediator. Trade union eliminates the employers' need to consult each and every employee before taking decisions affecting him. Instead, the employers talk to trade unions that represent the employees.

The trade unions, in turn, pass on the information to the employees through their own sources. They also undertake the responsibility of convincing the employees about the decisions taken by the employers in consultation with them.

3. Voluntary Association: So, individuals agree on their own to join and act together with a view to trying and fulfilling the purposes for which they come together. A trade union has a large number of worker members from one or more occupations a trade union is a voluntary association of employees. **4. Creates Unity among Employees:** Members of a trade union have common interests and problems. This commonness motivates the members to stand unite. A union seeks to regulate relations between employers and workers.

5. Authority vested with the Members: Since trade unions are voluntary associations of employees, the leaders are elected by the members. In this way, the real authority is vested only with the members of the unions. This is in contrast to the formal organizations, where authority flows from the top to the bottom.

6. Sub-System of Social System: A trade union is a sub-system of the social system. As such, its character undergoes change as the changes come in economic, social, legal and political conditions of the country. A union functions collectively to safeguard and promote the interests of its members within a given socio-economic system together.

Functions of trade unions

1. Fraternal Functions:

Fraternal functions deal with the following:

(i) Providing opportunities for promotion and growth.

(ii) Preventing women workers from being discriminated.

(iii) Encouraging sincerity and discipline among workers.

(iv) Take-up welfare measures for improving the morale of workers.

(v) Generating self-confidence among workers.

2. Militant Functions:

A militant function aims towards:

(i) Achieving higher wages and better working conditions.

(ii) Raising the status of workers as a part of industry.

3. Political Functions: Trade unions also have to influence government policy decisions in the interest of workers. Legislative support which unions require for realising some of their objectives and achievement of their long-term interests has led them to step into the region of politics.Unions not only contribute to the formulation of policies but to see that policies are implemented. This is the reason why in several countries political process of the government and participation in it have been attracting the interest of unions rapidly.

4. Social Functions: (i) Publishing Periodicals, News Letters, or Magazines: The main social function of trade unions is to publish periodicals, news-letters or magazines for solidifying communication with their members, making the latter aware of union policy and stand on certain principal issues and personnel matters concerning members, such as births, deaths, marriages, promotion and achievements.

(ii) Research: Research are done to provide updated information to union negotiators at the bargaining table. Such research is to be more practical than academic, concerning problems relating day-to-day affairs of the union and, its activities and union and management relations.

(iii) To Contribute towards Education: Education of members in all aspects of their working life including improvement of their civic life, awareness in the environment around them, enhancement of their knowledge particularly in regard to issues that concern them, their statutory and other rights and responsibilities, workers' participation scheme and procedure for redressing their grievances. Some central union organisations also assist the Government to implement the Workers' Education Scheme.

(iv) Performing Welfare Activities: In various welfare activities the quality of work life is improved including organisation of mutual funds, cooperative credit societies for providing housing, cooperative stores, cultural programmes banking and medical facilities, and training for women in various crafts to provide supplement their family income.

Advantages of Trade Union:

1. Protection against exploitation – Trades unions give protection workers against being exploited. Be sides they assist to uphold health and safety legislation. Trades unions can give representation to workers facing legal action.

2. Creates spirit of self-reliance and self-respect – Trade unions bring in a spirit of self-reliance and self-respect among the workers. They help in building up national character. No self-respecting worker wants gifts or alms but must be paid a fair share of the results based on the actual work produced.

3. Maintenance of wages at a uniform level – Trades unions help to maintain the wages at a uniform level in terms of the actual economic value.

4. Helps in negotiating productivity deals – Trades Unions helps to negotiate the productivity dealing. This means they help the firm to increase in best output; this enables the firm to be able to afford higher wages. Trades unions can be important for implementing new working practices which improve productivity.

5. Provides negotiation between worker and employer – The Unions are an organized body, the workers can negotiate with the employer on the basis of status and self-respect.

Pressure can be exerted by them on the employer to ensure that the working conditions are healthy ones and that the hours of work are arranged conveniently. In case of a grievance, the issues can be presented through the union; it tends to prevent unnecessary conflict and disruption of work.

6. Accelerate Economic Development – To accelerate pace of economic development trade union helps in many ways as under – (i) helps in the recruitment and selection of workers. (ii) Maintains discipline among the workforce. (iii) Enables settlement of industrial disputes in a rational manner.

(iv) Workers have to adjust themselves to the new working conditions, the new rules and policies. Unions help them in such adjustment.

Disadvantages of Trade Union:

1. Unnecessary inducement of workers – The main disadvantage of trade union for an organisation is facing of unnecessary demands of powerful trade unions. A powerful union of workers in a particular industry can, through an unreasonable demand for wages not only secures higher wages for their own industry but may also lead the workers in various organisations to make a similar demand though unreasonable.

2. Insolvency – A unit in an industry can be forced into insolvency with the purpose of increased wages.

3. High cost and low productivity – Trade unions at times encourage inefficiency, forcing the employer to employ an unnecessarily large number of employees, it is inclusive of adverse effect like increasing the costs of the undertaking and lowering its productivity and profitability.

4. Misguidance – As most of the trade unions have political leanings, the workers can be misguided for achieving the trade unionists political motives and objectives.

5. Coercing workers – The trade unions by exercising force coerce the workers to support the union's opinion by joining strikes, etc. which mainly affect productivity.

MANAGING CONFLICT

What is Conflict?

 Conflict can be a disagreement, the presence of tension, or some other difficulty within or between two or more parties

☐ A disagreement between people that may be the result of different Ideas, Perspectives, Priorities, Preferences, Beliefs, Values, Goals, Organizational structures.

Definitions of conflict

"Conflict is the condition of objectives in compatibility between values and goals"- **Ralph kilman and Kenneth Thomas.**

Sources of Conflict

Conflict can arise from a variety of sources. They can be classified into two broadcategories:

☐ **Structural factors**, which stem from the nature of the organisation and the way inwhich work is organized,

☐ **Personal factors**, which arise from differences among individuals.

Following summarizes the causes/sources of conflict within each category.

(1) Structural Factors

1. Specialization

✓   When jobs are highly specialized, employees become experts at certain tasks.

✓   As the highly specialized people have little awareness of the task that others perform, such a case leads to conflict among the specialists.

2. Interdependence

✓   Interdependence occurs when two or more groups depend on each other to accomplish their tasks.

✓   The potential of conflict increases as the degree of interdependence increases.

✓   **Three types of task interdependence have been identified:**

a) Pooled interdependence: A condition of pooled interdependence occurs when the performance of difference groups is simply combined or added together to achieve the overall performance.

b) Sequential Interdependence: It occurs when the task of one group cannot be completed unless the preceding group has completed its task.

c) Reciprocal Interdependence: Such Interdependence occurs with conjunctive tasks when each group depends upon the performance of each of the other group.

3. Goal Differences

✓ Sometimes different work groups having different goals have incompatible goals.

✓ For example, in a cable television company, the salesperson's goal was to sell as many new installations as possible. This created problem for the service department, because its goal was timely installations.

4. Jurisdictional Ambiguities:

✓ It refers to the presence of unclear lines of responsibility within an organisation.

(2) Personal Factors

1. Skills and Abilities

◻ Work force in an organisation/department is composed of people with varying levels of skills and abilities.

◻ Such diversity in skills and abilities leads to conflict, especially when jobs are interdependent.

2. Personalities

- Personality also causes individual differences.
- Research studies report that usually an abrasive personality is rejected by others.
- An abrasive person is one who ignores the interpersonal aspects of work and feelings of colleagues.

3. Perception

✓ Like personality, differences in perceptions can also lead to conflict.

✓ One area in which perceptions differ may be the perception of what motivates employees.

✓ Managers, for example, usually provide what they think employees want rather than what employees really want.

4. Values and Ethics

✓ People also hold different beliefs and adhere to different value system.

✓ Older workers, for example, value company loyalty and probably would not take a sickday when they not really sick/ill.

✓ But, the younger workers, valuing mobility, may take a sick day to get away from work.

5. Emotion

✓ The moods of the people can also be a source of conflict in the work place.

✓ Problems at home often spill over into the work arena, and the related moods can behard for others to deal with.

6. Communication Barriers

✓ Communication barriers such as physical separation and language can createdistortions in messages, and these, in turn, can lead to conflict.

Process or stages of Conflict

1. Latent Conflict

✓ It is a first stage of conflict when conflict promoting situations appear on the scene between individuals and groups.

✓ In this stage potential conflict inducing forces exist. For example demand for various resources by departments when some may get and be satisfied and others may not get and be dissatisfied. Hence there may exista situation between two groups. At this stage the seed of dissatisfaction has been sown.

