Training

Meaning: Training is a process of learning a sequence of programmed behavior. It is the application of knowledge & gives people an awareness of rules & procedures to guide their behavior. It helps in bringing about positive change in the knowledge, skills & attitudes of employees. Thus, training is a process that tries to improve skills or add to the existing level of knowledge so that the employee is better equipped to do his present job or to mould him to be fit for a higher job involving higher responsibilities. It bridges the gap between what the employee has & what the job demands.

Definition: According to Edwin Flippo, 'training is the act of increasing the skills of an employee for doing a particular job'.

Need for Training:

Every organization should provide training to all the employees irrespective of their qualifications and skills. Specifically the need for training arises because of following reasons:

1. **Environmental changes:** Mechanization, computerization, and automation have resulted in many changes that require trained staff possessing enough skills. The organization should train the employees to enrich them with the latest technology and knowledge.

2. **Organizational complexity:** With modern inventions, technological upgradation, and diversification most of the organizations have become very complex. This has aggravated the problems of coordination. So, in order to cope up with the complexities, training has become mandatory.

3. **Human relations:** Every management has to maintain very good human relations, and this has made training as one of the basic conditions to deal with human problems.

4. **To match employee specifications with the job requirements and organizational needs:** An employee's specification may not exactly suit to the requirements of the job and the organization, irrespective of past experience and skills. There is always a gap between an employee's present specifications and the organization's requirements.

5. **Change in the job assignment:** Training is also necessary when the existing employee is promoted to the higher level or transferred to another department. Training is also required to equip the old employees with new techniques and technologies.

Systematic Approach to Training: In order to achieve its overall goal of performance improvement, training must lead to the enhancement of professional knowledge and skills both at individual and collective levels. It should also equip personnel to respond appropriately to emerging challenges. Training should also bring about appropriate changes in attitudes and should strive for that unique synthesis between improvement of the individual's competencies and promotion of organisational objectives.

Model of systematic approach to training (SAT): To operate training in a systematic manner, it has to cover inter related stages and processes as graphically depicted in Figure 1 below:

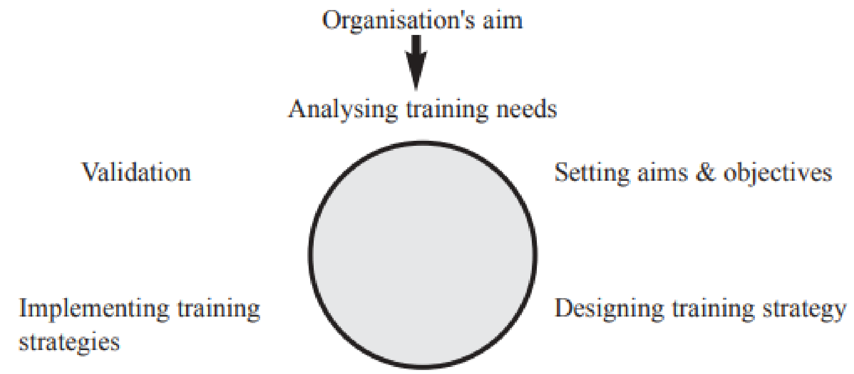

Figure 1

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

Analysing training needs: Finding out what people need to learn. This is done by:

✦ Analysing the knowledge, skills and attitudes/behaviours that each job requires; and

✦ Assessing the degree of competence of job-holders to meet those requirements.

Setting aims and learning objectives: Specifying what trainees should be able to do as a result of training.

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

Implementing training strategy: Putting the training into practice.

Validation: Internal/external Establishing and assessing the quality and effectiveness of training.

Methods of training The most widely used methods of training used by organizations are classified into two categories: On-the-Job Training & Off-the-Job Training.

On-the-job training On-the-job training is given at the work place by superior in relatively short period of time. This type of training is cheaper & less time-consuming. This training can be imparted by basically four methods: -

1.**Coaching**: Coaching is learning by doing. In this, the superior guides his sub-ordinates & gives him/her job instructions. The superior points out the mistakes & gives suggestions for improvement.

2. **Job Rotation** In this method, the trainees move from one job to another, so that he/she should be able to perform all types of jobs. E.g. In banking industry, employees are trained for both back-end & front-end jobs. In case of emergency, (absenteeism or resignation), any employee would be able to perform any type of job.

3. Understudy An understudy is a person who is under training to assume at a future time, the full duties and responsibilities of the position currently held by his supervisor. In this way it is ensured that a fully trained person is available to replace a manager during his long absence or illness or on his retirement, transfer and promotion.

4.Job instruction In this method the trainer explains to the trainee the way of doing the jobs. Preparation, presentation, performance and follow up are followed here. 5. Committee Assignments Under this a group of trainees are given and asked to solve an actual organization problem. The trainees jointly solve the problem. It develops team work.

Off the job training: - is given outside the actual work place.

1**.Lectures/Conferences** This approach is well adapted to convey specific information, rules, procedures or methods. This method is useful, where the information is to be shared among a large number of trainees. The cost per trainee is low in this method.

2**.Films:** Films can provide information & explicitly demonstrate skills that are not easily presented by other techniques. Motion pictures are often used in conjunction with Conference, discussions to clarify & amplify those points that the film emphasized.

3. **Simulation Exercise:** Any training activity that explicitly places the trainee in an artificial environment that closely mirrors actual working conditions can be considered a Simulation. Simulation activities include case experiences, experiential exercises, vestibule training, management games & role-play.

