CHAPTER 1

INTRODUCTION
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1.01 - Introduction

What is HRD?
“People” is the most important and valuable resource every organization or institution has in the form of its employees. Dynamic people can build dynamic organizations. Effective employees can contribute to the effectiveness of the organization. Competent and motivated people can make things happen and enable an organization/institution to achieve its goals. Therefore organizations should continuously ensure that the dynamism, competency, motivation and effectiveness of the employees remain at high levels. Human Resource Development (HRD) is thus a continuous process to ensure the development of employee competencies, dynamism, motivation and effectiveness in a systematic and planned manner.

1.02 - Multiple Goals of HR:
HRD has multiple goals. These include employee competency development, employee motivation development and organizational development.

“HAPPY EMPLOYEES GIVES HAPPY RESULT”

Employees require a variety of competencies (knowledge, attitudes, skills in technical areas, managerial areas, behavioural and human relations areas and conceptual areas) to perform different tasks or functions required by their jobs. The nature of job is constantly changing due to changes in the environment, changes in organizational priorities, goals and strategies, changes in the profiles of fellow employees (subordinates, bosses, colleagues etc.), changes in technology, new opportunities, new
challenges, new knowledge base etc. Such a change into nature of jobs requires continuous development of employee competencies to perform the job well. Thus competency development is needed on a continuing basis for effective job performance. HRD aims at constantly assessing the competency requirements of different individuals to perform the jobs assigned to them, effectively and provide opportunities for developing these competencies.

HRD also aims at preparing people for performing roles /jobs /tasks / functions which they may be required to perform in the future as they go up on the organizational hierarchy or as the organization takes up new tasks through diversification, expansion, modernization, economization etc. HRD tries to develop the potential of employees for future likely jobs/roles in the organization.

Another aim of HRD is to identify competency gaps of employees to perform the present roles / jobs / tasks / functions effectively and create conditions to help employees bridge these gaps through development.

“Motivation” development is also an aim of HRD. Motivation means to create an interest in the employee or create a desire to work or put in work effort. It is a commitment to the job, work and the organization. It is also the desire to make things happen. Without motivation employees are not likely to give their best. Having technical and managerial and human competencies is not enough for effective performance on the job.

Motivation is influenced by various factors such as one’s own needs, personality and habit patterns, supervisor’s styles and behaviour, personnel policies, organizational culture and environment, career opportunities and reward mechanisms. HRD aims at developing the motivation of employees to the maximum extent possible so that they can
become dynamic contributors to organizational goals. As employee motivation is influenced by the organizational climate, a healthy organizational climate is required for utilizing and enhancing employee competencies. HRD also aims at climate development. A healthy climate is one where the free expression of ideas, opinions and suggestions (openness) is encouraged; there is promotion of collaboration among various individuals, teams and departments; people say what they mean, do what they say, and where people can be trusted; initiative, pro-activity and creativity is encouraged; problems are diagnosed, confronted and solved collectively or individually; every senior sees developing subordinates as his responsibility; seniors support their subordinates and juniors respect their seniors; problems, mistakes and difficult situations are handled with a learning orientation; participation is encouraged; every incident is treated as a learning opportunity; people have a sense of satisfaction from their work; people feel that they are cared for and have a sense of belonging. HRD aims at developing such a climate through periodic diagnosis and appropriate intervention (actions and activities to achieve desired change).

Implied in the above goals are the goals of developing superior-subordinate relationship, team development, inter-team collaboration and organizational health. Thus HRD has the goals of developing individual competencies, two person relationships, team spirit and organizational health.

In the business scenario of today, an organization is characterized by its people. The strength of an organization is the cumulative strength of its people. Business leaders across the globe have realized that the mantra for success is not better hardware or better software but it is better “peopleware”. Numerous and varied efforts are thus being made by organizations and individuals alike, to come up with ways of nurturing
and developing their people and hence directly developing the organization.

**Fundamentally** any Organization needs 3 kinds of resources; financial, technical and human resources. Financial resources are short term; they are quickly available. Technical resources are more medium term; they have to do with tools, equipment, processes and systems. HR, however, is a long-term strength for the company. It is the only intelligent resource organizations have.