2. Perceived Conflict

✓ When one party frustrates the design of the other party people perceive that a confluctual conditions exist.

✓ For example sales manager may need additional budget for promotional activities which financial manager may not release. The sales manager may attribute lack of finance as potential causefor fall in sales. Thus a conflict betweenthetwo may brew.

3. Felt Conflict

✓ At this stage, the conflict is actually felt and cognized.

✓ As stated earlier, the funds are not released by the finance manager and the problem is beingsurfaced and thereisalikelihood of confrontation.

4. Manifest Conflict

✓ In this stage, there is not only recognition or acknowledgement of conflict but also manifestation of conflict by covert or overt behavior.

✓ It is a stage of open dispute. Both parties devise their strategies to face each other.

5. Conflict Aftermath

✓ A party, which feels defeated, may start preparations and be on the lookout for the assault to take the revenge.

✓ Conflict resolution has been added as an additional box in the figure to elucidate that conflict aftermath is a direct function of the results of the conflict.

Different levels of conflict (or) Different Types of Conflict
I. INDIVIDUAL LEVEL CONFLICT 1 .Goal Conflict

✓ A common source of conflict for an individual in an organisation which

has both positive and negative features is the existence of two or more competing goals.

✓ Goal conflict occurs when two or more motives block each other.

(a) Approach-Approach Conflict

✓ In this situation, the individual is caught between trying to decide upon one oranother two attractive goals, which are mutually exclusive.

✓ The problem comes in when the valences or desirability's are roughly equal.

(b) Approach-Avoidance Conflict

✓   In this situation, the individual has both positive and negative feelings about trying a goal because the goal possesses both attractive andrepulsive characteristics.

(c) Avoidance-Avoidance Conflict

✓   This is the situation where the individual must choose between two mutually exclusive goals, each of which possesses unattractive qualities.

2. Role Conflict

✓   An individual performs a number of roles.

✓   In the organisation, every person is expected to behave in a particular manner while performing a specific role.

✓   When expectations of role are materially different or opposite from the behavior anticipated by the individual in that role, he tends to be in role conflict because there is no way to meet one expectation without rejecting the other.

Factors in Role Conflict

➢   *Role Ambiguity:*

⬛ When role expectations are inadequately defined or substantially unknown, role ambiguity exists.

⬛ If the expectations associated with a role are unclear or ambiguously defined, the individual will experience difficulty in enacting the role.

➢   *Organizational Position:*

⬛ Organizational positions also determine the role conflict and ambiguity.

⬛ This is so particularly when a person has to perform a variety of organizational roles assigned to him by the organisation.

➢   *Personal Characteristics:*

⬛ Role conflict also arises because of personal characteristics.

These personality characteristics include emotional sensitivity, introversion-extroversion, flexibility-rigidity, and need for career achievement.

3. Interpersonal Conflict

➢ **Vertical Conflict**

 Vertical relationship that is mostly in the form of superior- subordinaterelationship results into vertical conflicts.

 Vertical conflicts usually arise because superior attempts to control the behaviorof his subordinates, and subordinates resist such control.

✓ **Horizontal Conflict**

 Horizontal conflict at interpersonal level is among the persons at the samehierarchical level in the same function or in different functions.

Causes of interpersonal conflict

(1) Nature of Persons:

 Ego States.
✓ People interact with particular ego states.
✓ Ego states are the person's way of thinking, feeling, and behaving at anyparticular time.

 Value Systems.
✓ People having different dominant value systems may develop conflict in theirinteraction.
✓ People having different value systems may interpret the things and situations differently. Such differences become the basis of interpersonal conflict.

 Socio-cultural Factors:
✓ People coming with different social and cultural backgrounds may developconflict among themselves.

✓ Many interpersonal conflicts based on caste, region, and family background arebased on socio-cultural differences.

(2) Situational Variables:

✓ **Interest Conflict.**

✓ The most important situational variable is when People in a group or in intergroup see their interest differently.

✓ This may not be because of the basic nature of the man but may generate becauseof the situations.

✓ **Role Ambiguity.**

✓ As discussed earlier, role ambiguity is one of the reasons for role conflict.

✓ However, it may also develop into inter-role conflict especially if various rolesinteracting have not been clearly specified.

II. GROUP LEVEL CONFLICT

1. Intra-group Conflict

✓ Intra-group conflict may arise in three situations: *(i)* when group faces a novel problem of task; *(ii)* where new values are imported from the social environment into the group; and *(iii)* where a person's extra- group role comes into conflict with his intra-group role.

✓ Intra-group conflict is visualized more when people come from different socio-economic backgrounds and have different political and religious views.

2. Intergroup Conflict

✓ Intergroup conflict arises out of the interaction of various groups.

✓ There are many factors in the organisation which determine the intergroup relationships.

a) Goal Incompatibility.

✓ The goals of two groups can have a powerful impact on their relationship.

✓ Intergroup conflict arises because of goal incompatibility, that is, goal attainment by one group may prevent or reduce the level of goal attainment departments by one or more other groups.

d) Resource Sharing:

✓ The relations between two groups can be affected by the degree to which the two groups draw from a common pool of resources, and the degree to which this common pool of resources is adequate to meet the demands of both the group.

e) Task Relationship:

✓ Depending upon the nature of functional relationship, various groups may be related in two ways: interdependence and dependence.

✓ Depending upon the type of task relationship, groups may perceive conflict.

f) Absorption of Uncertainty:

✓ In order to manage uncertainty organizations assign certain groups or individuals to deal with it. Thus a group may absorb uncertainty of other groups.

✓ The group may make decisions or set premises for decision-making for other groups, thereby avoiding the uncertainty. For example, if marketing department finds the rules framed by the accounting department inadequate or inefficient, the condition for conflict exists.

g) Attitudinal Sets.

✓ The sets of the attitudes that members of various groups hold towards each other can be cause and a consequence of the nature of their relationship.

✓ If the group relations begin with the attitudes of distrust, competitiveness, secrecy and closed communications, there is a possibility of various factors of group relationship being emphasized in a negative way, consequently leading to conflicts.

III. ORGANISATION LEVEL CONFLICT

✓ It must be remembered that conflicts at individual level or group level are all inherent in organisation level conflict.

✓ Conflict at organisation level may be **intraorganisational** and **interorganisational**. In the case of latter, an organisation may have conflict with another organisation pursuing same goals or with a government agency.

Positive Effects of Conflict in an Organization

1. Social Change: Conflict contributes to social change ensuring both interpersonal and intergroup dynamics remain fresh and. reflective of current interests and realities.

2. Decision Making: Conflict serves to "discourage premature group decision making," forcing participants in the decision-making process to explore the issues and interests at stake.

3. Reconciliation: Conflict allows for the reconciliation of the parties' concerns, which can lead to an agreement benefiting both parties' needs, and often their relationship and organizations.

4. Group Unity: Conflict strengthens intergroup unity by providing an outlet for group members to discuss and negotiate their interests within the group. Without intergroup conflict, the health of the group typically declines.

5. Group Cooperation: Conflict between groups produces intra-group unity as the conflict provides the opportunity for increased intra-group cooperation while working towards the group's common goal for the conflict's outcome.

6. Inspire Creativity: Fortunately, some organization members view conflict as an opportunity for finding creative solutions to solve problems. Conflict can inspire members to brainstorm ideas while examining problems from various perspectives

7. Share and Respect Opinions: As organization members work together to solve a conflict, they are more willing to share their opinions with the group. Conflict can also cause members to actively listen to each other as they work to accomplish the organizations' goals.

8. Improve Future Communication: Conflict can bring group members together and help them learn more about each other. From learning each others' opinions on topics relevant to the organization's growth to understanding each member's preferred communication style, conflict within an organization can give members the tools necessary to easily solve conflicts in the future.

9. Identify New Members: Within organizations members actively participate in each meeting, enjoy serving on multiple committees and have an opinion on each topic the group discusses. There are also members who seemingly contribute little to the group and observe more than talk. Conflict within an organization can inspire typically silent members to step up and demonstrate their leadership skills by offering meaningful solutions to the problem the group is facing.

Negative Effects of Conflict in an Organization

1. Mental Health Concerns: Conflict within an organization can cause members to become frustrated if they feel as if there's no solution in sight, or if they feel that their opinions go unrecognized by other group members. As a result, members become stressed, which adversely affects their professional and personal lives. Organization members may have problems sleeping, loss of appetite or overeating, headaches and become unapproachable. In some instances, organization members may avoid meetings to prevent themselves from experiencing stress and stress-related symptoms.