4. **Cases:** - Cases present an in depth description of a particular problem an employee might encounter on the job. The employee attempts to find and analyze the problem, evaluate alternative courses of action & decide what course of action would be most satisfactory.

5. **Vestibule Training:** - Employees learn their jobs on the equipment they will be using, but the training is conducted away from the actual work floor. While expensive, Vestibule training allows employees to get a full feel for doing task without real world pressures. Additionally, it minimizes the problem of transferring learning to the job.

6. **Role Play: -** Its just like acting out a given role as in a stage play. In this method of training, the trainees are required to enact defined roles on the basis of oral or written description of a particular situation.

7. **Management Games**: - The game is devised on a model of a business situation. The trainees are divided into groups who represent the management of competing companies. They make decisions just like these are made in real-life situations. Decisions made by the groups are evaluated & the likely implications of the decisions are fed back to the groups. The game goes on in several rounds to take the time dimension into account.

8. **In-Basket Exercise:** Also known as In-tray method of training. The trainee is presented with a pack of papers & files in a tray containing administrative problems & is asked to take decisions on these problems & are asked to take decisions on these within a stipulated time. The decisions taken by the trainees are compared with one another. The trainees are provided feedback on their performance.

9.**Sensitivity training**: Sensitivity training is about making people understand about themselves and others reasonably, which is done by developing in them social sensitivity and behavioral flexibility. Social sensitivity in one word is empathy. It is ability of an¬ individual to sense what others feel and think from their own point of view. Behavioral flexibility is ability to behave suitably in light of¬ understanding.

Meaning of Management Development:

Management development is a planned and organised process and programme of training and growth whereby an individual manager or executive (at each level of management hierarchy) gains knowledge, skills and attitude to manage workers and work organizations effectively.

Definition: Flippo has viewed that "executive/management development includes the process by which managers and executives acquire not only skills and competency in their present jobs but also capabilities for future managerial tasks of increasing difficulty and scope".

Objectives of Management Development:

1. To ensure the availability of competent managers to achieve the goals of the organization.

2. To ensure optimum utilisation of human capital.

3. To prepare present employees for higher assignments.

4. To replace retiring executives with younger talents.

5. And as a result, to promote progress, productivity and profits of the enterprise.

Methods

The various techniques of executive development may be classified into two broad categories: -

1. On the Job Techniques:

Coaching-Coaching is a one-to-one relationship between trainees and supervisors which offers workers continued guidance and feedback on how well they are handling their tasks. The coach assigns the task, monitors the trainee behavior, and provides reinforcement and feedback.

Under Study- An understudy may be assistant to someone or special assistant to some supervisory or executive positions. He learns by experience, observation, guidance and coaching.

Position Rotation-This involves the movement of the trainee from one job to another. This helps him to have a general understanding of how the organization functions. Apart from releasing boredom, Job rotation allows workers to build rapport with a wide range of individuals within the organization, facilitating future cooperation among various departments. Such cross-trained personnel offer a great deal of flexibility for organizations when transfers, promotions or replacement become inevitable.

Multiple Management- It provides knowledge about the organization to the junior and middle managerial personnel. Here the members are exposed to all types of the decision taken at higher level.

2. **Off-the-Job Technique:** It consists of :

Lectures- It is a traditional and direct method of instruction. The instructor organizes the material and gives it to a group of trainees in the form of a talk. To be effective, the lecture must motivate and create interest among the trainees.

Case Studies- The objective of the case method is to teach the trainees how to analyze information, generate alternative decisions, and evaluate the alternatives. Cases can be analyzed by individuals or small groups. Feedback and reinforcement are provided through oral discussion or written comments from the instructor.

Group Discussions- This method is a direct discussion on a specific topic conducted with a relatively small group of trainees. This method is useful for teaching and exploring difficult conceptual materials, and for changing attitudes and opinions. It provides opportunity for feedback, reinforcement practice, motivation, and transfer, largely due to the active interchange of ideas between the participants.

Role Playing- In most of role-playing assignments, each of the trainee takes the role of a person affected by an issues on human life and effect the human activities all around us from the perspective of that person.

Management Games- A management game is classroom exercise in which a number of team of trainees competes against each other to achieve certain objectives.

Sensitivity Training- It has been successfully employed by behavioral scientists over the past thirty years. Sensitivity to the circumstances and feeling of others is the cornerstone of human relationships. It is important to note that sensitivity is not just an emotion; it must express itself in actions as well, especially when people we know are experiencing pain and difficulties.

PERFORMANCE APPRAISAL

Performance Appraisal is the systematic evaluation of the performance of employees and to understand the abilities of a person for further growth and development. Performance appraisal is generally done in systematic ways which are as follows:

1. The supervisors measure the pay of employees and compare it with targets and plans.
2. The supervisor analyses the factors behind work performances of employees.
3. The employers are in position to guide the employees for a better performance.

Uses of performance Appraisal

1. Human Resource Planning
2. Recruitment and Selection
3. Training and Development
4. Career planning and Development
5. Compensation programs
6. Internal employee relation
7. Assessment of employee potential

Methods of Performance Appraisal

Traditional Methods

1. **Rating Scales:** Rating scales consists of several numerical scales representing job related performance criterions such as dependability, initiative, output, attendance, attitude etc. Each scales ranges from excellent to poor. The total numerical scores are computed and final conclusions are derived.
2. **Checklist:** Under this method, checklist of statements of traits of employee in the form of Yes or No based questions is prepared. Here the rater only does the reporting or checking and HR department does the actual evaluation.
3. **Forced Choice Method:** The series of statements arranged in the blocks of two or more are given and the rater indicates which statement is true or false. The rater is forced to make a choice. HR department does actual assessment
4. **Forced Distribution Method:** here employees are clustered around a high point on a rating scale. Rater is compelled to distribute the employees on all points on the scale. It is assumed that the performance is conformed to normal distribution.
5. **Critical Incidents Method:** The approach is focused on certain critical behaviors of employee that makes all the difference in the performance. Supervisors as and when they occur record such incidents.
6. **Behaviorally Anchored Rating Scales:** statements of effective and ineffective behaviors determine the points. They are said to be behaviorally anchored. The rater is supposed to say,

which behavior describes the employee performance. Advantages – helps overcome rating errors. Disadvantages – Suffers from distortions inherent in most rating techniques.