The organizations believe that, nothing is possible unless it has right kind of people for the right jobs. In order to make available the same, one also needs to take a structured and systematic approach in the area of HRM.

Every organization, believes that, it should build itself to sustain company's vitality. The company strongly believes that, the Human resource is the main resource, which can only bring change in the organization; therefore, organizations are continuously working on the different HR tools to keep the moral and motivation of the employees at optimum level.

Normally, managements are very keen and kind towards their employee's welfare and well beings. Employee's care is taken by the company regularly on each and every small issue irrespective of whether it is organizational or personal. In case of sickness of the employee, the individual is normally provided all the possible support and complete help so that he should recover faster.

Employees in the organization are rewarded suitably every year based on their annual performance.
But, generally, very less efforts are made to check that, whether the actions are going in right direction or otherwise. It is therefore necessary to have some measurement or evaluations of the actions taken.

1.03 - Role of HRD:

The repaid growth in the economy and the job market means that corporate roles are changing. One such role, which is changing rather quickly, is that of HR (human resources) heads in organizations.

Companies are realizing that the biggest hurdle to growth is people or the lack of them. A rapidly growing job market means that good people are scarce, and many times a plan could stumble because of the lack of right people and also at the right time.

HR heads are thus being involved more in the business than ever before. They are being asked to help with strategy, Manpower planning, Organizational restructuring, Organizational re-engineering, diversification plans, acquisitions, new ventures, and are being given some line responsibilities also.

Earlier, the second most important job, after the CEO, in an organization was that of a CFO (Chief Financial Officer). The CFO was important for raising funds, re-negotiating debt, talking to analysts and fund managers to convince them of the company’s strategy. All these responsibilities were vital to the survival of a company.

Now, the boom in the stock markets means raising money is not so difficult. Banks and financial institutions are flooded with money and
are only too willing to lend and re-negotiate any loans just to retain their clients.

The role of Heads of Human Resources (HR) departments in organizations is widening. HR heads are now more involved in business and helping their organization with strategy. Corporate now have easier access to funds and are realizing that what differentiates them is getting the right people. They also want to move away from geriatric hierarchies that have over the years prevented new leaders from emerging within the organization. The second most important role in an organization, after the CEO, who will enable this growth, is now the HR head.

Most progressive corporate groups have been upgrading the role and responsibilities of the HR heads over the last few years. As Indian companies become transnational in nature, HR heads have to cultivate an international view of business along with the HR specialization. Most of the organizations are treating the HR head as a strategic partner in to the business or as a business manager. To example the same, Mrs Leena Nair is working as Executive Director – HR, with FMCG giant Hindustan Unilever and she is the first and youngest women Executive director on the board of the company.

Earlier, the HR role was limited to hiring, retaining and managing payrolls. Now, with the immense growth in the economy, this is changing. Customers, board and other stakeholders have much higher expectations from the HR heads. CEOs want to transform organizations and they realize that with international competition, will come a much more diverse workforce.
1.04 - Important HR Tools/Practices with its details:

In the present scenario, attracting and retaining the employees has become a challenge to the organization and the HR heads in the organizations. Therefore it is essential to have or implement good HR tools and practices in every organization to keep the employee motivation high. Therefore, the researcher has decided to study the HR Tools and Practices in Industries under study.

It is an essential requirement for the companies to develop and retain future industry leadership by retaining its capable employees. To meet the challenge of the 21st century and to strengthen the industrial organization, we need highly skilled and value-oriented right kind of the human resources in the organization and to attract & retain them, need to have good HR Tools and practices.

As discussed above, it is necessary to measure the efforts taken on HR front for building the climate in the organization. Following HR tools are used for the development of the organization and employees –

1.04.01 – Manpower Planning:

The role of HRM is to optimize the use of resources available at its disposal. The manpower planning incorporates the planning and control of manpower resources in to the total company planning so that all resources are used together in the best possible conjunction.