2. Decrease in Productivity: When an organization spends much of its time dealing with conflict, members take time away from focusing on the core goals they are tasked with achieving. Conflict causes members to focus less on the project at hand and more on gossiping about conflict or venting about frustrations. As a result, organizations can lose money, donors and access to essential resources.

3. Members Leave Organization: Organization members who are increasingly frustrated with the level of conflict within an organization may decide to end their membership. This is especially detrimental when members are a part of the executive board or heads of committees Once members begin to leave, the organization has to recruit new members and appoint acting board members.

In extreme cases, where several members leave or an executive board steps down, organizations risk dissolution.

4. Violence: When conflict escalates without mediation, intense situations may arise, between organization members. It's unfortunate, but organizational conflicts may cause violence among members, resulting in legal problems for members and possibly the organization.

5. Distract Primary Purposes: Conflict can distract individuals and groups from their primary purposes, leaving them with less time and resources for other activities. When a conflict involves the use of "heavy contentious tactics," it can cause the individuals or groups involved in the conflict as well as individuals or groups not involved in the conflict to divert time and resources away from other needs.

6. Psychological Problem: Conflict can have both short term and long term effects on the physical and psychological health of the individuals involved in or affected by the conflict. In worst-case scenarios the psychological consequences can include deep trauma and diminished coping mechanisms.

Conflict Management Technique

Conflicts have both positive and negative sides. The conflict management techniques are divided into two parts. The first one is conflict resolution technique and the second one is conflict stimulation techniques, which are given below:

Conflict Resolution Techniques

1. Problem-solving,

2. Super ordinate goals,

3. Expansion of resources,

4. Avoidance,

5. Smoothing,

6. Compromise,

7. Authoritative command,

8. Altering the human variable, and

9. Altering the Structural variables.

1. Problem-solving: Face-to-face meetings of the conflicting parties for the purpose of identifying the problem and resolving it through open discussion.

2. Super ordinate goals: Creating a shared goal that cannot be attained without the cooperation of each of the conflicting parties.

3. Expansion of resources: When a conflict is caused by the society of a resource say, money, promotion opportunities, office space- expansion of the resource can create a win-win solution.

4. Avoidance: Withdrawal from, or suppression of the conflict.

5. Smoothing: Playing down differences while emphasizing common interests between the conflicting parties.

6. Compromise: Each party to the conflict gives up something of value.

7. Authoritative command: Management uses its formal authority to resolve the conflict and then communicates its desires to the parties involved.

8. Altering the human variable: Using behavioral change techniques such as human relations training to alter attitudes and behaviors that cause conflict.

9. Altering the Structural variables: Changing the formal organization structure and the interaction patterns of conflicting parties through job design, transfers, the creation of coordinating positions and the like.

Conflict Stimulation Techniques

1. Communication,

2. Bringing in outsiders,

3. Restructuring the organization, and

4. Appointing a devil's advocate.

1. Communication: Using unambiguous or threatening messages to increase conflict levels.

2. Bringing in outsiders: Adding employees to a group whose backgrounds, values, attitudes, or managerial styles differ from those of present members.

3. Restructuring the organization : Realigning workgroups, altering rules and regulations, increasing interdependence, and making similar-structural changes to disrupt the status quo.

4. Appointing a devil's advocate: Designating a critic to purposely argue against the majority positions held by the group.

Conflicts Management

There are five basic styles of managing conflicts used by the individuals.

1. Competing Style

✓ It refers to assertive and uncooperative behaviors and represents a WIN-LOSEapproach to interpersonal conflict.

✓ Those who use this style try to achieve their own goals without concern for others. Itincludes coercion and dominance.

2. Accommodating Style

✓ It refers to cooperative and unassertive behaviors. It is a LOSE-WIN approach.

✓ Accommodation may represent an unselfish act, a long-term strategy to encouragecooperation by others.

3. Collaborating Style

✓ It refers to strong cooperative and assertive behaviors. It is the WIN - WIN approachto interpersonal conflict handling.

✓ The person using this style desires to maximize joint results. With this style, conflict is recognized openly and evaluated by all the concerned parties.

4. Compromising Style

✓ It refers to behaviors at an intermediate level of cooperation and assertiveness. It isWIN SOME-LOSE SOME.

✓ The individual using this style engages in give and take and use a series of concessions.

5. Avoiding

✓ It refers to unassertive and uncooperative behaviors'. It is a LOSE-LOSE approach.

✓ A person uses this style to stay away from conflict, ignore disagreements or remainneutral.

EMPLOYEE DISCIPLINE

Meaning: The attitude of the employees with reference to the rules and regulation of an organization is what term as discipline. Employee are disciplined if they adhere to those rules and regulations and are undisciplined if they don't.

Definition: Richard D. Calhoon- "Discipline is the force that prompts individuals or groups to observe rules, regulations, standards and procedures deemed necessary for an organization." Discipline means systematically conducting the business by the organizational members who strictly adhere to the essential rules and regulations.

Kinds of punishment

I. Minor Punishment:

1. Oral Reprimand – When a superior officer verbally warns the employee committing the offence, he expresses that he does not approve of his behavior. **For example,** employee sleeping during working hours or found smoking in the workplace.

2. Written Reprimand – Manager writes up the warnings and mails it to the employee concerned. The employee is called for explanation. A copy of his reply is sent to HR Department.

3. Punitive Suspension – It is awarded for minor offenses. It may extend for a few days. Employee gets subsistence allowance during the suspension period.

4. Loss of Privilege – Some of the privileges like assigning interesting work, shift preferences, leave, flexi hours, choice of machine etc., may be withdrawn for a given period.

5. Fine – A deduction may be made from the pay for certain offences like damage to the goods, machines and property of the company or for loss of money he has to account for.

6. Transfer – An employee may be transferred to a far off place or to a different department for the offence committed. It is usually awarded bycompanies or institutions operating with a network of branches. Government institutions practice this type of punishment.

II. Major Punishment:

1. Pay cut – Cutting employee's pay for offences relating to damage or loss of property. The loss is recovered from the pay of the employee.

2. Demotion – When the employee proves himself to be unfit for the present job he is holding, he is downgraded to a lower job carrying lower pay and responsibilities. It has a serious implication on the employee's morale and motivation.

3. Suspension pending enquiry – It is awarded for serious offence. His regular wages are withheld during the period. The punitive suspension may extend for a longer period say several months till the enquiry is completed. Employee gets subsistence allowance during the suspension period.

4. Discharge – It is awarded for the gravest offence involving integrity, moral turpitude, etc. There is a stigma attached to the dismissal and he may find it difficult to get employment elsewhere.

Types of discipline

1. Positive Discipline: Positive discipline in a business is an atmosphere of mutual trust and common purpose in which all employees understand the company rules as well as the objectives and do everything possible to support them. Any disciplinary program has, as its base, that all of employees have a clear understanding of exactly what is expected of them. This is why a concise set of rules and standards must exist that is fair, clear, realistic and communicated.

Discipline takes the form of positive support and reinforcement for approved actions and its aim is to help the individual in moldings his behavior and developing him in a corrective and supportive manner. Once the standards and rules are known by all employees, discipline can be enforced equitably and fairly.

A few guidelines for establishing a climate of positive discipline are given below:

i. There must be rules and standards, which are communicated clearly and administered fairly.

ii. Rules and standards must be reasonable and should be communicated so that they are known and understood by all employees. An employee manual can help with communicating rules.

iii. While a rule or a standard is in force, employees are expected to adhere to it.

iv. Even though rules exist, people should know that if a personal problem or a unique situation makes the rule exceptionally harsh, the rule may be modified or an exception be granted.

v. There should no favorites and privileges be granted only when they can also be granted to other employees in similar circumstances.

vi. Employees must be aware that they can and should voice dissatisfaction with any rules or standards they consider unreasonable as well as with working conditions they feel hazardous, discomforting or burdensome.

vii. Employees should understand the consequences of breaking a rule without permission.

viii. Employees should be consulted when rules are set.

ix. There should be recognition for good performance, reliability and loyalty. Negative comments, when they are necessary, will be accepted as helpful if employees also receive feedback when things go well.

2. Negative Discipline: Generally, negative discipline is interpreted as a sort of check or restraint on the freedom of a person. Discipline is used to refer to the act of imposing penalties for wrong behavior. If employees fail to observe rules, they are punished. The fear of punishment puts the employee back on track.
"Discipline is the force that prompts an individual or a group to observe the rules, regulations and procedures which are deemed to be necessary to the attainment of an objective".