7. **Field Review Method:** This is an appraisal done by someone outside employees' own department usually from corporate or HR department

8. **Performance Tests & Observations:** This is based on the test of knowledge or skills. The tests may be written or an actual presentation of skills. Tests must be reliable and validated to be useful.

9. **Confidential Records:** Mostly used by government departments, however its application in industry is not ruled out. Here the report is given in the form of Annual Confidentiality Report (ACR) and may record ratings with respect to following items; attendance, self expression, team work, leadership, initiative, technical ability, reasoning ability, originality and resourcefulness etc. The system is highly secretive and confidential. Feedback to the assessee is given only in case of an adverse entry.

10. **Essay Method:** In this method the rater writes down the employee description in detail within a number of broad categories like, overall impression of performance, promoteability of employee, existing capabilities and qualifications of performing jobs, strengths and weaknesses and training needs of the employee.

11. **Cost Accounting Method:** Here performance is evaluated from the monetary returns yields to his or her organization. Cost to keep employee, and benefit the organization derives is ascertained. Hence it is more dependent upon cost and benefit analysis.

12. **Comparative Evaluation Method (Ranking & Paired Comparisons):** These are collection of different methods that compare performance with that of other co-workers. The usual techniques used may be ranking methods and paired comparison method.

- **Ranking Methods:** Superior ranks his worker based on merit, from best to worst. However how best and why best are not elaborated in this method. It is easy to administer and explanation.
- **Paired Comparison Methods:** In this method each employee is rated with another employee in the form of pairs. The number of comparisons may be calculated with the help of a formula as under.

N x (N-1) / 2

Modern Methods

1. **Management By Objectives:** It means management by objectives and the performance is rated against the achievement of objectives stated by the management. MBO process goes as under.

a. Establish goals and desired outcomes for each subordinate

b. Setting performance standards

c .Comparison of actual goals with goals attained by the employee

d. Establish new goals and new strategies for goals not achieved in previous year.

2. **Psychological Appraisals:** These appraisals are more directed to assess employees potential for future performance rather than the past one. It is done in the form of in-depth interviews, psychological tests, and discussion with supervisors and review of other evaluations. It is more focused on employees emotional, intellectual, and motivational and other personal characteristics affecting his performance. This approach is slow and costly and may be useful for bright young members who may have considerable potential. However quality of these appraisals largely depend upon the skills of psychologists who perform the evaluation.

3. **Assessment Centers:** This technique was first developed in USA and UK in 1943. An assessment center is a central location where managers may come together to have their

participation in job related exercises evaluated by trained observers. It is more focused on observation of behaviors across a series of select exercises or work samples. Assessees are requested to participate in in-basket exercises, work groups, computer simulations, role playing and other similar activities which require same attributes for successful performance in actual job. The characteristics assessed in assessment center can be assertiveness, persuasive ability, communicating ability, planning and organizational ability, self confidence, resistance to stress, energy level, decision making, sensitivity to feelings, administrative ability, creativity and mental alertness etc.

4. **360-Degree Feedback:** It is a technique which is systematic collection of performance data on an individual group, derived from a number of stakeholders like immediate supervisors, team members, customers, peers and self. In fact anyone who has useful information on how an employee does a job may be one of the appraisers. This technique is highly useful in terms of broader perspective, greater self-development and multi-source feedback is useful. 360-degree appraisals are useful to measure inter-personal skills, customer satisfaction and team building skills

Factors That Distort Performance Appraisal : Important factors that can distort performance appraisal are given below:

1. Leniency error : Each evaluator has his own value system which acts as a standard against which appraisals are made. Relative to the true performance an individual exhibits, some evaluators mark high and others low.

2. Halo error: Halo error or halo effect is a tendency to rate high or low on all factors due to the impression of a high or low rating on some specific factor. As an example, if an employee tends to be dependable, we might become biased towards him to the extent that we will rate him high on many desirable attributes.

3. Similarity error: When evaluators rate other people in the same way that the evaluators perceive themselves, they are making a similarity error. Due to this perception that evaluators have of themselves, they project those perceptions onto others.

4. Low appraiser motivation: If the evaluator knows that a poor appraisal could hurt the employee’s future, say, opportunities for promotion, the evaluator may be reluctant to give a realistic appraisal.

5. Central tendency: Raters who are prone to the central tendency error are those who continually rate all employees as average. For example, if a manager rates all subordinates as 2 on a scale of 1 to 4 then no differentiation among the subordinates exists. Failures to rate subordinates as 4, for those who deserve that rating, will only create problems if this information is used for pay increase.

6. Inappropriate substitutes for performance: In many jobs it is difficult to get consensus on what is a good job and it is still more difficult to get agreement on what criteria will determine performance. For a salesman the criterion may be the money value of sales in his territory but even this criterion is affected by factors beyond the salesman's control, such as action of competitors.