The task of planning resources cannot be done independently for each resource to other. Manpower costs money and different types of manpower cost different amounts. Increased material resources in the form of machinery might be substitute for the manpower but this
involves capital investment. Manpower planning is done on the annual basis, in the beginning of the year based on the company's plan for the production, expansion, etc. Accordingly the required manpower is provide by the HR department to the respective functions / units so that their planned targets are achieved and there is no loss of production or productivity on the count of the manpower. Manpower planning is not an easy task and hence training should be given to all the line managers on the same so that they can plan the same effectively. The basic elements of manpower planning are systematic analysis of manpower resources and proper forecast of the manpower requirement.

1.04.02 – Role Analysis:

Role analysis is a participatory process, which aims at defining the work contents of a role in relation to all those with whom the role occupant has significant interaction in the performance of this job. The same is done by way of an expression of mutual offering and expectations to each other in the accomplishment of the overall objectives of the respective role and thereafter arriving at a consensus based on the discussion. The normal process and its steps of role analysis is as given under –

➢ The key positions for which Role Analysis is to be done are identified.
➢ Each of the role occupants whose role is to be analysed is called the Focal Role. The individual is requested to identify the significant members in the organization with whom he has to interact in the performance of his function in a manner that such interaction has a bearing on his own function. The member so identified by each Role Occupant are called Role Set Members.
➢ The role set members are asked to write down their expectations from and offerings to the Focal Role. Likewise the Role Occupants
(Focal Role) are also requested to write down their offerings to and expectations from, the role set member. The gap between such expectations and offerings then are discussed and a role consensus is arrived at.

➢ Thereafter, the key performance areas of each of the roles being analysed are arrived at from the role consensus.
➢ The key performance areas so arrived at is again got validated by the role set member.
➢ The role set member are also asked to indicate the critical attributes in the areas of knowledge, attitude, skills and habits, required for each of the focal roles for effective performance of the job.

1.04.03 - Recruitment & Selection:

Earlier the recruitment of employees used to be an easy task. While the scenario continues to be the same for clerical and unskilled jobs, but that has been a sea change so far as managerial, supervisory and skilled employees are concerned. It is becoming increasingly difficult to get the right type of the employee in these categories. Even if you are lucky enough to get them, it is becoming more and more difficult to retain them.

Any organization is as good as its people. People only make the difference to the organization and hence selection of right people is very essential for the growth of the organization. Therefore in recruitment and selection, the selection is crucial. Many organizations use the psychometric or aptitude tests, Group Discussions and Personal Interviews for the selection of the employees. Various psychometric tests like Thomas profiling test, 16 PF (personality factors), FIRO –B, etc are available for the selection of the employees. Following sources of the
recruitment are used by the organizations for recruitment of the employees –

- Recommendation
- Open recruitment
- Advertisement
- Campus recruitment
- Recruitment agencies
- Re-appointment
- Job portals

The most common one is the Advertisement, Recruitment agencies and Job portals. For the fresher, the Campus recruitment is normally used to select the best among the lot at the respective campus.

1.04.04 - Performance Appraisal System:

The performance appraisal system is used for the systematic development of the employees and also to bring the competitive culture in the organization by linking the same with reward and recognition of the employees.

1.04.04-a - OBJECTIVES OF THE PA SYSTEM –

1. To bring Role clarity
2. Self assessment by the employee
3. Understanding strengths and weaknesses
4. Identifying Training and Development needs
5. Identifying Potential
6. Better understanding between appraisee and appraiser
7. Recognizing achievements
8. Goal Setting
9. Improving Organizational Performance
1.04.04-b - SOME BELIEFS IN THE APPRAISAL SYSTEM -

1. Employees who plan their work well tend to utilize their time and competencies well.

2. Joint planning of work and communication of plans reduces monitoring time and effort, and enhances effective guidance and support from higher levels.

3. Periodic review of performance, in which efforts are made to identify the facilitating and inhibiting factors, is the first step in performance improvement.

4. Communication and feedback in a congenial atmosphere is necessary to recognize and build one's own competencies.

5. While individuals should make efforts to improve / develop, the Organization should also support development through training and other strategies.