3. Self Discipline and Control: Behavioral scientists view discipline as self- control to meet organizational objectives. Megginson clarified the term thus- "By self-discipline we mean the training that corrects moulds and strengthens. It refers to one's efforts at self-control for the purpose of adjusting oneself to certain needs and demands. This form of discipline is raised on two psychological principles. First, punishment seldom produces the desired results. Often, it produces undesirable results. Second, a self-respecting person tends to be a better worker than one who is not".

4. Progressive Discipline: The concept of progressive discipline states that penalties must be appropriate to the violation. If inappropriate behavior is minor in nature and has not previously occurred, an oral warning may be sufficient. If the violation requires a written warning, it must be done according to a procedure. After written warnings, if the conduct of the employee is still not along desired lines, serious punitive steps could be initiated.

In case of major violations such as hitting a supervisor may justify the termination of an employee immediately. In order to assist a manager to recognize the proper level of disciplinary action, some firms have formalized the procedure.

5. The Red Hot Stove Rule: Without the continual support of the subordinates, no manager can get things done. But, disciplinary action against a delinquent employee is painful and generates resentment on his part. Hence, a question arises as to how to impose discipline without generating resentment? This is possible through what Douglas McGregor called the "Red Hot Stove Rule", which draws an analogy between touching a hot stove and undergoing discipline.

According to the Red Hot Stove rule, disciplinary action should have the following consequences:

(i) Burns Immediately: If disciplinary action is to be taken, it must occur immediately so the individual will understand the reason for it. With the passage of time, people have the tendency to convince themselves that they are not at fault.

(ii) Provides Warning: It is very important to provide advance warning that punishment will follow unacceptable behavior. As you move closer to hot stove, you are warned by its heat that you will be burned if you touch it.

(iii) Gives Consistent Punishment: Disciplinary action should also be consistent in that everyone who performs the same act will be punished accordingly. As with a hot stove, each person who touches it is burned the same way.

(iv) Burns Impersonally: Disciplinary action should be impersonal. There are no favorites' when this approach is followed.

Causes of discipline

1. Organizational Factors:

i. Where the organization, while hiring the employees, fail to assess the traits of individuals like attitude, obedience, tolerance and inquisitiveness, it may end up hiring employees who challenge any decision made by the management. This may breed indiscipline.

ii. Lack of code of conduct for employees has potential to disorient them thereby sowing seeds of indiscipline.

iii. Where an employee hired for a job for which he has neither aptitude nor attitude, he is sure to develop ill-feelings. He may find the job uninteresting and do everything to evade responsibility.

iv. Ineffective leadership characterized by authoritarianism and incompetency, and distrustful relations with employees fuel indiscipline among the employees.

v. Indiscriminate use of penal provisions triggers reactionary group indiscipline.

vi. Favoritism and nepotism practiced by supervisors vitiate discipline.

vii. Divisive policies pursued by management and instituting unofficial spy network spoils the work atmosphere thereby engendering indiscipline.

viii. Biased performance evaluation on considerations of caste, creed, color, gender, religion and region promotes ill-feeling and a sense of injustice among employees which culminate in indiscipline.

ix. Absence of grievance redressal mechanism frustrates employee's thereby breeding indiscipline among them.

2. Individual Factors: Individual differences caused by education, experience, values, attitudes, beliefs, intelligence, personality, etc., cause employees to behave differently in an organization. Therefore some individuals conform to rules and standards of behavior in much wider context than others. Individual features that lead to indiscipline behavior are as follows:

i. Individuals with non-conformist values tend to engage in indiscipline behavior.

ii. Every individual perceives reward and punishment differently and react to it accordingly. When the reward is not commensurate with his expectation, he may feel frustrated and indulge in indiscipline.

iii. Individuals differ in work ethics. Those with high ethical values tend to be committed and involved in the jobs while those with low ethical values show alienation to their jobs and exhibit negative behavior.

3. Environmental Factors: Since an organization is also one of the members of the society, discipline observed by the society manifests in organizations. Indiscipline prevailing in family, educational institutions, political system, religious institutions, break down of social control mechanism, etc., casts its ugly shadow on the organizational climate.

Procedure for disciplinary actions

1. Verbal Counseling: This is generally the first step of the disciplinary actions taken against an earring employee. An employee might receive several verbal warnings before progressing to the next step of the disciplinary procedure. However, for a serious problem, managers might skip this step. Verbal warnings should always be done calmly, objectively and privately.

It is a good idea to have a second manager or officer present during the verbal counseling as a witness. Verbal counseling sessions should be documented by a formal memo or informal note in the employee's personnel file.

2. Written Warning: This step is generally preceded by a verbal warning. The manager or supervisor should meet with the employee and his representative (if applicable) as in a verbal counseling session, but the employee should be given and allowed to review a

formal written warning. As with verbal counseling, a second manager can be present as a witness.

The written warning should have a place for the employee to sign, acknowledging that he or she has received the warning, regardless of whether he or she agrees with the contents of the warning. If the employee refuses to sign, another manager or supervisor should be called as a witness to observe that the employee has been presented with the warning and refused to sign it, and that witness should sign the warning.

An adequate written warning should include, at a minimum, the following elements:

1. The date of the warning

2. The employee's name

3. The name of the manager or supervisor administering the warning

4. A statement depicting the details of the misconduct or inadequate performance of the employee

5. The date of the misconduct or poor performance (if appropriate)

6. A signature line for the manager or supervisor

7. A signature line for the employee

8. A signature line for a witness, if the employee refuses to sign

9. A formal "action plan," depending upon the nature and severity of the offense.

A formal disciplinary action plan may include the following additional elements, namely:

i. A statement of the policy, rule, or practice that was violated.

ii. The steps which the employee agrees to follow in order to correct the problem or meet the desired level of performance, attendance, or behavior.

iii. Any commitments of assistance or support that the manager or supervisor has made.

iv. The time frame to be followed in achieving the goal of improved performance, attendance, or behavior.

v. The consequences that will occur if the performance, attendance, or behavior is not improved within the specified time frame.

3. Suspension: This may range from one day to two weeks or more, depending upon the circumstances, and is almost always unpaid. In unusual circumstances, some employers will place employees on one day of paid "decision-making" leave, as a way of encouraging the employee to think about the future of his employment.

Paid suspensions, however, can be perceived as a "reward" for poor behavior, and may therefore have an adverse effect. For this reason, most employers prefer unpaid suspensions.

Some employers will progress immediately from the first suspension to termination for the next offense, while others will attempt to correct the employee's performance or behavior with multiple suspensions of increasing

length (e.g., 1-day, 3-day, 5-day, 10-day, etc.). As a general rule, each suspension should be longer than the last, with termination as the final result.

4. Termination: Before terminating an employee, a manager should review the personnel file and all relevant documents in order to determine if the termination is appropriate — and defensible in a subsequent lawsuit — given the facts and circumstances. In addition, he

should also ensure that similarly situated employees have been treated similarly in the past. Some behavior warrants automatic dismissal.

These include those of:

i. Violent behavior or threats of violence

ii. Drug and alcohol use on duty

iii. Carrying a weapon on company property

iv. Disregarding safety rules and regulations

v. Theft, destruction of company property, or falsifying documents

vi. Insubordination

vii. Abandonment of job (no call, no show for three consecutive days).

Other Forms of Discipline:

In addition to the steps outlined above, it is worthwhile to explore other forms of discipline, such as demotion, transfer, and reduced raises or bonuses. Many employees can be very satisfactorily managed by economic concerns, such as bonuses and raises.

Factor of discipline

1. Seriousness of the Problem: The manager must assess how serious is the indiscipline. For example, sexual harassment is more serious than late coming.

2. Duration of the Problem: It must be known for how long the problem continues or how often this happens. First time offence may be less serious than subsequent offences of longer duration.

3. Nature of the Problem: The pattern of the problem calls for more attention. It must be known whether it is a part of emerging problem or a continual problem. Continual problem is a serious one.

4. External Influence: Sometimes a disciplinary problem may arise which is external to the employee. For example, an employee may fail to appear for an important meeting or performance appraisal due to some accident.

5. Degree of Familiarity: The organization with formal written rules governing the employee conduct is more justified in strictly enforcing disciplinary action taken than the organization where the rules of conduct are informal or vague.

6. Disciplinary Practices: There must be well laid out procedure in assessing disciplinary problems. Equitable treatment must take into consideration the previous actions taken against the employees for similar type of disciplinary violations.

7. Management Support: When the affected employee takes the issue to higher authorities, the manager must be having adequate reasons/data to defend his actions. The disciplinary action is not likely to carry weight if the violators believe that they can challenge the manager's decisions.