Appraisal Interview: Talks between employee and manager happen on an almost daily basis. The annual Appraisal Interview however offers the opportunity to systematically discuss the following content:

• Discuss work and performance of the past year – tasks, work conditions and cooperation

• Resolve problems and misunderstandings

• Mutually voice acknowledgement and critique in a factual matter

• Agree on measures to boost development and further education

• Mutually agree on long term goals and focus points

Hence, an Appraisal Interview is a One-on-One interview which:

• Takes place at least once a year

• Requires both parties to prepare for it

• Is semi-structured

• Is carried out by the employee and the direct supervisor using specific contents

Career Planning

According to Schermerborn, Hunt, and Osborn, 'Career planning is a process of systematically matching career goals and individual capabilities with opportunities for their fulfillment'.

Career Anchors – include talents, motives, values and attitudes which give stability and direction to a person's career – it is the 'motivator' or 'driver' of that person.

Career anchor category	**Traits**
Technical/functional competence	This kind of person likes being good at something and will work to become a guru or expertThey like to be challenged and then use their skills to meet the challenge, doing the job properly and better than almost anyone else

Managerial competence	These people want to be managersThey like problem-solving and dealing with other peopleThey thrive on responsibility To be successful, they also need emotional competence
Autonomy/independence	These people have a primary need to work under their own rules and ‘steam’They avoid standards and prefer to work alone
Security/stability	These people seek stability and continuity as a primary factor of their livesThey avoid risk and are generally ‘lifers’ in their job
Entrepreneurial creativity	These people like to invent things, be creative and most of all to run their own businessesThey differ from those who seek autonomy in that they will share the workloadThey find ownership very important They get easily bored Wealth, for them, is a sign of success
Service/dedication to a cause	Service-orientated people are driven more by how they can help other people than by using their talentsThey may work in public services or in areas such as human resources
Pure challenge	People driven by challenge seek constant stimulation and difficult problems that they can tackleSuch people will change jobs when the current one gets boring, and their career can be varied
Lifestyle	Those who are focused first on lifestyle look at their whole pattern of livingRather than balance work and life, they are more likely to integrate the twoThey may even take long periods of time off work in which to indulge in passions such as travelling

JOB EVALUATION

Job evaluation is the process of determining the relative worth of different categories of jobs by analyzing their responsibilities and, consequently, fixation of their remuneration. The basic objective of job evaluation is to determine the relative contributions that the performance of different jobs makes towards the realization of organisational objectives. There are four basic methods of job evaluation: ranking method, job grading method, point method and factor comparison method.

1. Ranking Method: In the ranking method of job evaluation, a whole job is compared with others and rank is provided on the basis of this comparison. The usual process followed in this method is as under:

1. On the basis of job analysis, each member of the job evaluation committee ranks each job independently either against the benchmark job or against all other jobs. The ranking is provided to the job on the basis of this comparison.
2. In order to increase the reliability of ranking, this exercise is undertaken twice or thrice by the members.
3. If there are significant differences of opinions among the members about the ranking of a particular job, the matter is settled by mutual consultation, or by working out the average.

2. Grading Method: Job grading method also known as job classification method establishes various grades for different categories of jobs. For example, jobs of an operative may be classified as unskilled, semi-skilled, skilled and highly-skilled.

1. At the initial stage. a number of job classes or grades is decided on the basis of job analysis. Job grades can be determined on either of two bases. First, all jobs may first be ranked and their natural classes may be determined. The description of each job class is prepared covering all jobs falling in a class. Second, the job evaluation committee may prepare a series of job class description in advance on the basis of which various jobs may be graded.
2. Different characteristics of each job are matched with description of job class and a job is placed in the class with which it matches best.

3. Point Method: Point method of job evaluation is widely used in business organisations. It is an analytical and quantitative method which determines the relative worth of a job on the basis of points alloted to each specific factor of a job. The sum total to these points allotted to various job factors is the worth of the job. This total is compared with that of other jobs and relative worth of various jobs is determined.

4. Factor Comparison Method: This method, also known as key job method, was originally developed at the Philadelphia Rapid Transit Company, USA by Eugene J.Benge in 1926 to overcome two major problems faced in point method of job evaluation. viz. determining the relative importance of factors and describing their degrees. In this method, each factor of a job is compared with the same factor of the other jobs or the key job either defined or existing one. When all factors are compared, the final rating is arrived at by adding the value received at each comparison. For this purpose, Benge identified five factors – mental effort, skill, physical effort, responsibility and working conditions.

COMPENSATION

According to Thomas J. Bergmann(1988) compensation consists of four distinct components: Compensation = Wage or Salary + Employee benefits +Non-recurring financial rewards+ Non-pecuniary rewards.

STEPS IN DETERMINING COMPENSATION

1. Define the job.

Define the job’s purpose, essential duties and responsibilities, required skills and knowledge, experience, and educational level. This involves creating a job description or updating an existing one. When done right, defining a job accurately requires a comprehensive job analysis. A job title alone will not adequately define a job. You must fully understand and document its responsibilities.

2. Price the job.

Particularly in the case of a new job, use salary survey information (typically three sources) to price the job. Match the job description to the jobs within your salary surveys – ideally it should match 60-70% of the job duties. If a direct match doesn’t exist, price multiple jobs in the survey and blend the data. In addition, match the breakouts to the demographics of your organization to make sure you are comparing the data against your competitors – such as number of employees and industry type.