1.04.04-C - IMPLEMENTATION PROCESS:

1. Appraisal of all the employees is carried out as per the Appraisal System according to the following steps –

   a. The individuals’ fills up the appraisal form and give it to his HOD.

   b. Appraiser (HOD) invites the Appraisee (employee) for an appraisal session where he would listen to the Appraisee’s feelings about his/her performance during the appraisal
period. During this session he refrains from passing any judgment to the Appraisee about his/her performance. The Appraiser carries out the appraisal on Personal Attributes/personal competencies and discusses the same with the appraisee.

c. The Appraiser gives his overall rating based on the individual’s performance during the appraisal period and the rating of personal attributes.

d. The rating of the individual is given in front of the individual and also is informed to him/her at the end of Appraisal counseling.

e. The Appraiser spends reasonable time with the Appraisee and use this opportunity to counsel him/her for any area of improvement and appreciate for the good work done.

f. The Appraiser is advised to keep a note of the salient points during the appraisal meeting including disagreements, if any.

g. In the case where ratings are excellent OR less than acceptable, the Appraiser is advised to record at least two critical incidents in support of the same.

h. The Appraiser also takes this opportunity to identify the training needs of the individual for the next year based on the performance and future plan of the individual.
1.04.04 KRAs (Key Result Areas) –

i. All the individuals write their KRAs for the year in consultation with the HOD.

j. The KRAs are normally in line with the organizational objective. It is not the job description of the individual.

k. The same are mutually agreed by the Individual and his Superior / HOD and then forwarded to HR Department along with the Appraisal form.

l. Normally KRAs are not set more than five – six for any individual.

m. All the KRAs prepared have to be in measurable term. The measurement can be in term of Quantity, Quality, Time, Saving Cost, Objective & measurable improvement in the system / process, etc. In other words it should be a SMART KRAs i.e. Specific, Measurable, Achievable, Result oriented and Time bound.

n. Weightage to each KRA is given depending on its value and the time spent by the individual.

o. The KRAs does not change for the year of appraisal unless and until there is a change in responsibility of the individual or transferred from one department to another. In such cases, the new KRAs are set by the individual in consultation with the new HOD, immediately within a month time and sent to HR Department for necessary action.
1.04.05 – Performance Counselling:

Performance counseling refers to the help provided by a manager to his subordinate in objectively analyzing their performance. It essentially focuses on the analysis of performance and identification of the training and development needs for bringing about further improvement. It helps the employee in –

- Understanding himself/herself – own strength and weakness
- Improving individuals professional and interpersonal competencies by giving feedback about his/her behaviour
- Setting goals and formulating action plans for further improvement
- Generating alternatives for dealing with various problems
- Providing support and empathetic atmosphere in which the employee feels encouraged discussing his aspirations, tensions, conflicts, concerns and problems.

Conditions for the effective counseling are the climate of trust, confidence and openness. It is necessary that the subordinate should feel to participate without inhibition or fear, in the process of review and feedback. The main purpose of counseling is employee development. Performance counseling phases are rapport building, exploration and action planning.
1.04.06 – Potential Appraisal:

The objective of the potential appraisal is to assess an individual in terms of the highest level of work an individual will be able to handle comfortably and successfully in future without being over stretched. Similarly to assist the organization in discharging its responsibility of selecting and developing managers for the future to ensure continuous growth of the organization. The following main qualities determine the potential of an employee –

- Analytical power
- Creative imagination
- Sense of reality
- Capability of taking holistic view from a detached position
- Effective leadership

1.04.07 - Employee’s Training and development plan

The main objective of HRD is to see the development of the employees in the organization, which ultimately results in the systematic growth of the organization.

There are various methods for the development of the employees. The most commonly used method is Training and Development of the employees.