Characteristics of discipline

1. Immediate- Just as when you touch a red hot stove, the burn is immediate, similarly the penalty for violation should be immediate/ immediate disciplinary action must be taken for violation of rules.

2. Consistent- Just as a red hot stove burns everyone in same manner; likewise, there should be high consistency in a sound disciplinary system.

3. Impersonal- Just as a person is burned because he touches the red hot stove and not because of any personal feelings, likewise, impersonality should be maintained by refraining from personal or subjective feelings.

4. Prior warning and notice- Just as an individual has a warning when he moves closer to the stove that he would be burned on touching it, likewise, a
sound disciplinary system should give advance warning to the employees as to the implications of not conforming to the standards of behavior/code of conduct in an organization.

Causes of Indiscipline

Indiscipline at the workplace can take place as a result of various socio- economic and cultural factors prevailing at the workplace. Discussed below are some of the factors that

greatly impact the mindset of the employees and motivate or demotivate them to comply with the rules and regulations.

1. Ineffective leadership or supervision

2. Lack of proper communication

3. Favoritism and discrimination

4. Divide and Rule Policy

5. Lack of clear rules and regulations

6. Victimization and bad working conditions

7. Personal problems of the employees

8. Improper co-ordination between authority and responsibility

1. Ineffective leadership or supervision: When the leader or supervisor is not active in delegating the duties and responsibilities to the employees it leads to indiscipline. If he fails to instruct and guide them in areas of their work it leads to a loss of sense of direction amongst the employees.

Instructions to do a job should be followed by proper supervision by the supervisor. In case he fails to check whether the employees are following the desired course of action it may lead to chaos eventually.

Employees start doing their job according to their desire which will lead to inefficiency in achieving organizational objectives.

2. Lack of proper communication: The communication gap between management and the employees gives rise to indiscipline in the organization. If the policies of the company are not properly communicated to the employees, they will face problems in following them.

The employer should adopt a humane and empathetic approach towards the employees. This requires the removal of barriers of any kind in the communication between the supervisor and the subordinate.

3. Favoritism and discrimination: Special attention given to few employees, or discrimination while handing out rewards or imposing penalties leads to discontent and indiscipline amongst the employees who are not favored within the organization. Discrimination can also be based on the characteristics which are protected by law related to age, gender, qualification and religion etc.

4. Divide and Rule Policy: Divide and Rule is the most common policy to be followed by the organizations to get the work done by the employees. The management does not want all employees to make a group and work together; they always divide the employees in small groups get information from a group about others and encourage spying activities. This is highly detrimental to the team spirit and leads to misunderstanding and friction amongst the employees which in turn results in indiscipline.

5. Lack of clear rules and regulations: When the rules and regulations of the organization are not clear to all the employees, they can make mistakes while following them. This will lead to confusion and chaos at work and misunderstanding among the employees and the management.

6. Victimization and bad working conditions : Victimizationof subordinates in the form of excessive work pressure or inhuman work conditions can also result in indiscipline. The management should not exploit the workers.

The conditions in which they are working including things as amenities, physical environment, stress and noise levels, degree of safety or danger and the like should be maintained at a desirable standard.

7. Personal problems of the employees: Sometimes, employees are facing few personal problems about which management have no ideas. Employees will stay frustrated and will not be able to focus on his job. So the management should take care about it and try to solve it as soon as possible. This will help the employees to put their best efforts to achieve organizational objectives.

8. Improper co-ordination between authority and responsibility: Authority here means power, rights or ability of the employees on a specific job whereas; responsibility means an employee's duty, accountability and liability within a job.

When these both are not in proper coordination it can lead to frustration in the mind of the employee and he may deny following the rules and regulations in certain situations.

Principles of Good Discipline

1. Code of Conduct: With the consent of both employers and workers code of conduct, i.e. rules and regulations can be created which ensures maintenance of discipline in the company. The rules are formulated in such a way that every person understands and follows them. These rules are communicated to all the members at the time of induction.

2. Treatment of Equality: Each and every worker in the company is equal and so their treatment should also be equal. There should be no partiality, and if anyone disobeys the rules, then he/she should be punished, regardless of his role, gender, or position in the company.

3. Responsible person: The responsibility regarding the disciplinary action taken at the time of disobedience by an employee should be given in the hands of the responsible person who is authorized to give orders to the subordinates.

4. Complete knowledge of rules and regulations: The employees must possess complete knowledge of the company's rules and regulations. Also, they should be given knowledge about the punishment they would be given for violation of a particular rule.

5. Preventive Measures: The Company's management should lay more emphasis on the preventive measure, i.e. positive discipline, rather than a negative one, which is a corrective measure.

6. Appeal: The supervisor or foreman has the responsibility of discipline, i.e. it is his duty to prove the act of indiscipline and the accused has the right to make an appeal to the top executives, to prove his innocence.

7. Natural justice: The principle of natural justice needs to be adopted. And to do so, causes of indiscipline are examined without any bias. The accused must be given the opportunity of being heard and express his side of the story and thereafter the decision is taken.

8. Immediate action: For any indiscipline by a worker, prompt disciplinary action should be taken because when the decisions are delayed, the deterrent effect will not be achieved.

9. Confidential Proceedings: The proceedings must be confidential, in the sense that they should not be convened in the presence of any other persons apart from the accused and

concerned persons. This is because it gives a wrong impression to other people about the accused and he loses his faith in the company.

Objectives of discipline

1. To secure the co-operation of employees: If the employees of an organisation are disciplined, it is an indication that they are willing to co- operate in the task of performing the various enterprise activities.

2. To ensure adherence to the rules and regulations of the organization: Discipline ensure adherence, to the rules and regulations of the organisation by the employees. The employees, by remaining disciplined, convey their willing acceptance to the rules and regulations of the organisation.

3. To ensure goal attainment despite individual differences: Individual differences are unavoidable. Such difference arise due to differences in perception, value system etc. But in the workplace the employees have to sink all their differences and perform the task assigned. This alone can ensure goal attainment.

4. To develop a spirit of tolerance among the employees: In the workplace, the employees have to work as a team and as per the directions of their superiors. This requires proper understanding between the personnel. If an employee is intolerant, he may not accept the views and suggestions of the fellow-employees. Such an attitude is detrimental to team –work. Discipline develops a spirit of tolerance among the employees.

5. To have good human relations in the work place: Discipline in the workplace necessitates trust and confidence among the employees and between the subordinates and their superiors. In the absence of trust and confidence misunderstandings may develop between the individuals. Such misunderstandings affect human relations. Discipline ensures good human relations in any workplace.

6. To entrust responsibility: The manager can entrust responsibility to his subordinates if only the latter are disciplined. A fulfillment of duty or responsibility depends on the extent to which the employees are disciplined.

7. To improve the morale of employees: Morale, i.e., the collective attitude of the employees is important for the due performance of any task. The level of morale of the employees, who are highly disciplined, is sure to be very high.

Steps in Disciplinary action

1. Preliminary Investigation: First of all, a preliminary inquiry should be held to find out whether a prima facie case of misconduct exists.

2. Issue of a Charge-sheet: Once the prima facie case of misconduct is established, charge sheet is issued to the employee. Charge sheet is merely a notice of the charge and provides the employee an opportunity to explain his conduct. Therefore, charge sheet is generally known as a show cause notice.

In the charge sheet, each charge should be clearly specified. There should be a separate charge for each allegation and charge should not relate to any matter which has already been decided upon. The charges so framed should be communicated to the individual along with the statement of allegations on which the charges are based.

3. Suspension Pending Enquiry: Depending on the gravity of charges, an employee may be suspended along with serving him the charge sheet. The various circumstances which may warrant suspension of an individual are:

- When disciplinary proceeding is pending or contemplated.
- When engaged in the activities prejudicial to the interest or security of the state.
- Where a case in respect of any criminal offence is under investigation, inquiry or trial.
- Where continuance in office will prejudice investigation/ inquiry/trial.
- When the presence of the employee in office is likely to affect discipline.
- When his continuous presence in office is against the wider public interest.
- Where a prima face case has been established as a result of criminal or departmental proceedings leading to the conviction, revival, dismissal, etc.
- In case of the following acts of misconduct:
- ✓ Moral Turpitude
- ✓ Corruption, embezzlement
- ✓ Serious negligence in duty resulting in loss
- ✓ Desertion of duty
- ✓ Refusal or failure to carry out written orders

According to the Industrial Employment (Standing Orders) Act, 1946, the suspended worker is to be paid subsistence allowance equal to one-half of his wages for the first ninety days of suspension and three-fourths of the wages for the remaining period of suspensions, if the delay in the completion of disciplinary proceedings is not due to the worker's own conduct.