3. Determine the job's value to your organization.

Evaluating the job's worth and value not only in the market, but also to your organization, is an important step in setting compensation for this reason: a job with greater internal impact and contribution to your organization's strategy and business objectives will be more valuable, and therefore should be paid more, than a job with less of a direct impact. Knowing the job's value also helps you determine whether or not compensation is worth negotiating.

4. Review where a job fits within a grade/range.

Depending on the value of the job and what it is priced at, the job (if it is a new job) is then allocated to the pay structure in a given grade. Existing jobs will already be assigned to a grade and have a range if you have a pay structure in place. Reviewing the compensation of other jobs within the grade, pay rates of similar jobs and peers, and the range of pay for those jobs will help you set appropriate compensation.

5. Consider organizational factors, including budget.

Evaluate what is in your budget and what you paid the last incumbent, if it is not a new role. You should also factor in projected cost-of living adjustments, bonuses, and other increases. In addition, consider the mix of pay. Pay can include various forms (variable pay, base pay, skill-based pay, etc.), depending on the position. For example, sales and executive employees may have a much different mix of pay forms than an administrative employee. When setting compensation, it's important to evaluate what that mix should be based on market data and organizational needs.

FACTORS INFLUENCING COMPENSATION LEVEL

Internal factors: The internal factors exist within the organization and influences the pay structure of the company. These are as follows:

1. **Ability to Pay:** The prosperous or big companies can pay higher compensation as compared to the competing firms whereas the smaller companies can afford to maintain their pay scale up to the level of competing firm or sometimes even below the industry standards.
2. **Business Strategy:** The organization's strategy also influences the employee compensation. In case the company wants the skilled workers, so as to outshine the competitor, will offer more pay as compared to the others.Whereas, if the company wants to go smooth and is managing with the available workers, will give relatively less pay or equivalent to what others are paying.
3. **Job Evaluation and Performance Appraisal:** The job evaluation helps to have a satisfactory differential pays for the different jobs. The performance Appraisal helps an employee to earn extra on the basis of his performance.
4. **Employee:** The employee or a worker himself influences the compensation in one of the followingways.
   a. Performance: The better performance fetches more pay to the employee, and thus with the

increased compensation, they get motivated and perform their job more efficiently.
b. Experience: As the employee devote his years in the organization, expects to get an increased pay for his experience.
c. Potential: The potential is worthless if it gets unnoticed. Therefore, companies do pay extra to the employees having better potential as compared to others.

External Factors: The factors that exist out of the organization but do affect the employee compensation in one or the other way. These factors are as follows:

1. **Labor Market:** The demand for and supply of labor also influences the employee compensation. The low wage is given, in case, the demand is less than the supply of labor. On the other hand, high pay is fixed, in case, the demand is more than the supply of labor.
2. **Going Rate:** The compensation is decided on the basis of the rate that is prevailing in the industry, i.e. the amount the other firms are paying for the same kind of work.
3. **Productivity:** The compensation increases with the increase in the production. Thus, to earn more, the workers need to work on their efficiencies, that can be improved by way of factors which are beyond their control.The introduction of new technology, new methods, better management techniques are some of the factors that may result in the better employee performance, thereby resulting in the enhanced productivity.
4. **Cost of Living**: The cost of living index also influences the employee compensation, in a way, that with the increase or fall in the general price level and the consumer price index, the wage or salary is to be varied accordingly.
5. **Labor Unions**: The powerful labor unions influence the compensation plan of the company. The labor unions are generally formed in the case, where the demand is more, and the labor supply is less or are involved in the dangerous work and, therefore, demands more money for endangering their lives.The non-unionized companies or factories enjoy more freedom with respect to the fixation of the compensation plan.
6. **Labor laws:** There are several laws passed by the Government to safeguard the workers from the exploitation of employers.Thepayment of wages Act 1936, The Minimum wages act 1948, The payment of Bonus Act 1965, Equal Remuneration Act 1976, Payment of Gratuity Act 1972 are some of the acts passed in the welfare of the labor, and all the employers must abide by these.

Industrial Relation

Meaning and Definition of Industrial Relation: The relationship between Employer and employee or trade unions is called Industrial Relation. Harmonious relationship is necessary for both employers and employees to safeguard the interests of the both the parties of the production. In order to maintain good relationship with the employees, the main functions of every organization should avoid any dispute with them or settle it as early as possible so as to ensure industrial peace and higher productivity. Personnel management is mainly concerned with the human relation in industry because the main theme of personnel management is to get the work done by the human power and it fails in its objectives if good industrial relation is maintained. In other words good Industrial Relation means industrial peace which is necessary for better and higher productions.

Industrial Relation is defined as the "process by which people and their organizations interact at the place of work to establish the terms and conditions of employment." The Industrial relations are also called as labour - management, employee-employers relations.

Features of Industrial Relations

1. Industrial Relation do not emerge in vacuum they are born of employment relationship in an industrial setting. Without the existence of the two parties, i.e. labour and management, this relationship cannot exist.

2. Industrial Relation are characterised by both conflict and co-operations.

3. As the labour and management do not operate in isolations but are parts of large system, so the study of Industrial Relation also includes technology of the workplace, country's socio-economic and political environment, nation's labour policy, attitude of trade unions workers and employers.

4. Industrial Relation also involve the study of conditions conductive to the labour, managements co-operations as well as the practices and procedures required to elicit the desired co-operation from both the parties.

5. Industrial Relations also study the laws, rules regulations agreements, awards of courts, customs and traditions, as well as policy framework laid down by the governments for eliciting co-operations between labour and management.