Training and development is considered as an important part of the HRD function. The continuous training is planned for the development of the employees. It is a continuous process and hence it works towards the organization growth. The process works on the Learn – Unlearn - and Relearn basis.
The basic of the process starts with the identification of the training needs. Based on the same the training programmes are planned in the organization. The training needs are identified by the following methods:

- By feedback from the HODs
- By finding out the gap between the company results and employee performance.
- From Performance Appraisal

Out of the above three, the most effective method is finding out the training needs from the performance appraisal. The HOD while carrying out the appraisal meeting with the employee tries to understand the employees strength and weaknesses. Similarly, the HOD also tries to find out the reason for the gap in the employee’s expected and actual performance. Based on the same and in consultation with the employee, the HOD identifies the training needs. Similarly it is done for all the employees.

On receiving all the appraisal forms the training needs of all the employees are complied together and based on the same the training programmes are planned depending upon the number of employees for various training programme. If the No of employees to a specific training programme identified are less, then the employees are sent for the outside / outstation training programme.

The training programmes carried out are properly evaluated at the end, to obtain the employee feedback and see the effectiveness of the training programme. Similarly the same evaluation form is also sent to the HODs for his assessment after 3-4 months to obtain the feedback on the change in the employee’s skill and behaviour. Based on the same it is decided to close the training need of that particular employee. If the
feedback is negative then the same employee may be sent again for that programme to bring improvement in his performance.

**1.04.08 – Career Planning:**

Career planning involves efforts on the part of the organization to provide avenues for growth to its employees. Certainly this growth is accompanied by development. The other side of the coin is the role of employee in career planning. It involves efforts on the part of the employees to clearly think through and decides areas in which they would like to make a career for themselves. Some research have indicated that certain attitudes formed early in life, guide people throughout their career. They anchor an individual to one or few related types of careers. The five such anchors are –

- Managerial competence
- Technical-functional competence
- Search for security
- Desire for creating and developing something new
- Freedom or independence

Self-development cannot be left to chance. It should be a planned effort. Career planning through self-development has the best chance of success.

**1.04.09 – Succession Planning:**

Organizational survival and growth are the most important responsibilities of top management of all the organizations. These responsibilities can best be fulfilled by planning management succession to ensure the availability of the right number and right kind of
management staff at the right time and in the right positions to provide for continued organizational viality and strength. Unfortunately, succession planning does not get the attention it deserves in the organization. This is mainly because of insecurity of managers, who see a threat in any nominated successor. It is also because of a manager's desire to cling to his chair as long as possible. In one organization the joke making rounds was that managers came in vertically and went horizontally. It meant that they left the company only when they died.

Succession planning is done in three time frames:

- **Immediate**: within 1 year
- **Intermediate**: 1 year to 5 years
- **Long range**: Beyond 5 years

Organizations gear most of their management succession activities to the immediate future as it is integrated closely with the annual budgets and business plan. The real succession planning should be geared towards intermediate and long-range timeframe.

1.04.10 - Educational Assistance Scheme for increasing the qualification of the employees:

As a part of the HRD activities, various plans are prepared for the employee development. Providing the educational assistance to the employee to acquire the higher qualification in his/her area of work is a tool used for the development of the employee.

Most of the organization provides such facility to their employees to get the additional qualification. The employee concerned selects his educational plan. Company as per their policy on the Educational Assistance, provides the employee an assistance either by reimbursing
the full or the part fees required for the course. Similarly the employees are allowed to work in a particular shift so as to make him / her able to attend the evening classes or provide a time for study. Some organization also gives the special leaves to the employees for appearing in the examination.

The same benefits the organization by getting the well-qualified employees as well as it is also used as an employee retention tool. The organization takes the employment bond for the fees paid for the education of the employee. If the employee leaves in between or after completion of the additional qualification then the fees paid by the organization is recovered during the final settlement of the employee.

Overall, this helps the employee to increase their qualification so that they can also grow in the organization. At the same time the company also gets an educated employee, increase the number of qualified employees and also keep retention of the employees.

1.04.11 - HR Policies and procedures:

Every organization have HR Policies and procedures well defined so that all the employee follow the same rule in the company at all locations and the uniformity is maintained in the organization. This also helps to create a transparency in the organization and maintain good relationship and satisfaction among the employees.