4. Notice of Enquiry: In case the worker admits the charge, in his reply to the charge sheet, without any qualification, the employer can go ahead in awarding punishment without further inquiry. But if the worker does not admit the charge and the charge merits major penalty, the employer must hold an enquiry to investigate into the charges. Proper and sufficient advance notice should be given to the employee indicating the date, time and venue of the enquiry so that the worker may prepare his case.

5. Conduct of Enquiry: The enquiry should be conducted by an impartial and responsible officer. He should proceed in a proper manner and examine witnesses. Fair opportunity should be given to the worker to cross-examine the management witnesses.

6. Recording the Findings: On the conclusion of the enquiry, the enquiry officer must record his findings and the reasons thereof. As far as possible, he should refrain from recommending punishment and leave it to the decision of the appropriate authority.

7. Awarding Punishment: The management should decide the punishment purely on the basis of findings of the enquiry, past record of the worker and gravity of the misconduct.

8. Communicating Punishment: The punishment awarded to the worker should be communicated to him in written and the earliest available opportunity. The letter of communication should contain reference to the charge sheet, the enquiry and the findings. The date from which the punishment is to be effective should also be mentioned.

COLLECTIVE BARGAINING

According to Beach, "Collective Bargaining is concerned with the relations between unions reporting employees and employers (or their representatives). It involves the process of union organization of employees, negotiations administration and interpretation of collective agreements concerning wages, hours of work and other conditions of employees arguing in concerted economic actions dispute settlement procedures".

According to Flippo, "Collective Bargaining is a process in which the representatives of a labor organization and the representatives of business organization meet and attempt to negotiate a contract or agreement, which specifies the nature of employee-employer union relationship".

Features of Collective Bargaining

1. It is a Group Action: Collective bargaining is a group action as opposed to individual action. Both the parties of settlement are represented by their groups. Employer is represented by its delegates and, on the other side; employees are represented by their trade union.

2. It is a Continuous Process: Collective bargaining is a continuous process and does not end with one agreement. It provides a mechanism for continuing and organized relationship between management and trade union. It is a process that goes on for 365 days of the year.

3. It is a Bipartite Process: Collective bargaining is a two party process. Both the parties— employers and employees— collectively take some action. There is no intervention of any third party. It is mutual given-and-take rather than take-it-or-leave-it method of arriving at the settlement of a dispute.

4. It is a Process: Collective bargaining is a process in the sense that it consists of a number of steps. The starting point is the presentation of charter of demands by the workers and the last step is the reaching of an agreement, or a contract which would serve as the basic law governing labor- management relations over a period of time in an enterprise.

5. It is Flexible and Mobile and not Fixed or Static: It has fluidity. There is no hard and fast rule for reaching an agreement. There is ample scope for compromise. A spirit of give-and-take works unless final agreement acceptable to both the parties is reached.

6. It is Industrial Democracy at Work: Collective bargaining is based on the principle of industrial democracy where the labor union represents the workers in negotiations with the employer or employers. Industrial democracy is the government of labor with the consent of the governed—the workers. The principle of arbitrary unilateralism has given way to that of self- government in industry. Actually, collective bargaining is not a mere signing of an agreement granting seniority, vacations and wage increase, by sitting around a table.

7. It is Dynamic: It is relatively a new concept, and is growing, expanding and changing. In the past, it used to be emotional, turbulent and sentimental, but now it is scientific, factual and systematic.

8. It is a Complementary and not a Competitive Process: Collective bargaining is not a competitive process i.e., labour and management do not co- opt while negotiating for the same object. It is essentially a complementary process i.e., each party needs something which the other party has, namely, labor can put greater productive effort and management has the capacity to pay for that effort and to organize and guide it for achieving the enterprise's objectives.

The behavioral scientists have made a good distinction between "distributive bargaining" and "integrative bargaining". The former is the process of dividing up the cake which represents what has been produced by the joint efforts of management and labor.
In this process, if one party wins something, the other party, to continue the metaphor of the cake, has a relatively smaller size of the cake. So it is a win- lose' relationship. The integrative bargaining, on the other hand, is the process where both the parties can win— each party contributing something for the benefit of the other party. 52

9. It is an Art: Collective bargaining is an art, an advanced form of human relations.

Theories of Collective Bargaining:

1. The Marketing Concept and the Agreement as a Contract: The marketing concept views collective bargaining as a contract for the sale of labor. It is a market or exchange relationship and is justified on the ground that it gives assurance of voice on the part of the organized workers in the matter of sale. The same objective rules which apply to the construction of all commercial contracts are invoked since the union-management relationship is concerned as a commercial one.

According to this theory, employees sell their individual labor only on terms collectively determined on the basis of contract which has been made through the process of collective bargaining.

The uncertainty of trade cycles, the spirit of mass production and competition for jobs make bargain a necessity. The trade union's collective action provided strength to the individual laborer.

It enabled him to resist the pressure of circumstances in which he was placed and to face an unbalanced and disadvantageous situation created by the employer. The object of trade union policy through all the maze of conflicting and obscure regulations has been to give to each individual worker something of the indispensability of labor as a whole.

It cannot be said whether the workers attained a bargaining equality with employers. But, collective bargaining had given a new- relationship under which it is difficult for the employer to dispense without facing the relatively bigger collective strength.

2. The Governmental Concept and the Agreement as Law: The Governmental Concept views collective bargaining as a constitutional system in industry. It is a political relationship. The union shares sovereignty with management over the workers and, as their representative, uses that power in their interests. The application of the agreement is governed by a weighing of

the relation of the provisions of the agreement to the needs and ethics of the particular case.

The contract is viewed as a constitution, written by the point conference of union and management representative in the form of a compromise or trade agreement. The agreement lays down the machinery for making executing and interpreting the laws for the industry. The right of initiative is circumscribed within a framework of legislation. Whenever, management fails to conform to the agreement of constitutional requirements, judicial machinery is provided by the grievance procedure and arbitration.

This creates a joint Industrial Government where the union share sovereignty with management over the workers and defend their group affairs and joint autonomy from external interference.

3. The Industrial Relations (Managerial) Concept as Jointly Decided Directives: The industrial relations concept views collective bargaining as a system of industrial governance. It is a functional relationship. Group Government substitutes the State Government. The union representative gets a hand in the managerial role. Discussions take place in good faith and agreements are arrived at. The union joins with company officials in

reaching decisions on matters in which both have vital interests. Thus, union representatives and the management meet each other to arrive at a mutual agreement which they cannot do alone.

To some extent, these approaches represent stage of development of the bargaining process itself. Early negotiations were a matter of simple contracting for the terms of sale of labor. Developments of the latter period led to the emergence of the Government theory. The industrial relations approach can be traced to the Industrial Disputes Act of 1947 in our country, which established a legal basis for union participation in the management. 54

Reasons for the Growth of Collective Bargaining:

(1) Statutory Provisions: Which have laid down certain principles of negotiations, procedure for collective agreements and the character of representation of the negotiating parties?

(2) Voluntary Measures: Such as tripartite conferences, joint consultative boards, and industrial committees at the industry level have provided an ingenious mechanism for the promotion of collective bargaining practices.

(3) Several Governments Measures: Like schemes for workers' education, labor participation in management, the evolution of the code of Inter-union Harmony, the code of Efficiency and Welfare, the Code of Discipline, the formation of Joint Management Councils, Workers Committees and Shop Councils, and the formulations of grievances redressal procedure at the plant level— have encouraged the collective bargaining.

(4) Amendments to the Industrial Disputes Act: The Amendments to the Industrial Disputes Act in 1964 provided for the termination of an award or a settlement only when a proper notice is given by the majority of workers.

Agreements or settlements which are arrived at by a process of negotiation on conciliation cannot be terminated by a section of the workers.

(5) Industrial Truce Resolution: The Industrial Truce Resolution of 1962 has also influenced the growth of collective bargaining.

It provides that the management and the workers should strive for constructive cooperation in all possible ways and throws responsibility on them to resolve their differences through mutual discussion, conciliation and voluntary arbitration peacefully.

Types of collective bargaining

1. Conjunctive / Distributive Bargaining: In this type of negotiation process, one party benefits at the expense of others. It discusses redistribution of profit sharing to increase wages, bonuses, or financial benefits.

2. Co-Operative / Integrative Bargaining: In this type of bargaining, the agreement is reached so that both the participating sides tend to benefit – a win-win situation. In other words, both parties consider each other's needs and concerns.

3. Productivity Bargaining: In this type of bargaining, the negotiations revolve around productivity and pay. The two parties agree to certain changes that promise to boost productivity in exchange for higher wages.