Definitions of Industrial Disputes

As per Patterson: "Industrial strife constituent militant and organized protest against existing industrial conditions, they are symptoms of industrial unrest in the same way that boils are symptoms of disorder of body."

Analysis of Industrial Dispute: For a dispute to become Industrial Dispute there must be a dispute difference between:

1. Employers and employees

2. Employers and workmen

3. Workmen and workmen

Forms of Industrial Dispute: The outcome of industrial dispute is locking out from the employer side and workers may resort to strike, Gherao, picketing etc. 1. Strike: - Strike is quitting work by a group of workers for getting their demands accepted by the employer. It is a powerful tool used by the trade unions to pressurize the management to accept their demands. Various types of strikes are

Economic Strike: - Strike in concern with economic reason like wages bonus or• working conditions.

Sympathetic Strike: - Strike to support the other group of workers on strike within the organization or for the sympathy to union workers on strike in other industries.

General Strike: - Strike of all the unions in a region or workers of a particular industry for the common demands of the workers concerned.

Sit down Strike: - When workers stop doing the work but also do not leave the place of work. It is also known as tool down or pen down strike.

Sit down Strike: - When workers stop doing the work but also do not leave the place of work. It is also known as tool down or pen down strike.

2. Lock Out: - Lockout is the step taken by the employer to put pressure on workers. Employer close down the workplace until the workers agree to continue the work on the terms and conditions as given by the employer

3. Gherao: - Gherao is the action taken by workers under which they restrict the employer to leave the work premises or residence. The person concerned is put away in a ring made of human beings i.e. workers. Gheraos are also being adopted by educational and others institutions. It is an illegal act according to the Law.

4. Picketing: - When workers are not allowed to report for the work by deputing some men at the factory gates. If picketing does not involve any violence it is perfectly legal. It is done to bring into the notice of public that there is dispute between workers and management.

GRIEVANCE

Definition: Mondy and Noe defined grievance as “employee’s dissatisfaction or feeling of personal injustice relating to his or her employment.”

Causes of Grievance There are several causes, which leads to employee grievance in an organization.

Management Practices

1. The behaviour of supervisor, peer’s group can cause grievance.

2. The improper division of work among employees lead to employee grievance.

3. The negligence of one’s efforts towards the organization.

4. The autocratic organizational environment can cause grievance.

5. The implementation of personnel policies is not intended policies, it well lead to grievance.

6. If task objective is not clearly defined to employee, then also then employee get frustrated and ultimately grievance arises.

7. Matters such as employee compensation, seniority, overtime and assignment of personnel to shifts are illustrations of ambiguities leading to grievance.

8. Poor communication between management and employees is another cause of grievance.

Union Practices In firms where there are multiplicities of unions, many of whom may have political affiliation; there is constant jostling and lobbying for numerical strength and support. Where unions are not formed on the basis of specialized craft but are general unions, the pressure to survive is great and, hence there is a need to gain the support of workers. Under such circumstances the grievance machinery could be an important vehicle for them to show their undeniable concern for workers welfare. The fact that a union can provide a voice for their grievance is an important factor in motivating employees to join a union. Realizing that members expect action and only active unions can generate membership, unions some time incline to encourage the filing of grievance in order to demonstrate the advantage of union membership. It makes union popular that it is the force to solve out the grievance with the management.

Individual Personality Trait: Sometimes mental tension, caused perhaps by ill health also contributes to grievance. Some are basically predisposed to grumble and find fault with every little matter, seeing and looking out only for faults. On the other hand, there are employees who are willing to overlook minor issues and discomforts and get on with the job.

Grievance Handling Procedure

At any stage of the grievance machinery, the dispute must be handled by some members of the management. In grievance redressed, responsibility lies largely with the management. And, grievances should be settled promptly at the first stage itself. The following steps will provide a measure of guidance to the manager dealing with grievances.

i. Acknowledge Dissatisfaction:

Managerial/supervisory attitude to grievances is important. They should focus attention on grievances, not turn away from them. Ignorance is not bliss, it is the bane of industrial conflict. Condescending attitude on the part of supervisors and managers would aggravate the problem.

ii. Define the Problem:

Instead of trying to deal with a vague feeling of discontent, the problem should be defined properly. Sometime the wrong complaint is given. By effective listening, one can make sure that a true complaint is voiced.

iii. Get the Facts:

Facts should be separated from fiction. Though grievances result in hurt feelings, the effort should be to get the facts behind the feelings. There is need for a proper record of each grievance.

iv. Analyse and Decide:

Decisions on each of the grievances will have a precedent effect. While no time should be lost in dealing with them, it is no excuse to be slip-shod about it. Grievance settlements provide opportunities for managements to correct themselves, and thereby come closer to the employees.

v. Follow up:

Decisions taken must be followed up earnestly. They should be promptly communicated to the employee concerned. If a decision is favourable to the employee, his immediate boss should have the privilege of communicating the same.

DISCIPLINE

According to Bremblett, "discipline does not mean a strict and technical observance of rigid rules and regulations. It simply means working, co-operating and behaving in a normal and orderly way, as any responsible person would expect an employee to do."

Code of Discipline

The code of discipline defines duties and responsibilities of employers and employees/workers. The objectives of the code of discipline are:

1. To ensure that employers and employees recognize each other's rights and obligations,

2. To promote constructive cooperation between the parties concerned at all levels,

3. To secure settlement of disputes and grievances by negotiation, conciliation, and voluntary arbitration,

4. To eliminate all forms of coercion, intimidation, and violence in industrial relation,

5. To avoid work stoppages,

6. To facilitate the free growth of trade unions, and

7. To maintain discipline in industry.

Approaches, Principles and Procedure for Disciplinary Action

Approaches Basically, there are five approaches regarding to manage indiscipline or misconduct. All these approaches briefly explain here.