Absence of such policies creates lot of confusion in the organization and among the employees. The HODs then misuse their authority for various activities and knowingly or unknowingly the differentiation is created in the organization. That makes the employees unhappy and un-satisfied. This also creates a political culture in the organization. Employees who
get better facility and favoritism, feel that this is possible only because of the power of their HOD and this kind of feeling in the employees creates power game among the HODs in the organization. In this process, the malpractices start in the organization where employees take undo advantages of non-availability of the policies and the company suffers or looses a lot in this process.

The following are some policies which are essential for any company to have properly documented and defined:

General HR Policies: -

1. Recruitment
2. Appointment And Probation
3. Joining Formality And Induction
4. Outside Employment
5. Talent Referral
6. Work Attire
7. Working Hours and Attendance Policy
8. Performance Management
9. Exceptional Recognisition Award
10. Compensation Policy
11. Learning And Professional Development
12. Disciplinary Policy
13. Grievance Handling Procedure
14. Local Conveyance
15. Domestic Travel
16 International Travel Policy
17 Visa Sponsorship
18 Transfer Policy
19 Exit Policy

Policies related to EMPLOYEE BENEFITS

20 Leaves and Holidays
21 Maternity Benefits
22 Provident Fund
23 Gratuity
24 Employee State Insurance
25 Superannuation
26 Mediclaim
27 Accidental Death And Disability Insurance Policy
28 Housing Assistance Policy
29 Telephone And Cell Phone Policy
30 Home Office Arrangement
31 Salary Advance
32 Vehicle Loan
33 Household Effect Loan
34 Hardship Loan
35 Housing Loan Scheme
36 Marriage and New Arrival Gift
The above given policies are prepared and circulated to all the employees in the organization so that every one is aware on their eligibility and company practices on various aspects.

The same is put in a form of policy manual and it is also given to the new employee on his joining the organization so that he also understands the policies and procedures in the organization and follow the same.

The main benefit of the Policies and Procedure manual is to bring the transparency and openness in the organization so that unnecessary time is not wasted on discussion on the same for case-to-case basis.

1.04.12  - Exit Appraisal :

The exit appraisal is carried out to obtain the assessment on the organization procedures, practices, culture, etc and also to understand the reason of employee’s leaving the organization.

Every employee resigning and leaving the organization is given a Exit appraisal form which normally obtains the information from the employee on the following in relation to his job, superior and the company :-

- What factors have led the employee to decide to leave the company?
• What factors were most important in choosing his new job?
• What are his views on the management?
• What is the management doing incorrect according to him?
• Did he feel that he was given enough support in his job?
• What he liked most about the company and what he liked the least?
• What are his views on the way the company deals with the employees? How could the company improve effectiveness and morale?
• When he started working for the Company, how long did he intend to stay?
• Under what conditions he would have stayed back with the company?
• What sort of employment he is taking up now with which company and at what additional benefits / compensations / conditions?
• What additional training he wanted for his development?
• What did he like most about working in the company?
• What did he like least about working in the company?
• What are his suggestions for improving the company as a excellent place to work?
• Would he recommend other professionals, his friends to join this company for a career?
• Would he be interested in joining again in the future if proper opportunities are created?
• What according to him is the most ideal/progressive company in India of work for? (Give three Company’s name in order of priority).

The feedback received to the above questions from the employees leaving the organization are evaluated critically and the same information is used for correcting the systems in the organization.
This is used as an improvement tool for the points, which requires attention of the organization, which were the points of concern to the employee or the points triggered the employee to start his search for new job. Similarly, a personal meeting is also conducted with the employee by the HR head and also by the concerned departmental head to understand the reasons of his/her leaving the organization. In order to know the actual reason the question should be asked as, when did you thought of leaving the company and why? Instead of why are you leaving?. It also could be continued as whay we could have done to retain you?. Normally, after such meeting and the exit form, an action plan is prepared on the gray areas so that the same dose not repeat to another employee.