4. Composite Bargaining: This type of negotiation emphasizes various factors not directly related to pay but rather focused on employee welfare and job security. It ensures the long-term relationship between employer and employee that is mutually beneficial.

5. Concessionary Bargaining: In this type of bargaining, the union sacrifices some benefits to bail out the employer during the stressed economic situation, which benefits the employees in the long run.

Importance of collective bargaining

(1) Group Activity: Collective bargaining is a group activity as opposed to individual action. The process is initiated through the representatives of workers. The management side is represented by the delegates at the bargaining table while trade union represents the workers on local, plant, city or national level.

(2) Flexible and Mobile: The process of collective bargaining is flexible and has scope for compromise for a mutual 'give and like' before the final agreement is reached. Bakke and Kerr observe, "Essentially, a successful collective bargaining is an exercise in gradual retreat-retreat without seeming to retreat. The parties to the collective bargaining ask for more or offer less than they ultimately accept or give."

(3) Continuous Process: Collective bargaining provides a mechanism for continuous and organized relationships between the management and trade unions for a joint

consider•ation and adjust meant of plant problems- Collective bargaining does not end with negotia•tion but begins and ends with the writing of a contract and goes on from day-to-day under the rules established by labor agreements.

(4) It is a Dynamic Process: The process of collective bargaining has undergone drastic changes. In the past, it used to be emotional, turbulent and sentimental, but now it is scientific, factual and systematic.

J.M. Clark observes, "Collective bargaining has become one of the greatest forces in our society. In anything from its present scale and power, it is a new thing. It is a process which transforms pleading into negotiation,……. which permits employees' dignity as they participate in the formulation of their terms and conditions of employment,…… which embraces the democratic ideal and applies it correctly and effectively at the place of work."

(5) Collectively: It is collectively in two ways. One is that all the workers collectively bargain for their common interests and benefits. The other is that workers and management jointly arrive at an amicable solution, through solutions.

(6) Equal Strength: Across the table, both parties bargain from a position of equal strength. It is called industrial democracy at work.

(7) Sufficient Flexibility: Collective bargaining has sufficient flexibility since no party can afford to be inflexible, and rigid in such situations. The unique feature of collective bargaining is that usually, the parties concerned start negotiations with entirely divergent views, but finally reach a middle point acceptable to both.

(8) Negotiations Voluntarily: Both workers and management come to the negotiating table voluntarily, in order to have a meaningful dialogue on various troubling issues. They try to probe each other's views, thoroughly before arriving at an acceptable solution.

(9) Power Relationship: Workers want to gain, the maximum from management and management wants to extract the maximum from workers by offering as little as possible. To reach a consensus both have to retreat from such positions and accept less than asked for and give more than what is an offer, by doing so management tries to retain its control on workplace matters and unions attempt to strengthen their hold over workers, without any serious dilution of their powers

(10) Claim Representation: Labor and management represent the claims of labor and management while trying to reach an agreement in collective- bargaining negotiations, are carried out with representative of unions, who are authorized to bargain with the employee on work related matters.

(11) Bipartite Process Agreement: Workers and employees representative negotiate directly, face to face and there is no third party intervention unless negotiations fail and the labor officer of the Government interviews.

(12) Complex Process: This process is very complex, involving number of procedures / techniques and tools / preparation for negotiations / timing / selection of negotiators / agenda / tedious negotiations / ratification / enforcement etc. The issues which could be bargained both by management and workers are not all Issues.

Management is not willing to negotiate work methods (since it is considered management exclusive right to decide) likewise, unions do not want negotiations on productive norms and disciplinary matters, because any agreement, in this regard would put limit on their freedom.

Process of Collective Bargaining

There are five steps involved in the process of collective bargaining followed by both parties in order to reach an amicable solution.

1. Preparation: The first step of collective bargaining involves composition of negotiation team. This team is composed of representatives of both the parties having proper knowledge and negotiation skills. Each of the member should be well-versed with issues which they are going to raise. They should determine the reason for doing negotiation by having a proper understanding of main issues.

Management should prepare a change proposal needed in employment terms and be ready with statistical figures for justifying their stand. On the other hand, trade union should also prepare their charter of demands to be presented in front of management team.

2. Discuss: Now in this step, the ground rules are decided by parties which will guide the negotiations. The discussion is lead by representative from management team who is known as prime negotiator. Here the issues for which the meeting is held are identified.

There are two types of negotiation process which are piecemeal negotiation and total approach.

Piecemeal negotiation is one in which issues are taken one by one whereas in total approach all issues are negotiated considering the total effect.

3. Propose: In this stage, the conversation is initiated by chief negotiator via an opening statement. The initial demands are put forth by both the parties. This session is also termed as brainstorming as here each party give their opinions thereby leading to arguments and counter arguments.

4. Bargain: It is a stage where negotiation begins among the parties trying to

win over one another. The negotiation may continue for many days till a agreement is reached by parties. Sometimes an amicable solution is reached by parties soon but at times even third party intervenes in the form of adjudication to settle down the dispute.

5. Settlement: This is the final stage of collective bargaining process where both the parties agree for a common solution to problem. A mutual agreement is created among management and workers and is signed by both of them for a universal acceptance.

Advantages of Collective Bargaining

1. Give workers a larger voice: Collective bargaining provides strength to workers by binding them together into a large group. They are able to create a louder voice which eventually leads to mutually beneficial outcome. On the other hand, it become difficult for workers to negotiate with their employer in case if they are individuals. The workers who do not have their unions are faced with "take it or leave it" type of offers.

2. Enhance worker's quality of life: It enables workers in improving their quality of life. Collective bargaining agreements lead to raise the pay level of workers and various other type of benefits. In addition to this, focus is also made on improving safety and working conditions of employees. All this result in offering a valid CBA to workers thereby enjoying a higher quality of life.

3. Offer security and stability: Collective bargaining provide employees a security of work tenure as they do not need to worry about their unlawful termination. They have a well-defined support system as well as a team of representatives who will fight for the rights of employees. Businesses are also able to project expenses for financing their operations and compensation benefits thereby eventually stabilizing them.

4. Prevent employees strike: Collective bargaining avoids disputes in between the employer and employees which often leads to strikes. The workers have their representatives who work for their benefits and come with a mutual agreement. In absence of this process, the issues in between the

5. Creates a binding result: It binds both the parties together where they are bound to a collective bargaining agreement. This agreement is a legal standard that is used a part of legal defense. Both parties need to follow the stipulations set forth in contract and if any of them is not doing so then may be held liable by injured party. This provides extra safety to employees and employer for defending their positions.

6. Is a transparent process: It is a transparent process in which all discussions are kept in written form for using as a reference material. Whatever is transpired over the table in between the parties can be easily known. Such type of accountability level may not be available in other workplaces.

Disadvantages of Collective Bargaining

1. Prone to inequality: Collective agreement may lead to inequality among the parties in which either of them may get less of what they deserve. If representation of workers is weak, they may not get enough employment benefits which they deserve. In the same way if employer representation is weak, business will lose a substantial amount of money due to excessive benefits and over-compensation.

2. Requires government duties: the processes of collective bargaining require governance duties to be performed by representative. Such duties are carried out of the regular work duties which means they need to take more time away from their partners, children's and parents. Moreover, these duties are unpaid sometimes due to which peoples may speed up the negotiation process resulting in a poor contract outcome.

3. Can be a financial burden: Whenever a person becomes a member of union, there are various dues which need to be paid. These members do not pay their dues at some occasions. As a result of this, the paying members may eventually end up paying for those dues.

4. Influence relationship between members: Collective bargaining may not always result in grouping of workers. Many times, all workers will not agree to certain issues which are agreed to by union members in agreement. The

divisions and differences may surface among workers due to unionization which were not present prior to reaching an agreement. As a result of this, it will turn into fraction of relationships of those in union group.

Prerequisite for successful collective bargaining

1. A Favorable Political Climate: Collective bargaining is the best method of regulating employment condition. Therefore, governments remove all legislative restriction which hampers collective bargaining. It can also confer a right to bargain collectively lay down the form and content of collective agreement register. These agreements assist in their enforcement.

2. Fair Labor Practices: Both the employer and the trade union should avoid unfair labor practices. Collective bargaining is possible only in an atmosphere of mutual recognition and respect. Management must recognize and accept the worker's right to organize and fight for justice. Similarly worker and their union must recognize and accept the employer's right to manage. In the absence of such recognition, collective bargaining is a mere trial of strength.

3. Freedom of Association: Collective bargaining is not possible if employees are not free to form trade union as they please. A strong trade union is required to bargain with the employer for their own interest, an equal basis. Trade union must be stable and strong enough to honors the collective bargaining agreement. In some of the countries government opposed, the action taken by employers against the right of workers to form their union.