1. Judicial Approach: It is commonly followed in India. The present day manager has to handle a variety of disciplinary issues. His right to hire and dismiss is curbed to a great extent, especially where unionized employees are concerned. The complexity is increasing in this arbitrary managerial function due to intervention by the government, by providing legislation for governing terms of employment. In order to secure security of jobs, the govt. has tried to ensure protection to industrial labour from likely misuse of managerial power to hire and fire.

2. The Human Relation Approach: It calls for treating an employee as a human being and considers the totality of his personality and behaviour while correcting faults that contribute to indiscipline. His total personality is considered, as is his interaction with his colleagues, his family background, etc. and then appropriate punishment for misconduct is awarded.

3. The Human Resources Approach: The approach calls for treating every employee as a resource and an asset to the organization before punishing the workers, the cause for indiscipline has to be ascertained. An analysis of the cause is made, to find out whether indiscipline is due to the failure of his training and motivating system or the individual's own failure to meet the requirements, and accordingly corrections are made.

4. The Group Discipline Approach: The management in this approach sets and conveys well established norms and tries to involve the groups of employees. The group as a whole control Indiscipline and awards appropriate punishments. The trade union may also act as a disciplinary agency.

5. The leadership Approach: In this case, every supervisor or manager has to guide, control, train, develop, lead a group and administer the rules for discipline.

Principles for Disciplinary Action Despite, best efforts, acts of indiscipline occur and it becomes necessary to take a disciplinary action. While taking disciplinary action the following principles must be considered.

1. Principles of natural justice: This principle must guide all enquires and actions. This means that no person should be appointed to conducting an enquiry who himself is interested in the

outcome –either as an aggrieved party or because he is hostile to the person proceeded against, or for any other reason.

2. Principles of impartiality or consistency: There should be no marked difference in the action taken under identical situations where all the factors associated to situations are alike.

3. Principle of impersonality: The disciplinary authority should not encourage a person who is failing to fulfil his duty. He should be impartial to everyone.

4. Principle of reasonable opportunity to the offender to defend himself. Article 311 of the constitution of India says: No "person employed by the union or a state govt. shall be dismissed or remove until he has been given a reasonable opportunity showing cause against the action proposed to be taken in regard to him."

Procedure for Disciplinary Action The procedure for taking disciplinary action involves the following steps:

1. Preliminary Investigation: First of all a preliminary enquiry should be held to find out the misconduct behaviour or situation.

2. Issue of a charge sheet: Once a misconduct or indiscipline is identified, the authority should proceed to issue of charge sheet 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 generally called as show cause notice. In the charge sheet each charge should be clearly defined and specified.

3. Suspension Pending Enquiry: In case the charge is grave a suspension order may be given to the employee along with the charge sheet. According to the industrial employment (Standing orders) Act, 1946, the suspended worker is to be paid a subsistence allowance equal to one-half of the wages for the first 90 days of suspensions and three- fourths of the wages for the remaining period of suspension if the delay in the completion of disciplinary proceedings are not due to the workers 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 the punishment without further enquiry. But if the worker does not admit the charge and the charge merits major penalty, the employer must hold enquiry to investigate into the charge. Proper and sufficient advance notice should be given to the worker of the enquiry.

5. Conduct of Inquiry: The inquiry 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: The enquiry officer must record all the conclusion and findings. 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 on the basis of finding of an enquiry, past record of worker and gravity of the misconduct.

8. Communicating Punishment: The punishment awarded to the worker should be communicated to him quickly. 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

In the National labour Relations Act of the United States, collective bargaining finds a place. The Act, in section 8(d), defines collective bargaining as “the performance of the mutual obligation of the employer and representative of the employees to meet at a reasonable time and confer in good faith with respect to wages, hours and other terms and condition of employment, or the negotiation of an agreement, or any question arising there under, and the execution of the written contract incorporating any agreement reached if requested by either party, but such obligation does not compel either party to agree to a proposal or require the making a concession.”

Features of Collective Bargaining Randle observes: “A tree is known by its fruit. Collective bargaining may best be known by its characteristics.” The main characteristics of collective bargaining are:

1. It is a group action as opposed to individual action and is initiated through the representatives of workers. On the management side are its delegates at the bargaining table; on the side of workers is their trade union, which may represent local plant, the industry membership or nation-wide membership.

2. It is flexible and mobile, and not fixed or static. It has fluidity and ample scope for a compromise, for a mutual give-and-take before the final agreement is reached or the final settlement is arrived at.

3. It is a bipartite process. The employers and the employees are the only parties involved in the bargaining process. There is no third party intervention. The conditions of employment are regulated by those directly concerned.

4. It is a continuous process which provides a mechanism for continuing and organised relationships between management and trade unions. “The heart of collective bargaining is the process for a continuing joint consideration and adjustment of plant problems.”

5. It is industrial democracy at work. Industrial democracy is the governance of labour with the consent of the governed workers. The principle of arbitrary unilateralism has given way to that of self government in industry. Collective bargaining is not a mere signing of an agreement granting seniority, vacations and wage increases. It is not a mere sitting around a table, discussing grievances. Basically, it is democratic: it is a joint formulation of company policy on all matters which directly affect the workers.

6. Collective bargaining is not competitive process but is essentially a complementary process, i.e. each party needs something that the other party has, namely, labour can make a greater productive effort and management has the capacity to pay for the effort and to organize and guide it for achieving its objectives.