1.04.13 - Balance Score Card

The Balanced Scorecard (BSC) provides executive with a comprehensive framework that translates the company’s vision and strategy into a coherent set of performance measures. Many companies have supplied mission statement to communicate fundamental values and beliefs to all the employees. The mission statement addresses the core beliefs and identifies the target markets and core products. The balance scorecard translates mission and strategy into objectives and measures, organized in to four different perspectives; financial, customer, internal business process and learning & growth. The scorecard provides a framework, a language, to communicate mission and strategy; it uses measurement to inform employees about the drivers and drivers of those outcomes, senior executives hope to channel the energies, the abilities and the specific knowledge of people throughout the organization towards achieving the long term goals. The balance scorecard provides managers with the instrumentation they need to navigate to future competitive success.
1.04.14 - Climate Survey:

The climate survey works like a thermometer for the company to find out the perception of the employees in the organization on the various aspect like employee satisfaction, company Policies, procedures, etc.

The climate survey helps to –

- Evaluate the company’s strengths and weaknesses
- Evaluate the management team’s strengths and weaknesses
- Identify organization-wide issues and solicit ideas for corrective action
- Improve goal setting, role clarity & performance management for individuals
- Ensure employee involvement in achieving the organizational vision, goals & strategic objectives
- Increase job satisfaction & overall satisfaction level of employees
- Increase employee retention & reduce recruitment costs

Organizational Climate Study is also referred to as Employee Satisfaction Survey, Perception Survey, Opinion Survey, and Morale Survey etc.

The employees trust an inside party more, as it is their own agency & hence the employees will give a true / real feedback
1.04.15  **Job Evaluation and Classification:**

In absence of structured job evaluation, often it results in bunching of jobs with a lack of appreciation of the finer differences in the relative importance of the jobs. This often leads to discontents. The same happens in most of the organizations.

Therefore to carry out the job evaluation and classification, exercise is necessary at all the levels of the people in the organization to ratify and grade the jobs based on the objective parameters. This helps people for their placement in the rightful cadres. By implementation of this tool, the companies try to introduce objectivity in the process, otherwise which is normally on subjective judgment due to the difficulties of both real and perceived.

Job evaluation is the systematic determination of the comparative ranking of the jobs within an organization, i.e. how much higher or lower in to the organization; one job is compared to another.

This exercise is carried out by observing the following basic principle of job evaluation such as:

- It is the job which is evaluated, not the person doing the job,
- It is the comparison of jobs based on the accountability, know-how and problem solving ability of the individual in the position
- Pooled judgments of the panel of trained people, etc.

After completion of the exercise, the people doing the jobs of higher grades are promoted to the next level. Based on the job evaluation and classification, an organization chart is evolved which is required to perform the present level of business and the same is shared with each
and all concerned in order to develop their confidence and bring transparency in the system and the organization. The balance upgradations are done by strictly following the frozen organization structure depending upon the ability shown by the individuals.

The companies believe in the open communication and the employees in the positions are regularly given the communication based on their performance. The employees in the organization also believe that, they may not get promoted to the next level, not because they are incompetent, but, it is because of absence of the position to that level. Similarly, employees in the same level in the organization also understand that, if one get promotion and others do not, it doesn’t mean that, the promotee is much superior than him. Actual reason could be, yes he is superior and fit for the next level, as well as there is a vacancy or requirement of the next higher level as per the organization structure.

**1.04.16 Human Resource Records and Reports:**

Decisions regarding people are vital to any organization. The key to making the right people decision is having the correct data on which such decisions are based. The Human Resource Management System (HRMS) establishes a single source of such human resource data and eliminates problems in their collection, storage, maintenance and retrieval. The core of the HRMS is the employee data base which comprises of the complete details of each employees right from his name, sex, date of birth, date of joining, previous history, qualification and his all the relevant information like his annual appraisal, salary increments, etc.
All these are the important Human Resources practices followed by the industries. The two industries, which are in reference to the researchers work, are also practicing most of the human resources practices in their industries.

All these Human Resources practices were earlier being ding in non-structured manner under the name as welfare practices in the organization. Under the Human Resources practices, the same are implemented and practiced with structured approach.

All these Human resources practices including the pay role, employee welfare, etc are now done by the Human Resources Manager, in order to ensure the right induction of the employees in the organization and their retention.
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