4. Continuous Dialogue: For successful collective bargaining, continuous dialogue between the employer and employee is necessary. As highly controversial issues are easily solved through continuous dialogue.

5. Problem-Solving Attitude: For successful collective bargaining, both employer and employee must adopt a problem-solving approach rather than fighting approach. The teams should consist of persons with an analytical mind, objective outlook and cool temper. And they have an intimate knowledge of operation, working condition and other relevant factors. They must have full authority to speak and take decision on behalf of their sides.

6. Availability of Data: The employer must ensure that all the required records are readily available. Facts and figures concerning rates of pay, fringe benefits, manpower forecast, technological changes etc. provide a rational basis for negotiations. But unless the trade union believes in the data and accepts the same, collective bargaining process may be hampered.

7. Recognition of Union: Employers should be required by law to give recognition to representative trade union. It is in the interest of an employer to recognize a strong union, to avoid strikes and to safeguard against undercutting labor standards.

8. Willingness to Give and Take: Both employers and union leaders should bargain in a spirit of compromise and reciprocity. If either party adopts an adamant attitude, bargaining will not be possible. Willingness to give and take does not mean that concession made by one side must be marked by equal concession by the other side. One party may win concessions over the other depending upon their relative strength. But exaggerated demands must be toned down to reach an agreement.

Characteristics of collective bargaining

1. Collective Process: The representatives of both the management and the employees participate in it. Employer is represented by its delegates and on the other side employees are represented by their trade union. Both the groups sit together at the negotiating table and reach at some agreement acceptable to both.

2. Continuous Process: It is a continuous process. It does not commence with negotiations and end with an agreement. It establishes regular and stable relationship between the parties involved. It involves not only the negotiation of the contract, but also the administration or application of the contract also. It is a process that goes on for 365 days of the year.

3. Flexible and Mobile: It has fluidity. There is no hard and fast rule for reaching an agreement. There is ample scope for compromise. A spirit of give- and-take works unless final agreement acceptable to both the parties is reached.

4. Bipartite Process: Collective bargaining is a two party process. Both the parties–employers and employees–collectively take some action. There is no intervention of any third party. It is mutual give — and —take rather than a take-it-or-leave it method of arriving at the settlement of a dispute.

5. Dynamic: Collective bargaining is a dynamic process because the way agreements are arrived at, the way they are implemented, the mental make- up of parties involved keeps changing. As a result, the concept itself changes, grows and expands overtime. It is scientific, factual and systematic.

6. Industrial Democracy: It is based on the principle of industrial democracy where the labor union represents the workers in negotiations with the employer or employers. It is a joint formulation of company policy on all matters affecting the labor.

7. Complementary Process: Collective bargaining is essentially a complementary process, i.e., each party needs something which the other party has, namely, labor can put greater productive effort and management has the capacity to pay for that effort and to organize and guide it for achieving the organizational objectives.

8. It is an Art: Collective bargaining is an art, an advanced form of human relations.

9. Discipline in Industry: Collective bargaining is an attempt in achieving and maintaining discipline in the industry.

10. Industrial Juris prudence: It is an effective step in promoting industrial jurisprudence.

WORKERS AND MANAGERIAL DECISION-MAKING

What is decision-making?

Decision-making is the process of selecting the best possible option in a given situation. Effective decision-making often requires you to:

- Identify many potential options.
- Anticipate possible outcomes.

- Consider the needs or wants of others impacted by the decision.

- Understand the impact on a project, department and the organization as a whole.

- Deliberate when under pressure.

Different decision-making methods

There are several decision-making methods you can choose. When selecting your approach, you should consider your familiarity with the issue, the number of people impacted by the decision and the time frame available for this choice. Some situations benefit from analytical decision-making that considers everyone's opinions, while other circumstances require a quick approach that doesn't allow for negotiation.

The following decision-making methods take several diverse approaches, so you can select the most appropriate option for each situation.

- Command decision-making
- Collaborative decision-making
- Consensus-based decision-making
- Vote decision-making
- Delegation of decision-making

1. Command decision-making: With command decision-making, you make a decisive choice without input from others. Command decision-making is often the quickest and most direct route to an outcome. Use this approach when you're responding to a time-sensitive issue or working in a fast-paced environment where daily decisions must happen on the spot.

Those who use command decision-making rely solely on their own knowledge when making a choice. This directive approach leaves team members with clear orders but no room for negotiation.

Example: Ellen manages the production floor and makes daily decisions regarding which employees are assigned to each part of the production line.

She evaluates the daily production schedule independently each morning and posts employee assignments on a bulletin board. Employees receive their directions and carry

out the orders as specified without negotiation. Using command-style decision-making, Ellen maintains a steady, productive workflow in the production line. Her directive use of the bulletin board postings is clear and does not invite debate on the issue.

2. Collaborative decision-making: Collaborative decision-making uses groups or teams to discuss an issue and a possible solution. This type of decision-making works best when you have a diverse group of employees who can present multiple perspectives of a decision to take a balanced approach to problems. While it's most common to collaborate with coworkers, you might also seek ideas and feedback from other sources, such as industry experts or customers. A collaborative decision-making approach allows you to gather suggestions, evaluate options and reach informed conclusions you may not have come to on your own.

Example: Samson's marketing team needs to come up with a new approach to their social media campaign. He posts a poll to gather feedback from the company's followers and schedules a meeting with his marketing associates to evaluate the results. Using customer feedback as a guide, Samson asks each associate to develop a social media campaign to present at their next meeting.

Each member of the team presents a different campaign approach. Following the presentations, the associates discuss their impressions of each option and collaborate to identify the top three campaign options. As the leader, Samson uses the ideas and makes the final decision after taking his team's opinions, ideas and information into account. This collaborative approach gave every member of Samson's team an active role in the decision-making process while providing a fast path to a choice, leaving the ultimate decision in the hands of the team leader.

3. Consensus-based decision-making: Consensus-based decision-making requires that all participants agree on a single option before moving forward. Using this approach, you gather your team and discuss the issue and all of your options. You might choose to present specific options or accept

suggestions from your team. The key to this approach is that you only settle on a choice everyone agrees on.

Consensus-based decision-making is effective in building strong teams as it promotes a sense of unity. However, this is often a slower approach, so it's best when you have more time to decide. Consider reserving this strategy for complex issues or those that require total support from everyone in the organization.

Example: Lee is changing the script for the company's sales employees so it reflects the company's recent rebranding and presents the right voice. It's essential that all five salespeople in the company feel comfortable with the new verbiage. Though Lee is an experienced copywriter in the marketing department, it's important for him to get input from the sales department who will use the script daily.

Lee has a flexible deadline for completing the project, so he gathers the sales team and works together with them until everyone agrees on a script they believe is most effective. By waiting until each vital party signs off on the final product, Lee ensures this project has the best chance of success.

4. Vote decision-making: Vote decision-making allows you to gather input from a large number of people without investing a significant amount of time in discussion or debate. As the employee in charge of the decision-making process, you're still responsible for providing the options that individuals can vote between, so you can control the scope of the issue.

Provide your voters with detailed information on their options so you can gather informed opinions. Vote decision-making works best when your team commits to supporting the outcome no matter how the votes turn out.

Example: Sue is rebranding the business and has narrowed the options down to three new logos. She wants to get everyone in the company involved in the final phase of the process, so she posts all three logos throughout the office with information on how the colors and typography relate to the new branding.

After giving the staff a few days to evaluate their options, Sue takes a vote and commits to using whichever logo wins. One logo wins by a significant majority, and the employees are satisfied with the outcome knowing that everyone in the business had a say in this result. Sue successfully uses the voting approach to include the employees invested in the future image of the organization.

5. Delegation of decision-making: Delegation is the task of assigning responsibility to others, such as giving decision-making responsibilities to someone else. You might delegate the decision-making to an expert, a consultant or someone on your management team if you have other responsibilities or if another person is better suited or more affected by the decision. This decision-making method is best used for everyday issues that don't require a lot of evaluation and debate. Delegate decisions when you simply need someone well-informed to select from a few pre-determined options.

Delegation can empower your team members or build confidence in your managers. When you delegate to someone new, you're likely to see a fresh approach to the issue, which is often beneficial to the business.

Example: Jamal is routing outgoing shipments through one of three warehouses. All are comparable, but someone must balance the volume of orders flowing through each location. Rather than micromanage this task, Jamal delegates the decision to Alice, an experienced warehouse manager. Alice builds her own decision-making skills through this project and is better positioned for a promotion as a result. Jamal lightens his workload so he has more time to dedicate to other higher-level projects.