Types of Collective Bargaining Collective bargaining can be classified on different basis. **“plant or work place bargaining”** between the shop stewards and the plant management representatives.

“company bargaining” between representatives of union(s) and management.

“national bargaining” may occur at the level of industry between the representative of a union or a federation of unions and those of employer’s association or federation of employer’s associations.

“effort bargaining” where the amount of work to be accomplished for a predetermined wage becomes negotiable alike the wage itself.

“productivity bargaining” irrespect of financial system involved. Productive bargaining is a process by which employers minimize or at least or stabilize unit labour cost by getting more effective work done and by which employees obtain greater rewards for doing it.

Bargaining can be **“formal”** as well **as “informal”** forms. **Formal bargaining** involves only very limited range of issues including basic wage rates and basic conditions of work, the **informal bargaining** may embrace the wider issues such as financial incentives, disciplines, work practices, recruitment and redundancy.

The process of collective bargaining

The process of collective bargaining involves six major steps

1. Preparing for negotiation: Careful advance preparations by employers and employees are necessary because of the complexity of the issue and the broad range of topic to be discussed during negotiations. Effective bargaining means preparing an orderly and factual case to each side.

2. Identifying bargaining issues: The major issues discussed in collective bargaining fall under the following four categories:

a. Wage related issues: This includes such topics as how basic wage rates are determined, cost of living adjustments, wage differentials, overtime rates, wage adjustments and the like.

b. Supplementary economic benefits: These include such issues as pension plans, paid vacations, paid holidays, health insurance plans, retrenchment pay, Unemployment pension, and the like.

c. Institutional issues: These consist of the rights and duties of employers, employees, unions, employee’s stock ownership schemes, and the like.

d. Administrative issues: These include such issues as seniority, employee discipline and discharge procedures, employee health and safety, technological changes, work rules, job security, and the like.

3. Negotiating: Preparations have been made and issues being identified, the next logical step in collective bargaining process is negotiation. The negotiating phase begins with each side presenting its initial demands. The negotiation goes on for days until the final agreement is reached. But before the agreement is reached, it is a battle of wits, playing on words, and threats

of strikes and lockouts. It is a big relief to everybody when the management representatives and the union finally sign the agreement.

4. Settlement and contract agreement: When the process of negotiation has been completed, it is time to sign the contract, the terms of which must be sincerely observed by both the parties. The progress in collective bargaining is not measured by the more signing of an agreement rather, it is measured by the fundamental human relationships agreement. Once an agreement is signed, both the trade union and the management are required to honour it in letter and spirit. The union officers and company executives should explain the terms and implications of the contract to employees and supervisors with a view to ensuring that the day to day working relationship between workers and management is guided by that contract. It is important that contract must be clear and precise.

5. Administration of the agreement: i.e. implementation according to the letter and spirit of the provisions of the agreement.

TRADE UNION

"A trade Union is the continuous association of wage earners for the purpose of maintaining or improving the conditions of their working lives."

The Characteristics of trade unions

1. Trade unions have a statement specifying that organization is a trade union.

2. Trade unions have a statement of its principle objectives.

3. Registration with Registrar of Trade Union.

4. Independence from employer, which may be evident from the certificate issued by the Registrar of Trade Union.

5. Affiliation with central trade union organization.

Types of the trade union

Ever since the dawn of industrialization there has emerged a wide variety of unions across the globe these unions can be classed under two heads

- The purpose for which unions are formed
- The variation in the composition of their membership

(A) Union classification according to the purpose Under this head normally two type of union have been kept.

1) Reformist

2) Revolutionary

Reformist unions

Such unions don’t believe in the destruction of economic, social and management structure of the state or concern but want only to modify them and to have favourable response for their members through negotiation and other peaceful manners. The reformist union is subdivided in two parts:

(a) Business unionism: Business unions are those unions that are maintained primarily to represent the workers in collective bargaining with the employers. They are distinct from other reformist which try to bring economic advantage to their members.

(b) Friendly or Uplift unionism: Idealistic in nature and aspires to elevate the moral, intellectual and social life of the workers and advocate idealistic plans for social regeneration. They emphasise such other consideration as education, health, insurance etc.

Revolutionary Unions

Such unions aim at destroying the present structure and replacing it with the new and different institution according to the ideals that are regarded as preferable. The revolutionary unionism generally seeks to destroy capitalist industry to abolish the wage system and substitute it with some other system generally socialist and communist. These unions are further classified in two classes:

a) Anarchist unions: The unions which try to destroy the existing economic system by revolutionary means called anarchist Unions. Such unions exists no more in presently scenario.

b) b) Political unions: The unions which gain power through political action called political unions. The main function of such unions is to eliminate the power of capital and capitalists, redistributing wealth and giving effective power to workers.

(B) Union classification on the basis of membership structure The union can also be classified according to variations in the composition of the members. On this basis unions have been classified in four categories:

Craft union: It is an organisation of workers employed in a particular craft and trade or in a single or few occupations. Such organizations link together those workers who have similar skills, craft training and specialization, aiming to safeguard their interest.

Industrial union: It is an organisation of workers which links all craftsmen and skilled workers in any industry. It is organized upon the industry wise basis rather than the craft wise basis.

Staff union: The term staff union is popularly used to both craft and industrial union. It is organized the workers on the basis of craft working in same industry.

General union: It is an organisation which covers various industries and labourers having different skills. They have numerical superiority (large membership), for they are open to all classes of workers and this is the source of their strength.